

Market Analysis

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Inside Market Analysis

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Summary and Recommended Investment Strategy.

Investors appear over-optimistic, expecting a quick “V-shaped” recovery. End of June tax loss selling in Australia may offer a short to medium term buying opportunity, but the best buying opportunities may still be 3-12 months in the future. Remain invested in the recommended portfolio.

Investment Outlook.

The **International Monetary Fund** is forecasting that “The Great Lockdown” will result in global output falling 3.0% this year but bouncing back 5.8% in 2021. Output from advanced economies is forecast to dip 6.1% this year and recover 4.5% next, while Emerging economies will dip only 1.0% this year and grow 6.6% in 2021. This is consistent with widespread expectations of a “V-shaped” or “U-shaped” recovery .

We believe this is too optimistic and that the downturn will be deeper and that the eventual recovery will be slower.

It is still too early to be aggressively buying shares. The economic lockdown is uncharted territory - and it is uncertain how many things will work out - but it is possible to make some intelligent assessment about how some sectors will react and how that could present future investment opportunities. For example:

Crude Oil

The stay at home lockdown has reduced demand for petrol and diesel and closing borders has reduced air travel and the demand for aviation fuel. So stocks of refined products have increased, refineries have closed and stocks of crude oil have also increased. Onshore storage is approaching capacity and oil tankers are being used not for *transport* but for offshore *storage*.

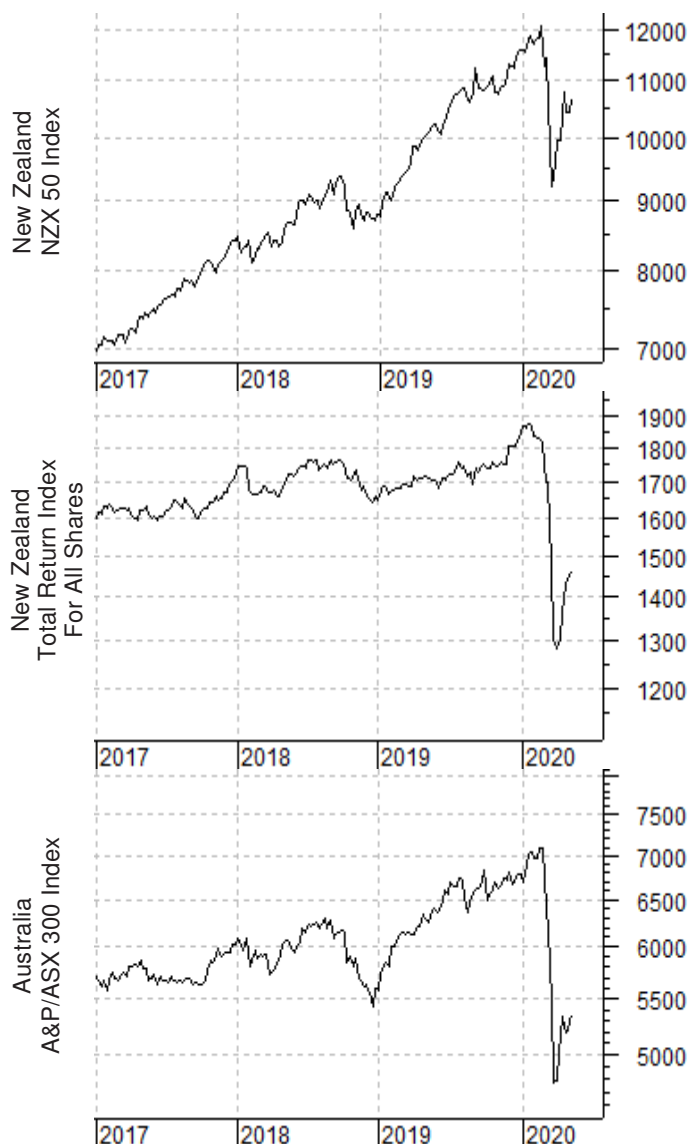
This lack of storage capacity sent expiring West Texas Intermediate (WTI) oil futures contracts to *negative* prices near the close of trading last month. This futures contract is for *physical delivery* of oil at Cushing, Oklahoma. With storage and pipelines near capacity, holders of these futures contracts who were *unable to take physical delivery* of oil needed to pay others to take those contracts off their hands!

This is not just a local problem. All around the world, as oil storage tanks approach full capacity, the price of locally produced oil will fall towards zero or below. So oil production must quickly drop to match current very low demand. Many wells that are closed in the near future will never be re-opened and, as we have discussed previously, there is very little long term oil exploration

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Stockmarket Forecasts

	One-Month	One-Year
Australia:	83% (Bullish)	54% (Neutral)
New Zealand:	80% (Bullish)	50% (Neutral)



Investment Outlook

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(i.e. no significant new supply in the next five years).

So what happens next in the oil market? Firstly, spot prices will fall low enough - to zero, or negative (if necessary) - to force production down to current demand levels. There is no surplus storage capacity to store excess “cheap” oil until demand recovers.

Secondly, when we return to work and are allowed to fly, the demand for oil will recover and even if that demand recovers slowly (i.e. slower than the IMF recovery forecast) then the current historically high oil inventories will likely be depleted by mid-2021. Some oil wells can be re-opened, but there is no new supply. From late 2021 there is likely to be an oil shortage, lasting many years, with rising oil prices.

So oil company shares will be poor investments over the next year, but companies with production capacity and oil reserves will likely be excellent recovery investments from mid-2021.

An oil shortage and higher prices from mid-2021 should also increase interest and demand for renewable energy and renewable energy minerals.

Spot oil prices should remain very low for at least the next 3-6 months. The investment opportunity here is Tanker companies, as ships are being hired as floating storage. If you have storage capacity, then oil offers an arbitrage trade. With \$48 million to invest a hedge fund or investment bank can buy 2.0 million barrels of oil in the spot market at \$24 (or lower) and sell it in the futures market at \$29 (for delivery in three months) and hire a VLCC (Very Large Crude Carrier) at US\$65,500 per day to store it. That trade generates a profit of \$10 million on the oil, less the \$6 million cost of hiring the tanker, or \$4 million net, an 8% return over three months (36% compounded over a full year).

A newer VLCC will be used for transport, so an older VLCC used for storage could be worth \$20-30 million so the current hire rates are an 80-100% return on assets - and perhaps a 200% pre-tax return on equity - for the tanker companies.

We don't have \$48 million to buy a tanker full of oil but the best investment here is probably to buy the oil tanker company stocks, most of which are non-US companies but listed on US markets (STNG, TNK, DHT, DSSI, EURN, FRO, NAT).

Gold and Gold Mining

The current Central Bank money printing will be inflationary . . . but not for 2-3 years until the economy recovers when Gold and Gold Mining shares could become very attractive investments!

In the shorter term, Gold and Gold Mining shares are still attractive investments. The price of Gold is appreciating, probably as investors buy Gold as a hedge against uncertainty (and with low real interest rates). Central Banks hold very little of their reserves in Gold, but with the current massive expansion of their balance sheets, any seeking to maintain even that small percentage would be large buyers of Gold. One of the major costs of Gold Mining is energy - mainly as diesel to run diggers and trucks and generate electricity in remote locations - so the lower oil price should help improve gold mining margins. Gold and Gold Mining shares are very small markets. Gold Mining shares make up less than 0.5% of the world's total stock market capitalisation - so it would only take a *small percentage* of investors

allocating a *small percentage* of portfolios to this sector to significantly move prices.

Finance and Credit

Most people are experiencing lower incomes, with businesses closed and unemployment (or government employment support) at high levels. In this situation, defaults on mortgage, credit card and consumer debt start to rise significantly. So Banks and Finance businesses are not attractive and will likely experience higher bad debts (i.e. falling profits) over the next year. Ultimately - perhaps from early 2021 - this will be good for Debt Collectors (e.g. Australian listed Credit Corporation - CCP - and US listed ECPG and PRAA) although in the short term these businesses will also suffer. Credit Corporation is also involved in direct consumer lending (not just collecting external debts) and that part of its business will suffer in the months immediately ahead.

Credit cycles are “self reinforcing”. Despite Central Bank easing, commercial banks are currently (1) tightening credit criteria and (2) raising lending margins in response to potential increased loan losses. This tightening of credit availability slows the economy and causes defaults. This “confirms” the banks were correct to tighten credit and they will tighten more. This is how credit swings in a pendulum from extremes between *easy* to *tight* conditions and this is taking the global economy from a sharp Covid-19 *depression* to a long *recession*, not a *recovery*!

Air Travel

Airline stocks are a popular recovery situation - but not something that we are able to get very excited about. This sector was seldom able to operate profitably in the past and the future looks more difficult. Demand will likely remain depressed for some time. That could result in fares remaining low (i.e. owing to *potential* excess capacity, even if some airlines are allowed to fail) and empty seats (i.e. low loadings) resulting in depressed operating margins.

Some European low cost airlines have indicated they will pursue low pricing in the near future - to force out weaker competitors - in the hope of higher (i.e. profitable) prices in a few years . . . but a company failure does not permanently take assets out of operation. In a company failure, existing shareholders can be completely wiped out (and debt holders can take a loss), but the assets will likely be acquired by a new owner *at a lower cost* and re-enter the market with a more competitive lower cost structure. This strategy to force out weaker competitors *could* ultimately result in *increased* competition.

So airports? Those monopoly businesses that leveraged up their balance sheets with debt to make large distributions? And then needed to raise additional capital (to reduce those debts) after the crisis?

In future, if an airport raises debt to distribute cash to shareholders then those shareholders may *lower* the valuation of this less resilient business, rather than bidding it to new highs. And the current crisis may change public (and legislative) attitudes to monopoly businesses and/or companies leveraging their balance sheets with debt to make cash distributions and/or share repurchases. Many businesses will fail and/or need large bailouts in the near future and this current crisis may result in high debt levels becoming unpopular and/or share repurchases being banned and/or monopoly

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Recommended Investments

Cavalier Corporation reports Australian revenues for the March quarter were above the previous year, but declined in April. New Zealand retail sales have ceased since 26 March but manufacturing operations are “progressively opening” since 27 April.

At many other companies, directors are taking a 20% pay cut. At Cavalier Corporation the directors are taking 20% of their fees in (depressed?) shares!

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Portfolio of Recommended Investments

CURRENT ADVICE	Company	Initial Recommendation		Performance 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 %	
		Code	- Date -										Price
NZ Shares													
BUY	CDL Investments Ltd	CDI	12/01/99	25.0	C	278.1	1.3	2.46	6	6.5	75	43.3	+373%
HOLD	Cavalier Corporation	CAV	05/12/95	156*	C	68.7	2.3	0.09	7	Nil	18.0	282.0	+92%
HOLD	Colonial Motor Company	CMO	10/11/92	128*	B	32.7	0.4	0.21	9	10.7	585	657.8	+871%
HOLD+	South Port New Zealand	SPN	13/02/96	120	C	26.2	0.3	3.99	18	5.4	669	336.3	+738%
HOLD	Steel & Tube Holdings	STU	08/08/00	139*	E	166.0	1.3	0.21	10	11.2	62	351.1	+197%
Australian Shares (in Aust cents)													
HOLD	Acrux Limited	ACR	12/05/14	99.0	C	166.7	2.5	4.25	NE	Nil	13.5	14.0	-72%
BUY	Ardea Resources	ARL	13/01/20	54.5	C	117.3	2.2	NA	NE	Nil	26	Nil	-53%
HOLD	AJ Lucas Group	AJL	13/05/03	107*	E	1462.7	4.2	0.31	NE	Nil	5.2	36.4	-61%
HOLD+	ALS Limited	ALQ	12/10/99	72.3*	B	482.4	0.5	1.86	17	3.5	640	358.4	+1281%
HOLD	Atlas Pearls & Perfume	ATP	14/05/96	73.0	D	424.8	15.6	0.16	NE	Nil	0.6	17.5	-75%
HOLD+	Brickworks Ltd	BKW	12/11/12	1115	A	149.9	0.4	2.17	9	4.3	1330	320.5	+48%
HOLD+	CardieX Ltd	CDX	11/11/13	15.0	D	695.5	7.2	3.92	NE	Nil	2.2	Nil	-85%
HOLD	CPT Global Ltd	CGO	10/03/08	88.0	B	37.8	3.1	0.12	3	8.3	9.0	20.0	-67%
BUY	Cynata Thera.	CYP	13/03/17	50.0	E	101.9	1.2	NA	NE	Nil	71	Nil	+41%
BUY	Elixir Energy	EXR	07/12/19	4.2	D	500.9	6.4	NA	NE	Nil	2.6	Nil	-38%
BUY	Ellex Medical Lasers	ELX	14/03/06	49.0	C	143.6	1.3	0.91	NE	Nil	52	Nil	+5%
HOLD+	FBR Limited	FBR	07/07/17	13.5	D	1798.0	7.0	92.69	NE	Nil	2.3	Nil	-83%
HOLD	Fiducian Group	FID	11/02/08	260	A	31.4	0.7	2.95	14	4.9	459	139.6	+130%
BUY	Finbar Group Ltd	FRI	12/04/10	106	B	272.1	1.1	1.08	16	9.8	62	77.5	+31%
BUY	Greenland Minerals	GGG	11/11/19	11.0	D	1191.0	2.7	NA	NE	Nil	11.5	Nil	+5%
HOLD	Ignite Ltd	IGN	08/04/03	82.2*	C	89.6	7.3	0.01	NE	Nil	2.0	70.5	-12%
HOLD	Iluka Resources Ltd	ILU	12/10/04	471	A	422.8	0.5	2.59	11	1.8	730	314.0	+122%
HOLD	Integrated Research	IRI	14/01/08	40.0	A	171.9	0.5	5.47	25	2.3	321	66.8	+869%
HOLD	McMillan Shakespeare G	MMS	07/11/16	1041	B	77.4	0.6	1.10	7	10.1	731	247.0	-6%
HOLD	Michael Hill Int'l Ltd	MHJ	11/06/91	4.4*	B	387.8	1.7	0.23	8	11.9	34	72.3	+2289%
HOLD+	Mt Gibson Iron	MGX	10/11/14	44.0	B	1157.7	1.6	2.53	10	6.4	63	9.0	+63%
HOLD	Opthea Limited	OPT	10/02/04	188	B	269.2	0.7	NA	NE	Nil	290	65.0	+89%
HOLD	OZ Minerals	OZL	14/03/16	522	B	324.2	0.5	2.54	17	2.6	869	71.0	+80%
HOLD+	Prophecy International	PRO	08/09/08	26.0	B	64.0	1.3	3.90	NE	Nil	65	24.5	+244%
HOLD+	Reckon Limited ¹	RKN	08/08/16	141	A	113.3	1.2	0.88	8	8.5	59	13.0	-19%
HOLD	SIV Capital Ltd	SIV	13/11/17	740	C	39.3	1.4	0.10	NE	Nil	58	10.0	-91%
BUY	St Barbara	SBM	12/08/19	396	A	703.1	0.6	2.79	13	3.1	261	8.0	-32%
HOLD	The Reject Shop Ltd	TRS	11/01/05	250*	B	38.2	0.6	0.13	NE	2.9	345	506.7	+241%
HOLD	Village Roadshow	VRL	10/08/09	71.1*	C	195.2	0.7	0.39	NE	2.6	195	289.3	+581%
HOLD+	Woodside Petroleum	WPL	08/04/19	3410	B	954.4	0.5	2.98	14	5.9	2189	136.4	-32%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +218.1%. This is equal to an average annual rate of +18.9%, based upon the length of time each position has been held.

The average annual rate of gain of ALL recommendations (both the 35 current and 173 closed out) is +26.6%, compared with a market gain of +3.2% (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) Reckon Ltd's return includes 1/3 share of GetBusy plc (GETB) worth 67.5 pence (128.2 Aust cents).

Recommended Investments

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Steel & Tube Holdings directors and senior executives are taking a 30% pay cut during *Alert Level 4* and a 20% cut during *Level 3*.

The company is also restructuring to match an expected lower level of economic activity after the current Covid-19 situation. Permanent positions will be reduced by around 150-200.

Steel & Tube Holdings



Australian Shares

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

Ardea Resources has cut director's fees by 20% in response to Covid-19 and full-time staff are working 20% less hours for 20% less pay.

Cash at the end of March was \$9.2 million (7.8 cents per share).

The company continues to enhance its Nickel-Cobalt project, targeting nickel grade greater than 1% for at least the first 15 years for a 2Mtpa processing plant.

It is identifying high grade (i.e. greater than 1% nickel) nickel carbonate and nickel serpentine as neutraliser for the *Pressure Acid Leach* process - reducing costs and increasing Nickel production.

In addition to Gold, the company is also looking at Rare Earth Elements, Platinum group metals and other elements that *could* be extracted as valuable by-products.

Ardea Resources



AJ Lucas Group reports that its *Lucas Drilling* division “continues to operate with revenues largely unaffected” by Covid-19 and “in line with expectations“. The demand for drilling services is expected to remain at “current strong levels“. Non-operational staff are working from home where possible.

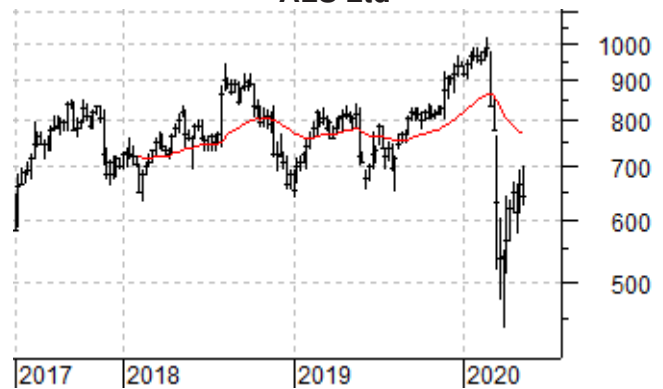
AJ Lucas Group



ALS Ltd reports it “is well positioned to navigate the financial impact of the Covid-19 pandemic” and has increased its debt facilities by \$200 million. Less than 10% of laboratories were shut down but several of these have re-opened as “essential businesses”.

The company is “in the final stages of developing new *real-time* polymerase chain reaction test kits for the detection of the Covid-19 virus in human and on surface samples“. Currently the company processes “commercially available kits” in its Life Sciences laboratories with a five hour turnaround time.

ALS Ltd



Atlas Pearls' receipts for the March quarter were \$2.3 million. In April it sold a further \$1.7 million of pearls. The international pearl market has contracted with “major jewellery shows and pearl auctions cancelled globally”.

The debt repayment due 30 April of \$500,000 or \$750,000 (as reported by the company on different dates) has been delayed until 29 May, with negotiations over the full \$2.5 million loan repayment schedule continuing.

Atlas Pearls



CardieX Ltd reports a “major milestone” by “determining that we can extract a waveform from a PPG sensor that is equivalent to our *SphygmoCor* derived

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waveform”. This will allow “medical grade data to be remotely obtained from a wearable device”.

This will also lead to the development of the *CardieX Sensor Development Kit (CDSK)* and the *CardieX* algorithms which will be available to third party device makers using the PPG sensors. This will generate licencing revenues.

Blumio (a joint development partner, in which *CardieX* has a 10% shareholding, increasing to 17.5% on certain milestones) has partnered with **Roche** to investigate the feasibility of including *Blumio's* sensor technology in Roche's “next generation diagnostic devices”. *Blumio* also has an agreement with German **Infinion** to integrate the *Blumio* sensor technology into *Infinion's* semiconductor chips.

CardieX Ltd



Cynata Therapeutics (as we reported in an email update) has raised \$3.55 million from the placement of 3,333,333 shares at 60 cents and is now seeking to raise \$2.0 million in a *Share Purchase Plan* at 60 cents.

Shareholders can apply for between \$1000 and \$30,000 worth of new shares, but with 2780 shareholders the \$2.0 million issue is an average of only \$720 (1200 shares) per investor. Perhaps only 10-20% of shareholders will apply which would be an average of \$3,600-7,200 per investor.

This offer is at a 20% discount to the current market price so if you have cash and want to increase your holding in *Cynata Therapeutics* then we recommend applying for shares in this SPP. The offer closes on 15 May.

Cynata Therapeutics has received approval for a clinical trial of *Cymerus* MSCs in 24 adults admitted to intensive care with Covid-19 in New South Wales. 12 patients will receive infusions of MSCs while the control group will receive the current standard of care. The study will look for improvement in the PaO₂/FiO₂ ratio by Day 7 and safety and tolerability up to Day 28.

The company is also looking for “opportunities to expand this Covid-19 trial to other jurisdictions”.

Cynata Therapeutics



Elixir Energy has raised \$1.75 million from the placement of 87,500,000 shares at 2.0 cents and is now seeking a further \$250,000 from a *Share Purchase Plan* at 2.0 cents.

Elixir Energy has 1400 shareholders, so the \$250,000 SPP is an average of just \$180 per investor. If only 10% of shareholders apply for shares this would be about \$1800, but it is likely that applications will be heavily scaled. Documentation will be mailed on 11 May and the SPP will close on 22 May.

Elixir Energy has completed regulatory work for the next phase of its exploration and has also selected last year's local contractor, **ErdeneDrilling LLC**, following the mandatory tender process.

Final gas analysis from the *Nomgon-1* gas discovery has been delayed owing to travel restrictions but is expected by mid-year.

The capital raising will finance further exploration including (1) a second fully tested core hole, plus a low cost chip-hole, in the same sub-basin as *Nomgon-1* gas discovery, providing more data for a maiden contingent resource estimate later this year, (2) exploration chip-holes in two new sub-basins (one close to the electricity transmission lines to **Rio Tinto's Oyu Tolgoi** copper mine) and (3) subject to funding, a targeted 2D seismic program.

Cash in the bank at the end of March (i.e. before the \$2.0 million placement and SPP) was \$0.9 million (0.2 cents per share), but the company also owns a US subsidiary with its only asset being a US\$580,000 cash bond pledged to a third party. *Elixir Energy* is seeking to have this cash bond released, although this is uncertain.

Elixir Energy



Ellex Medical Lasers' shareholders have approved the sale of the Laser and Ultrasound businesses to **Lumibird Group SA** and the name change to **Nova Eye Medical** . . . but the **Australian Competition and Consumer Commission** will commence a public review of the acquisition with “an indicative decision” on 25 June. We expect that this sale will be approved, but it delays the completion and settlement and the cash distribution to shareholders.

Nova Eye Medical is already assessing “potential product acquisitions”, expects to complete “at least one acquisition” in the June 2020 year (i.e. this month or next month, although perhaps delayed owing to the Laser and Ultrasound sale delay) and to “build a portfolio of products within the high growth glaucoma consumable device market”.

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Recommended Investments

(Continued from Page 5)

Ellex Medical Lasers



Fiducian Group has acquired a regional financial planning business in Gippsland, Victoria, with \$56 million of Funds under Advice. The total acquisition cost, including deferred consideration, is estimated at \$435,000.

Fiducian Group



Greenland Minerals has completed additional Environmental Impact Assessment (EIA) studies, which were independently reviewed in April, and submitted to the Greenland Government's **Environmental Agency for Mineral Resource Activities** which will take eight weeks to review and (hopefully) approve these studies. This will be followed by a public consultation process.

The government has also formally approved the company's resource and feasibility reports, "one of the main requirements for the granting of an exploiting (mining) license under Greenland's *Mineral Resource Act*".

Cash on hand at the end of March was \$7,774,000 (0.7 cents per share), down \$825,000 for the quarter.

Greenland Minerals



Iluka Resources reports March quarter Mineral Sands production of 261.5 thousand tonnes, down 4.2% on the

December 2019 quarter but up 32.6% on the March 2019 quarter.

Sales were 156.7 thousand tonnes, down 40.1% from the December 2019 quarter and down 21.8% on the March 2019 quarter.

Sales were \$232.2 million, down 41.2% on the December quarter and down 7.2% from the March 2019 quarter.

Covid-19 will likely impact global demand for Mineral Sands, but "take-or-pay offtake agreements for high grade titanium feedstock production provide a high degree of revenue certainty for sales of titanium dioxide feedstocks". Sierra Rutile remains operational, but the country's borders are closed.

The demerger of the Iron Ore royalty business "will proceed when it is practicable to do so".

Iluka Resources



Mt Gibson Iron reports cash at the end of March of \$402 million (34.7 cents per share).

Koolan Island produced a cash deficit of \$6 million, after spending \$16 million on waste stripping and \$5 million on the new airstrip. That was also depressed by a shipment in late March, worth about \$9 million that was paid in early April (i.e. the current quarter). High expenditure "bringing forward procurement of critical spares and consumables to avert potential supply chain interruptions" also depressed cash flows.

Production and sales will be higher in the June quarter.

Mt Gibson Iron



Michael Hill International reports same store sales were up 5.7% for the year through to the end of February, but were up only 1.5% by the end of March - indicating that sales had already fallen sharply *before* stores closed on 23 March. Nine month total sales were up 0.6% at \$432.0 million.

Website sales were up 49% for the quarter, but still only 3.6% of total revenues. The company has "sufficient

inventory to meet forecast demand” for website sales during the closure.

Directors fees have been cut by 50% and executive salaries by 20%.

Michael Hill International



McMillan Shakespeare reports “inquiry levels for new novated leases has continued to decline since our last update”. The directors and senior executives have reduced their remuneration by 35%.

McMillan Shakespeare



OZ Minerals held \$61 million in cash at the end of March (plus debts of \$150 million) but expects cash to exceed debts in the current quarter as operating cashflows increase. In fact, \$118 million was received during the first two weeks of April in payment of late March deliveries.

The company, however, has increased its revolving credit facility by \$480 million.

OZ Minerals



Prophecy International Holdings has released *Snare Central 8.2*, an update which is “a massive leap forward visually”, with “an all new dashboard graphical user interface” for “an improved user experience”.

The company has 400 current *Snare Central* users and 3500 other *Snare* users.

Prophecy International Holdings



SIV Capital plans to make a 30.0 cents per share “return of capital” to shareholders on 18 June. This distributes \$11,780,375 to shareholders and should be non-taxable to NZ resident shareholders.

The rundown of the *GoGetta* business has “performed to expectations, delivering profits and positive cash flows”. Around 1000 customers are paying their weekly rent with no material economic impact from Covid-19.

Cash on hand as at 31 March was \$21.1 million (53.7 cents per share) so the capital return will leave the company with \$9.3 million (24 cents per share) in cash, some future net cashflows from the *GoGetta* liquidation of about \$13.3 million (34 cents per share) over the next 12-15 months, plus \$39 million in tax losses and \$25 million in franking credits.

The tax losses (worth \$11.7 million in future tax savings) and franking credits would have value if the remaining SIV Capital cash shell was used in the “reverse-takeover” of a profitable business that wanted to list on the Australian stockmarket.

That is a total potential cash liquidation value of about 88 cents (58 cents after the capital return) and a total value of perhaps up to 110-115 cents (80-85 cents after the capital return) from distributing franking credits (to Australian investors) and utilising tax losses through a reverse takeover.

SIV Capital



St Barbara reports that its last ventilation shaft “encountered difficult ground conditions which damaged the reaming head” (i.e. a rotary cutting head). Cutting has resumed but the shaft will now be completed “at the end” of the current June quarter - delaying the increase in ore volumes mined.

The company will spend \$5.4 million on a final Feasibility Study and Environmental and Social Impact Assessment for the *Simberi Sulphide Project*. This will utilise existing infrastructure (i.e. the airport, power station, semi-autogenous (Continued on Page 12)

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

For an explanation of this table see the *Share Selection Methods* report 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	Short Interest	Price to P/E	ROE	Volatility			P/E Ratio	Div Yield	PS Ratio	Share Price	Cur- rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Brokers Following	Short Interest		Price to P/E	ROE	Volatility	P/E Ratio	Div Yield	PS Ratio		
UNDER-VALUED SHARES: Lowest Price/Sales, Yld > 0, Rel Strength > 0																															
The Reject Shop	345	+1.8	-14.9	10	8-0	2	0.3	0.7	-	0.5	NE	2.9	0.13	132	Pental Limited	38	+10.8	+2.8	5	5-0	-	-	1.2	4	0.6	27	5.3	0.34	52		
Pental Limited	38	+10.8	+2.8	5	5-0	-	-	1.2	4	1.2	27	5.3	0.34	52	Marmota Ltd	4	+18.6	-3.9	3	5-0	-	-	-	-	2.0	NE	Nil	N/A	31		
Big River Ind.	137	+2.1	-7.9	9	0-0	1	-	-	-	0.7	19	3.2	0.34	75	Absolute Equity	110	+4.4	-1.0	7	4-0	-	-	1.0	-	0.4	NE	4.1	N/A	111		
Embelton Ltd	1200	+2.3	+1.8	9	0-0	-	-	1.7	8	0.3	20	3.3	0.45	26	Coles Group	1520	+2.8	-2.6	9	4-0	-	0.4	-	-	0.4	19	1.6	0.53	20,276		
Data 3 Ltd	433	+5.0	-7.5	7	2-1	2	-	25.5	69	0.6	37	2.5	0.47	667	Credit Int.	3	+48.3	-7.6	1	4-0	-	-	-	-	2.6	53	1.7	4.64	28		
Coles Group	1520	+2.8	-2.6	9	4-0	-	0.4	-	0.5	19	1.6	0.53	20,276	Gullewa Ltd	6	+28.6	+13.4	2	4-0	-	-	-	-	2.0	9	Nil	5.26	9			
Salmat Ltd	72	+9.0	-7.2	5	0-0	-	-	5.1	-	1.1	2	1.4	0.57	144	Freehill Mining	3	+45.9	+10.6	1	3-0	-	-	-	-	2.9	NE	Nil	N/A	14		
Bega Cheese Ltd	508	+3.8	+2.4	8	3-1	7	5.3	1.6	4	0.7	39	2.2	0.65	1,088	Big River Gold	3	+20.5	+4.2	3	3-0	-	-	-	-	2.4	NE	Nil	N/A	36		
Elders Limited	922	+14.4	+0.6	4	3-0	5	1.8	10.2	69	0.4	15	2.0	0.66	1,435	Theta Gold Mine	23	+13.8	-3.5	4	3-0	-	-	-	-	0.8	NE	Nil	N/A	82		
Korvest Ltd	370	+0.7	-5.8	11	1-0	1	-	1.4	10	0.4	14	4.3	0.68	41	Fortescue Metal	1204	+6.8	-2.8	6	3-0	18	1.4	3.0	9	0.3	32	1.9	4.03	37,071		
Waterco Ltd	213	+0.7	-1.9	11	0-0	-	-	1.2	4	0.6	35	2.3	0.87	79	Elders Limited	922	+14.4	+0.6	4	3-0	5	1.8	10.2	69	0.3	15	2.0	0.66	1,435		
Asaleo Care Ltd	102	+0.5	-2.4	11	0-0	4	0.3	5.4	21	1.0	25	2.0	1.32	554	Sovereign Metal	13	+6.5	-4.2	6	3-0	-	-	-	-	1.2	NE	Nil	N/A	47		
F.F.I. Holdings	530	+4.2	-0.5	8	0-0	-	-	1.7	10	0.3	17	4.2	1.45	57	Nova Minerals	5	+4.4	+3.4	7	3-0	-	0.5	-	-	2.0	NE	Nil	N/A	50		
Probiotec Ltd	199	+1.5	-4.9	10	1-0	-	-	-	0.8	29	1.5	1.51	148	Gold Road Res.	154	+10.0	+0.3	5	4-1	7	3.1	-	-	0.4	NE	Nil	N/A	1,355			
Hi Tech Group	154	+2.4	-2.0	9	0-0	-	-	8.1	40	0.7	20	2.6	1.94	59	RMA Global	27	+0.3	-20.3	11	2-0	-	-	-	-	1.0	NE	Nil	N/A	99		
BEST PERFORMING SHARES: Strongest Shares, P/E < 20, P/S < 1.0																															
Austral Gold	16	+53.5	+11.3	1	0-1	-	-	-	-	1.4	12	Nil	0.62	90	Jindalee Res.	32	+5.0	+1.8	7	2-0	-	-	-	-	0.7	NE	Nil	N/A	11		
Quantum Health	4	+21.1	-7.1	3	0-0	-	-	-	-	3.0	16	Nil	0.80	46	Mesoblast Ltd	344	+7.6	-3.1	6	2-0	1	4.7	-	-	0.5	NE	Nil	N/A	1,848		
Elders Limited	922	+14.4	+0.6	4	3-0	5	1.8	10.2	69	0.3	15	2.0	0.66	1,435	Cryosite Ltd	8	+24.3	+8.4	2	2-0	-	-	1.3	-	1.4	NE	Nil	0.47	4		
Opticomm Ltd	466	+10.1	+1.0	5	0-0	-	-	-	-	0.5	1	Nil	0.26	485	Calidus Res.	29	+3.4	+2.6	8	2-0	-	-	-	-	0.7	NE	Nil	N/A	46		
Salmat Ltd	72	+9.0	-7.2	5	0-0	-	-	5.1	-	0.8	2	1.4	0.57	144	Vulcan Energy	20	+14.5	-3.2	4	2-0	-	-	-	-	1.1	NE	Nil	N/A	6		
Coles Group	1520	+2.8	-2.6	9	4-0	-	0.4	-	0.5	19	1.6	0.53	20,276	RPM Automotive	13	+1.0	-11.1	11	2-0	-	-	-	-	2.2	NE	Nil	N/A	1			
Big River Ind.	137	+2.1	-7.9	9	0-0	1	-	-	0.5	19	3.2	0.34	75	Zenith Energy	98	+23.1	+6.7	2	2-0	-	-	-	-	0.7	23	Nil	2.44	146			
Korvest Ltd	370	+0.7	-5.8	11	1-0	1	-	1.4	10	0.3	14	4.3	0.68	41	Alkane Explor.	78	+14.7	-6.7	4	2-0	-	0.1	-	-	0.5	17	Nil	4.17	450		
INCOME SHARES: Highest Yields, Capitalisation > A\$250 million																															
Jupiter Mines	28	-11.8	-0.0	43	1-0	-	1.7	-	-	1.2	4	26.8	2.91	549	Aurora Prop B-W	299	+8.7	-2.0	5	2-0	-	-	0.7	-	0.3	NE	4.7	N/A	6		
Alumina Ltd	153	-17.4	-3.7	60	0-0	11	4.5	1.8	36	0.6	5	21.1	N/A	4,392	Bega Cheese Ltd	508	+3.8	+2.4	8	3-1	7	5.3	1.6	4	0.5	39	2.2	0.65	1,088		
Yancoal Aust.	247	-13.8	-2.5	49	0-0	-	-	3.4	0	0.3	NE	15.8	N/A	3,255	Petratherm Ltd	6	+10.5	+1.8	5	1-0	-	-	-	-	2.0	NE	Nil	N/A	10		
Flight Centre	1076	-35.9	-10.5	96	3-0	13	9.4	1.1	-	0.3	0	15.5	0.41	1,091	Metalstech Ltd	14%	+132.5	+61.9	0	1-0	-	-	-	-	1.1	NE	Nil	N/A	16		
OM Holdings	36	-22.2	+0.2	74	5-1	-	0.0	1.5	-	1.1	1	13.9	0.18	266	Legend Mining	18	+76.6	+23.3	1	1-0	-	-	-	-	1.1	NE	Nil	N/A	415		
Bank of Q'land	483	-19.4	-4.4	66	6-0	14	8.1	0.7	10	0.4	7	13.5	0.89	2,194	Scidev Limited	80	+9.5	-13.2	5	1-0	-	-	-	-	1.4	NE	Nil	N/A	112		
SG Fleet Group	135	-23.5	-5.1	77	0-0	2	0.1	-	-	0.5	6	13.1	0.70	354	Fitzroy River	18	+1.1	-2.2	10	1-0	-	-	-	-	1.0	NE	Nil	N/A	16		
Centuria Capl	163	-8.0	-10.0	32	3-1	-	0.2	2.0	17	0.3	12	13.0	5.37	785	Korvest Ltd	370	+0.7	-5.8	11	1-0	1	1.4	10	0.2	1.4	4.3	0.68	41			
Pact Group Hold	180	-17.6	-4.7	60	13-0	5	8.1	-	-	0.4	11	12.8	0.34	619	Autero Minerals	5%	+137.7	+16.3	0	1-0	-	-	-	-	1.9	NE	Nil	N/A	62		
Redcope Hotel	71	-18.9	-7.4	65	0-1	-	-	-	-	0.7	NE	12.3	1.37	392	Sky Metals Ltd	36%	+111.5	+32.0	1	1-0	-	-	-	-	0.6	NE	Nil	N/A	19		
Westpac Banking	1551	-19.2	-5.5	65	2-0	14	0.6	1.1	16	0.4	7	12.1	1.39	56,017	CCP Technology	2	+10.1	-35.0	5	1-0	-	-	2.2	-	2.6	NE	Nil	N/A	20		
New Hope Corp.	141	-20.7	-0.7	70	2-0	5	1.1	0.7	12	0.7	6	12.1	0.90	1,173	Liontown Res.	12	+6.0	+5.2	7	1-0	-	0.0	-	-	1.2	NE	Nil	N/A	203		
Bendigo Bank	589	-20.5	-6.5	69	5-0	13	6.9	0.8	10	0.4	8	11.9	0.99	3,120	HHY Fund	5	+2.8	+1.0	9	1-0	-	-	0.4	-	2.0	NE	Nil	N/A	4		
G8 Education	91	-30.9	-6.0	91	6-0	9	6.8	-	-	0.7	5	11.8	0.45	419	Bulletin Res.	5	+23.5	+24.9	2	1-0	-	-	-	-	2.0	NE	Nil	N/A	8		
Vicinity Centre	143	-23.7	-6.8	78	2-0	9	0.7	0.5	3	0.6	16	11.1	4.19	5,318	AVZ Minerals	6	+14.7	-7.1	4	1-0	-	1.2	-	-	1.8	NE	Nil	N/A	146		
Stanmore Coal	100	-10.3	+3.7	39	0-0	-	-	-	-	0.7	3	11.0	0.64	256	Probiotec Ltd	199	+1.5	-4.9	10	1-0	-	-	-	-	0.6	29	1.5	1.51	148		
Harvey Norman	303	-15.2	-6.7	53	3-0	10	6.4	-	-	0.4	9	10.9	1.64	3,775	Tesoros Res.	5%	+146.1	+50.6	0	1-0	-	-	-	-	1.5	-	1.8	NE	Nil	N/A	14
Estia Health	150	-24.3	-5.0	80	6-0	6	4.7	-	-	0.5	9	10.6	0.66	391	Johns Lyng Grp	224	+10.2	-5.2	5	1-0	4	0.2	-	-	0.4	34	Nil	1.71	498		
Nat'l Aust Bank	1608	-18.3	-5.8	63	6-0	14	0.5	1.0	10	0.4	10	10.3	1.38	47,985	OpenLearning	21	+3.5	-8.2	8	1-0	-	-	-	-	1.3	NE	Nil	N/A	18		
ANZ Bank	1573	-17.7	-6.2	61	0-0	14	0.7	0.9	12	0.5	7	10.2	1.26	44,613	Emvision Med.	92	+4.3	-0.7	7	1-0	-	-	-	-	0.8	NE	Nil	N/A	53		
McMillan Shake.	731	-25.5	-5.7	83	2-1	5	0.5	5.0	74	0.4	7	10.1	1.10	566	Mineral Res.	1700	+1.1	-1.9	11	1-0	5	3.2	3.0	16	0.4	19	2.6	2.11	3,204		
Antipodes Gbl	95	-4.3	-1.9	22	3-0	-	-	0.8	1	0.6	68	10.0	N/A	507	West Wits Min.	1	+11.2	-8.5	4	1-0	-	-	0.4	-	4.1	NE	1.82	9			
AMP Ltd	141	-14.7	-3.0	52	4-0	11	5.3	1.0	1	0.6	125	9.9	0.26	4,846	Race Oncology	33	+49.1	-17.3	1	2-1	-	-	11.0	-	1.2	NE	Nil	N/A	2		

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

For an explanation of this table see the *Share Selection Methods* report 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	Buyer's Choice	Relative Strength	Price to NTA	Return on Equity	Volatility	Price Earnings Ratio	Dividend Yield	Price Sales Ratio	Market Cap'n	Company	Share Price	Cur- rent	4-Wk Chg.	Rank 0-99	Insider Buying	Buyer's Choice	Relative Strength	Price to NTA	Return on Equity	Volatility	Price Earnings Ratio	Dividend Yield	Price Sales Ratio	Market Cap'n
UNDER-VALUED SHARES: Lowest Price/Sales, Yld > 0, Rel Strength > 0													WORST PERFORMING SHARES: Weakest Shares, P/S Ratio > 0.25, Yield < Twice Average															
Sol. Dynamics	184	+3.4	+2.4	9	3-0	-	8.7	34	0.7	25	4.0	1.60	26	Vital Health PT	233	-58.3	+0.0	98	0-2	4	1.3	9	0.4	14	3.8	N/A	1,340	
CBL Corporation	317	+0.0	-0.0	12	0-0	-	2.9	11	0.6	25	2.2	1.91	747	Gentech Group	145	-36.9	+0.2	97	0-0	4	0.7	6	0.4	13	Nil	1.28	143	
BEST PERFORMING SHARES: Strongest Shares, P/E < 20, P/S < 1.0													INSIDER SELLING: Most Insider Selling, Relative Strength < 0															
None meet this criteria at present													Hallenstein G.															
INCOME SHARES: Highest Yields, Capitalisation > NZ\$100 million													400 -19.8 -5.3 80 0-13 - 3.2 39 0.3 8 15.3 0.83 238															
Sky Network TV	32	-35.7	-4.6	97	0-0	6	0.4	28	1.4	1	32.6	0.16	125	Akd Int Airport	568	-17.6	-4.9	78	0-3	7	1.2	11	0.3	11	5.3	9.99	6,831	
Air New Zealand	123	-29.2	-8.6	94	2-4	6	0.7	13	0.9	5	24.8	0.24	1,381	Asset Plus	40	-17.0	-5.9	77	0-0	0	0.6	3	0.6	17	9.0	4.85	65	
Kathmandu Ltd	92	-30.7	-15.1	94	0-0	4	0.5	13	0.8	4	24.2	0.38	208	Moa Group Ltd	18	-23.5	-4.2	88	0-0	1	1.5	-	1.3	NE	Nil	0.79	13	
Tourism Hold.	160	-31.7	-5.9	95	1-0	4	0.8	11	0.7	7	23.4	0.50	211	Pac Edge Bio.	11	-20.2	+1.9	83	5-1	-	4.2	-	1.4	NE	Nil	N/A	58	
Z Energy Ltd	314	-20.4	-2.8	83	3-0	5	1.4	20	0.7	7	19.0	0.23	1,256	WN Drive Tech.	12	-19.8	-2.9	81	0-0	0	5.0	-	1.4	NE	Nil	0.54	32	
Hallenstein G.	400	-19.8	-5.3	80	0-13	-	3.2	39	0.4	8	15.3	0.83	238	Kiwi Property	93	-18.0	-6.3	78	1-0	6	0.6	7	0.5	10	7.5	4.65	1,333	
Turners Auto.	166	-18.5	-6.6	79	2-1	-	0.6	10	0.7	6	14.2	0.43	144	Akd Int Airport	568	-17.6	-4.9	78	0-3	7	1.2	11	0.3	11	5.3	9.99	6,831	
NZ Refining Co	87	-28.7	-3.7	93	0-0	3	0.4	4	0.7	9	12.0	0.76	2,719	Asset Plus	40	-17.0	-5.9	77	0-0	0	0.6	3	0.6	17	9.0	4.85	65	
Steel & Tube	62	-15.8	-1.2	73	2-0	4	0.4	4	0.9	10	11.2	0.21	103	Synlait Milk	720	-16.9	-0.1	76	1-0	7	2.6	17	0.6	16	Nil	1.26	1,290	
Sky City Ltd	249	-21.4	-4.7	86	1-0	8	1.4	13	0.5	12	11.2	2.09	1,674	Oceania Health.	75	-16.1	-7.8	75	11-3	-	-	-	0.7	10	6.3	2.42	458	
INSIDER BUYING: Most Insider Buying, Relative Strength > 0													INSIDER SELLING: Most Insider Selling, Relative Strength < 0															
F & P Health.	2980	+22.2	+1.1	1	3-0	8	77.0	86	0.4	89	1.1	N/A	17,010	Heartland Group	114	-15.9	-7.6	74	0-0	1	1.1	10	0.5	11	9.1	3.98	536	
Sol. Dynamics	184	+3.4	+2.4	9	3-0	-	8.7	34	0.4	25	4.0	1.60	26	Stride Property	151	-15.6	-6.9	72	0-0	0	0.8	13	0.4	6	8.5	7.44	550	
Tilt Renewables	316	+1.5	-3.0	10	3-0	-	2.3	2	0.6	122	Nil	7.68	1,483	Scott Tech. Ltd	184	-15.4	-1.7	72	0-0	1	1.3	8	0.7	17	5.5	0.63	143	
Mercer Group	27	+3.9	-0.5	8	2-0	-	3.9	-	1.1	NE	Nil	0.60	17	AMP Limited	152	-14.7	-2.2	70	0-0	11	0.6	0	0.7	151	9.7	0.68	4,433	
Chorus Ltd	717	+9.4	-0.3	4	3-1	5	3.2	5	0.5	59	4.5	3.25	3,150															
Pushpay Hold.	643	+9.5	-0.9	4	1-0	-	29.5	46	0.6	64	Nil	N/A	1,770															
Blis Technology	9	+24.0	-1.4	1	1-0	-	23.8	-	2.9	NE	Nil	N/A	95															
Finszsoft Sol'ns	113	+0.9	+5.1	11	0-0	-	-	-	0.6	149	Nil	0.80	10															
Stn Charter F.	0	+0.0	+0.0	13	0-0	-	-	-	22.4	NE	Nil	3.24	1															
CSM Group Ltd	2	+50.8	-40.1	0	0-0	-	4.6	-	4.4	NE	Nil	N/A	10															

Australian Warrant / Option Analysis

Company	Share Price	Yr/Mth Exercise Price	to Expiry	Black-Option Price	Scholes Valuation	Option Over/Under-Valued	Share Volatility	Option Leverage	Options to Buy 1 Share	Break-Even Rate	Company	Share Price	Yr/Mth Exercise Price	to Expiry	Black-Option Price	Scholes Valuation	Option Over/Under-Valued	Share Volatility	Option Leverage	Options to Buy 1 Share	Break-Even Rate
1414 Degrees	16	35	0-3	0.6	0.1	+999	0.78	8.14	1.0	+999	Austar Gold	24	1.0	0-4	1.0	22.5	-96	1.09	1.04	1.0	-100
ADX Energy	0.6	1.5	0-6	0.1	0.0	+224	1.05	3.47	1.0	+718	Auth Inv Fund	3.0	5.0	1-1	0.6	0.8	-28	1.07	1.94	1.0	+81
Adalta Ltd	5.9	25	1-1	3.0	0.2	+999	0.83	3.29	1.0	+321	Bass Metals	0.3	5.0	0-7	0.1	0.0	+999	1.14	4.88	1.0	+999
Admedus Ltd	753	8.0	1-7	200.0	745.0	-73	1.04	1.01	1.0	-56	Bass Oil Ltd	0.1	0.4	1-2	0.1	0.1	+65	2.29	1.24	1.0	+297
Adveritas Ltd	8.6	10	1-5	4.6	3.0	+54	0.87	1.85	1.0	+46	Battery Minerals	0.6	10	3-2	0.2	0.0	+324	0.89	2.10	1.0	+145
Agency Group Aust	4.0	6.5	0-7	0.9	0.5	+69	0.94	2.84	1.0	+187	Beacon Minerals	4.1	2.5	2-3	1.8	2.1	-15	0.62	1.63	1.0	+2
Algae.Tec Ltd	0.9	5.0	0-2	0.2	0.0	+999	0.00	9.99	1.0	+999	Big River Gold	2.7	2.0	2-1	1.2	2.0	-41	1.46	1.18	1.0	+8
Altura Mining	3.8	20	1-9	1.0	0.2	+352	0.81	2.68	1.0	+166	Blackham Resources	1.0	3.0	0-4	0.1	0.0	+586	1.01	4.64	1.0	+999
Andromeda Metals	4.7	1.2	0-6	3.5	3.5	-1	1.14	1.31	1.0	+0	Blaze Int'l	1.3	5.0	1-10	0.3	0.1	+190	0.75	2.62	1.0	+115
Aneotech Ltd	2.1	3.0	2-10	1.1	1.0	+10	0.91	1.48	1.0	+27	Boart Longyear	67	2.1	4-4	1.2	64.9	-98	1.13	1.02	1.0	-50
Anteo Diagnostics	2.1	2.0	0-6	0.9	0.6	+56	0.91	2.39	1.0	+87	Brookside Energy	0.6	3.0	0-7	0.1	0.0	+442	1.20	3.21	1.0	+999
Argent Minerals	1.3	2.5	0-5	0.3	0.1	+138	1.12	3.04	1.0	+530	Bryhan Resources	2.8	30	0-5	0.1	0.0	+999	0.96	7.74	1.0	+999
Argent Minerals	1.3	5.0	1-5	0.3	0.2	+23	1.12	1.96	1.0	+170	Caeneus Minerals	0.1	0.3	0-7	0.1	0.0	+346	1.72	1.90	1.0	+977
Argosy Minerals	5.1	20	1-10	1.8	0.4	+302	0.78	2.53	1.0	+121	Candy Club	7.2	10	3-0	2.0	3.9	-48	0.98	1.39	1.0	+19
Atrum Coal	23	20	0-10	10.0	8.1	+24	0.90	1.98	1.0	+41	CardieX	2.2	5.0	1-6	0.5	0.3	+53	0.79	2.40	1.0	+84
Auris Minerals	1.6	8.0	0-6	0.1	0.0	+999	0.88	5.63	1.0	+999	Carnavale Resources	0.2	0.7	0-4	0.1	0.0	+999	1.40	3.39	1.0	+999
Ausquest Ltd	1.2	2.5	1-6	0.3	0.3	-5	0.98	1.89	1.0	+76	Castillo Copper	1.7	5.0	2-10	0.4	0.5	-25	0.91	1.66	1.0	+50
Aust Potash	5.1	12	1-2	1.2	0.5	+143	0.77	2.82	1.0	+123	Catalyst Metals	312	245	2-0	114.0	112.9	+1	0.49	2.09	1.0	+7
Aust Rural Capital	20	50	0-3	5.0	0.0	+999	0.43	9.99	1.0	+999	Centaurus Metals	22	1.2	1-0	5.0	20.8	-76	1.04	1.06	1.0	-72

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
Conico Ltd	0.6	4.8	1-1	0.1	0.0	+207	1.17	2.52	1.0	+595	Neurotech Int.	0.7	6.0	0-10	0.3	0.1	+175	1.75	1.88	1.0	+999
Constellation Res	26	20	1-2	6.6	9.8	-33	0.71	1.97	1.0	+4	New Energy Minerals	0.6	20	0-6	0.1	0.0	+999	0.98	1.00	1.0	+999
Corazon Mining	0.2	0.7	2-1	0.1	0.1	-3	1.48	1.33	1.0	+93	New Talisman Gold	0.6	5.5	2-4	0.2	0.0	+999	0.62	3.67	1.0	+162
Creso Pharma	6.3	80	0-3	0.3	0.0	+999	1.04	1.00	1.0	+999	Noas Em. Opps.	78	102	1-1	2.1	4.6	-55	0.36	5.05	1.0	+31
DXN Ltd	1.1	10	0-5	0.1	0.0	+999	0.83	8.83	1.0	+999	Norwest Energy NL	0.2	0.6	1-8	0.1	0.1	+13	1.45	1.43	1.0	+114
Davenport Resources	5.4	20	3-2	0.4	1.7	-77	0.93	1.61	1.0	+52	Norwood Systems	2.7	0.8	0-5	0.3	2.4	-87	3.55	1.09	1.0	-88
Deep Yellow Ltd	26	50	2-0	4.5	5.9	-24	0.76	2.06	1.0	+45	Nova Minerals	4.9	3.3	0-3	1.6	1.9	-16	1.05	2.19	1.0	-4
Digital Wine Ventures	0.6	1.5	2-7	0.2	0.2	+16	0.85	1.76	1.0	+50	Nusantara Res.	27	30	0-2	1.5	1.5	-0	0.64	6.44	1.0	+182
Eden Innovations	3.6	8.0	0-9	1.2	0.3	+355	0.83	3.21	1.0	+236	Oakdale Resources	0.2	4.0	1-7	0.1	0.0	+251	1.49	1.79	1.0	+574
Elixir Petroleum	2.6	6.8	0-7	0.6	0.3	+73	1.30	2.41	1.0	+499	Okajee Corporation	3.2	8.0	2-1	0.4	0.9	-54	0.93	1.81	1.0	+60
Elsight Ltd	41	100	1-1	6.9	2.8	+147	0.75	3.15	1.0	+152	Pacifico Minerals	0.5	1.5	0-6	0.1	0.0	+303	1.16	3.27	1.0	+999
Emerge Gaming	0.9	2.0	0-11	0.2	0.1	+97	0.91	2.70	1.0	+178	Peak Resources	1.8	3.0	1-11	0.6	0.7	-10	0.98	1.66	1.0	+45
Engage:BDR	1.1	25	0-7	0.1	0.0	+999	0.55	9.99	1.0	+999	Peak Resources	1.8	6.0	0-1	0.1	0.0	+999	0.98	9.99	1.0	+999
Env Clean Tech	0.1	0.3	2-9	0.1	0.1	+31	1.77	1.13	1.0	+67	Pearl Global	9.6	30	0-8	0.2	0.0	+362	0.65	5.99	1.0	+483
Eon NRG Ltd	0.1	1.5	0-9	0.1	0.0	+999	1.05	4.51	1.0	+999	Podium Minerals	2.0	20	0-3	0.1	0.0	+999	1.14	8.84	1.0	+999
Estrella Resources	0.9	5.0	1-1	0.1	0.0	+999	0.75	4.19	1.0	+402	Predictive Discovery	6.2	1.8	2-7	4.6	6.1	-24	2.54	1.01	1.0	+1
Family Insights Group	2.7	1.0	1-1	0.1	1.9	-95	1.26	1.28	1.0	-56	Prescient Therapeutics	4.7	6.3	2-10	2.2	2.6	-15	1.02	1.37	1.0	+23
Fin Resources	1.0	2.5	1-7	0.1	0.1	-7	0.71	2.66	1.0	+83	Pure Alumina	1.3	7.5	0-2	0.1	0.0	+999	1.36	7.24	1.0	+999
First Au	0.7	6.0	0-7	0.1	0.0	+999	1.14	4.30	1.0	+999	Pursuit Minerals	0.4	10	1-5	0.1	0.0	+172	1.50	1.95	1.0	+877
First Graphene	13	15	1-2	3.0	4.2	-28	0.87	1.96	1.0	+31	Quantify Tech	0.2	0.8	1-9	0.1	0.1	+8	1.56	1.38	1.0	+138
Flexiroam	1.7	12	2-5	0.1	1.0	-90	1.70	1.24	1.0	+125	Quantify Technology	0.2	1.0	1-3	0.1	0.1	+73	1.56	1.63	1.0	+310
Freehill Mining	2.6	2.5	1-5	0.7	1.2	-39	0.95	1.64	1.0	+15	RPM Automotive	13	25	1-3	1.4	11.6	-88	3.14	1.06	1.0	+76
Great Western Expl.	0.2	1.0	1-1	0.1	0.1	+18	1.98	1.41	1.0	+382	Rafaella Resources	8.8	30	1-5	0.6	2.4	-75	1.25	1.74	1.0	+141
Gt Nth Minerals	0.7	2.2	3-1	0.2	0.6	-68	2.18	1.05	1.0	+49	ReadCloud	28	30	0-6	5.0	3.3	+53	0.55	4.10	1.0	+62
Gt Nthn Minerals	0.7	18	1-7	0.1	0.3	-66	2.18	1.33	1.0	+725	Real Energy Corp	1.9	14	0-4	0.1	0.0	+999	1.09	6.43	1.0	+999
Gt Sthn Mining	5.2	5.0	2-3	2.1	2.5	-18	0.85	1.53	1.0	+15	Redstone Resources	0.6	3.5	0-11	0.1	0.0	+714	0.95	3.40	1.0	+606
Hammer Metals	2.2	3.0	0-4	0.3	0.2	+60	0.82	4.00	1.0	+237	Reedy Lagoon Corp.	0.2	8.0	0-10	0.1	0.0	+999	0.91	5.77	1.0	+999
Hastings Technology	6.3	25	1-10	1.2	0.1	+999	0.54	4.03	1.0	+115	Resolution Minerals	6.2	10	2-1	3.5	4.1	-15	1.53	1.23	1.0	+45
Helios Energy	8.6	2.0	1-7	9.0	6.7	+35	0.65	1.27	1.0	+17	Reward Minerals	12	24	1-1	2.0	1.5	+30	0.80	2.66	1.0	+104
Hipo Resources	1.1	2.0	0-1	0.1	0.0	+999	0.95	9.99	1.0	+999	Roolife Group	2.2	5.0	1-5	0.5	0.7	-29	1.18	1.70	1.0	+91
Imagion Biosystems	1.9	5.0	1-6	0.5	0.7	-31	1.34	1.55	1.0	+105	Roots Sustainable	2.3	12	2-2	0.5	0.5	-5	1.08	1.76	1.0	+120
Imagion Biosystems	1.9	3.0	2-11	0.8	1.3	-39	1.34	1.20	1.0	+27	Ryder Capital	125	150	1-6	10.0	4.9	+104	0.21	7.09	1.0	+18
Impact Minerals	1.3	4.0	0-1	0.1	0.0	+999	1.14	9.99	1.0	+999	Sabre Resources	0.1	0.8	2-4	0.1	0.0	+121	1.53	1.35	1.0	+156
Impression Healthcare	5.1	4.0	0-4	1.8	1.7	+9	0.98	2.36	1.0	+47	Sacgasco Ltd	1.8	4.0	1-7	0.3	0.8	-62	1.36	1.47	1.0	+73
Imugene Ltd	2.8	5.4	2-6	1.5	1.3	+15	1.07	1.45	1.0	+43	Sayona Mining	0.7	2.0	2-11	0.2	0.2	-8	0.88	1.67	1.0	+48
Imugene Ltd	2.8	4.0	1-6	1.5	1.1	+35	1.07	1.64	1.0	+57	Seafarms Group	5.7	10	1-2	1.9	0.5	+290	0.60	3.37	1.0	+92
Imugene Ltd	2.8	2.6	0-6	1.0	0.9	+11	1.07	2.13	1.0	+65	Silver Mines	8.5	6.0	1-3	4.2	4.3	-3	0.95	1.58	1.0	+15
Inca Minerals	0.1	1.2	0-2	0.1	0.0	+999	2.42	3.33	1.0	+999	Six Sigma Metals	0.2	1.5	1-1	0.1	0.0	+465	1.28	2.25	1.0	+582
Investigator Res.	1.2	3.5	0-7	0.2	0.1	+257	1.01	3.37	1.0	+589	Skin Elements	8.0	10	0-7	3.1	3.5	-10	1.72	1.59	1.0	+133
Jacka Resources	0.3	0.6	1-1	0.2	0.0	+999	0.00	9.99	1.0	+147	Spectur Ltd	6.9	20	0-7	0.5	0.1	+244	0.84	4.27	1.0	+547
K-Tig Ltd	14	23	0-11	8.5	4.1	+109	1.23	1.84	1.0	+152	St George Mining	9.3	20	0-4	1.8	0.1	+999	0.71	6.79	1.0	+999
K2Fly Ltd	22	20	0-1	0.5	2.7	-81	0.79	6.03	1.0	-76	Suda Pharma.	4.6	1.5	0-2	0.1	3.1	-97	1.18	1.47	1.0	-100
Kazia Therapeutics	39	400	0-0	2.5	0.0	+999	0.64	9.99	1.0	+999	Suda Pharma.	4.6	1.5	1-1	0.5	3.4	-85	1.18	1.27	1.0	-54
King Island Scheelite	4.0	10	1-2	0.8	0.2	+297	0.66	3.49	1.0	+134	Symbol Mining	0.7	4.5	0-1	0.3	0.0	+999	0.00	9.99	1.0	+999
King River Resources	5.0	12	0-2	0.2	0.0	+999	0.78	9.99	1.0	+999	Synertec Corp	2.3	5.3	0-2	0.4	0.0	+951	1.18	5.15	1.0	+999
Kogi Iron	3.3	10	1-7	1.0	0.4	+141	0.84	2.37	1.0	+114	TV2U Int'l	0.8	2.0	0-10	0.4	0.0	+994	0.76	3.61	1.0	+274
Krakatoa Resources	3.4	5.0	1-2	0.9	1.2	-24	1.12	1.75	1.0	+60	Tanga Resources	1.4	1.0	0-5	0.1	1.1	-91	3.70	1.14	1.0	-45
Lake Resources	3.3	10	1-1	1.3	0.5	+173	1.08	2.26	1.0	+226	Tao Commodities	5.2	20	0-3	1.0	0.0	+999	0.93	8.05	1.0	+999
Land & Homes	0.5	20	1-3	1.2	0.1	+999	2.07	1.59	1.0	+999	Tasman Resources	3.5	6.0	0-3	0.5	0.1	+506	0.82	5.70	1.0	+999
Latam Autos	1.1	10	1-3	0.1	0.1	-13	1.33	2.09	1.0	+526	Theta Gold Mines	23	30	0-5	0.5	0.9	-45	0.48	6.24	1.0	+97
Latin Resources	0.3	1.2	2-7	0.1	0.2	-54	1.80	1.15	1.0	+76	Titomic Ltd	70	250	1-1	8.0	4.3	+87	0.87	2.90	1.0	+224
Lepidico Ltd	0.8	4.5	0-4	0.1	0.0	+999	0.82	9.53	1.0	+999	Triangle Energy	2.8	12	0-4	0.2	0.0	+999	0.79	8.84	1.0	+999
Lepidico Ltd	0.8	5.0	2-0	0.2	0.0	+302	0.82	2.55	1.0	+153	Trigg Mining	6.5	20	1-5	0.6	1.3	-55	1.07	1.97	1.0	+126
Lionhub Group	0.3	22	0-6	1.2	0.0	+999	0.58	9.99	1.0	+999	Triton Minerals	3.5	10	0-4	0.2	0.0	+999	0.65	9.49	1.0	+999
Lithium Australia	5.1	12	1-1	0.7	4.2	-84	3.04	1.09	1.0	+130	Tymlez Group	3.0	6.5	3-7	0.9	1.8	-51	1.16	1.26	1.0	+29
Los Cerros	5.5	44	0-0	0.1	4.2	-98	2.52	1.09	1.0	+999	Tyranna Resources	0.3	4.0	1-4	0.1	0.0	+404	1.26	2.24	1.0	+594
Los Cerros	5.5	16	1-3	0.8	4.0	-80	2.52	1.15	1.0	+152	VRX Silica	9.0	18	1-2	1.8	1.7	+8	0.91	2.25	1.0	+97
MRG Metals	0.6	15	0-3	0.1	0.0	+999	1.40	9.99	1.0	+999	Valor Resources	0.1	1.5	1-7	0.1	0.0	+260	1.70	1.53	1.0	+476
MRG Metals	0.6	1.0	0-7	0.1	0.2	-34	1.40	2.02	1.0	+198	Vanadium Resources	1.5	12	1-0	0.2	0.0	+999	0.82	4.39	1.0	+713
MSM Corporation	1.6	4.0	2-7	0.5	0.7	-33	1.14	1.42	1.0	+49	Vango Mining	12	27	0-1	0.5	0.0	+999	0.53	9.99	1.0	+999
Magmatic Resources	27	10	1-3	17.5	20.0	-12	1.39	1.22	1.0	+3	Variscan Mines	1.2	0.8	1-0	0.1	0.9	-89	2.24	1.15	1.0	-25
Magnetite Mines	0.1	5.0	1-0	0.1	0.0	+862	2.05	1.81	1.0	+999	Venture Minerals	1.5	3.5	0-1	0.1	0.0	+999	0.83	9.99	1.0	+999
Magnum Mining	4.0	5.0	2-4	1.0	1.2	-13	0.61	2.04	1.0	+19	Victory Mines	0.1	2.0	0-7	0.1	0.0	+999	1.56	3.14	1.0	+999
Mako Gold	5.5	30	0-11	0.6	0.0	+999	0.62	6.60	1.0	+611	Vonex Ltd	12	20	0-0	1.2	0.0	+999	0.91	9.99	1.0	+999
Mali Lithium	6.6	15	1-5	2.0	0.9	+113	0.81	2.44	1.0	+99	Vulcan Energy Res.	20	29	0-8	2.5	3.3	-24	0.89	2.71	1.0	+99
Mali Lithium	70	15	1-5	0.1	55.3	-100	0.69	1.25	1.0	-67	White Cliff Minerals	0.4	4.5	0-4	0.1	0.0	+999	1.41	4.87	1.0	+999
Manhattan Corpc	0.9																				

Investment Outlook

(Continued from Page 2)

businesses being more heavily regulated in the future.

Perhaps the best opportunities will be in Travel Agents (Flight Centre - FLT, Corporate Travel Management - CTD, Helloworld Travel - HLO). Often a *service* company that sells a product produced by a third party is the best way to invest in a capital intensive sector with low returns. These companies face a downturn in current business, bad debts from failed airlines (i.e. unpaid commissions), but this is a non-capital intensive business that can downsize relatively easily as necessary (i.e. reduce staff, close offices) and recover in line with the ultimate recovery in the travel market.

While there is talk of a *Trans-Tasman travel bubble* "as soon as it is safe" and the Australian *Covid Recovery Taskforce* is suggesting travel between Australia, China, Japan, Korea and (of all places) Indonesia, the Australian Prime Minister has indicated that international travel will remain closed for "the foreseeable future" and be one of the last restrictions to be lifted.

Travel agency revenues are currently down 90-95%. Flight Centre raised \$700 million in a cash issue in April, but will have a monthly cash burn of \$65 million! These companies have enough cash to last 6-12 months, while a return to profitability is unlikely until the second half of 2021 (i.e. over a year from now).

At some stage in the next year - when these companies run low on cash and/or when "Mr Market" stops bidding up their share prices, betting on a quick "V shaped" recovery - then patient investors should be able to pick up shares at bargain prices ahead of the eventual recovery.

Total Return Index for All Listed Shares

Apr 6	1289.26		
Apr 7	1321.37		
Apr 8	1338.26		
Apr 9	1365.02		
Apr 10	Holiday		
Apr 13	Holiday	Apr 20	1475.97
Apr 14	1389.55	Apr 21	1454.76
Apr 15	1418.16	Apr 22	1434.10
Apr 16	1427.89	Apr 23	1437.86
Apr 17	1465.67	Apr 24	1430.60
Apr 27	Holiday	May 4	1436.59
Apr 28	1442.35	May 5	1441.90
Apr 29	1447.44	May 6	1449.45
Apr 30	1448.00	May 7	1454.24
May 1	1437.76	May 8	1465.12

Dividend \$

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
CDL Investments	3.50	30-04	15-05	Full
None				

Australian Shares

Recommended Investments

(Continued from Page 6)

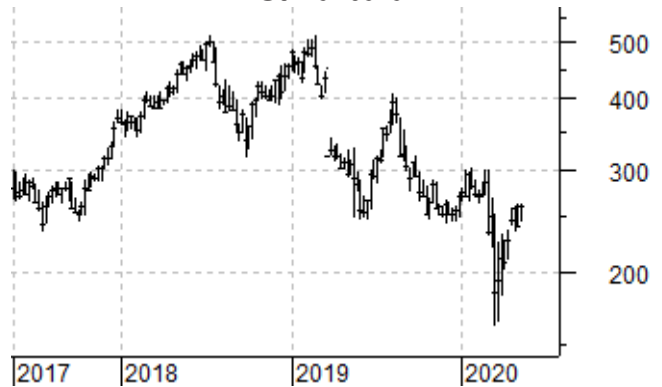
grinding mill, village and wharf) but require a capital investment of around US\$130-150 million and extend the mine life until 2035.

The Feasibility Study will be completed by the March 2021 quarter. A decision to invest would then be followed by a two year construction period. The company warns, however, that "proposed changes to the PNG Mining Act, as currently drafted, would render the project uneconomic".

The existing mine will process oxide ore until 2022.

The dipole-dipole induced polarisation (DDIP) survey for the *Horn Island* joint venture has identified two anomalies which correspond to recent surface soil and rock-chip sample results. One anomaly is similar and immediately adjacent to the existing Horn Island resource (containing around 500,000 ounces of Gold, but at this stage not part of the joint venture). Consideration will be given to drilling these anomalies and "due to the success of the initial survey" a further DDIP survey of other gold targets is also under consideration.

St Barbara



Woodside Petroleum lifted March quarter production 12% to MMboe but prices were down 20%.

Woodside Petroleum



Next Issue:

The next issue of *Market Analysis* will be emailed in four weeks time on Monday June 8, 2020.

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

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