

# Market Analysis

## Inside Market Analysis

BUY Fenix Resources .....	10, 11	Prophecy International raises cash .....	8
FBR's Mexican expansion plans (and "unfeasible" Saudi Arabian plan) .....	4	Vulcan Energy in "short-selling" attack .....	8, 9
Iluka Resources lifts revenues 69%, cash surplus soars, sales prices increase again .....	6	Australian Warrant / Option Analysis .....	14, 16

*Founder: James R Cornell (B.Com.)*

## Summary and Recommended Investment Strategy.

Stockmarket valuations are generally high . . . but still produce out-of-favour, deep value investment opportunities. Remain fully invested in the recommended shares.

## Investment Outlook.

China has closed half of its coal mines - over 5,000 - during the last five years. But this is not a move away from fossil fuels. Privately owned, polluting, older and dangerous mines have been closed and replaced by larger, safer, better managed state owned mines.

China mines and burns more coal than the rest of the world: 3,900 million tonnes annually or 50.5% of the global total. It will continue to build coal fired power stations until 2025. China's greenhouse gas (GHG) emissions - currently 27% of the global total - will continue to grow before peaking in 2030.

But don't worry, New Zealand has some *expensive* policies that *may* reduce its own 0.17% global share of GHG emissions!

Private mines in China often overproduced coal to earn extra income, exceeding safety regulations. Overproduction is now a criminal offence and state owned mines have no incentive to exceed production.

Australian coal imports were banned after that country called for an investigation into the source of Covid-19.

A coal shortage is partly responsible for the current electricity shortage in China. Heavy rain and flooding reduced coal production in some regions while a lack of rain or wind in others has reduced hydroelectric and wind power generation.

Coal prices doubled, but electric prices were fixed, so electricity utilities cut production. That led to blackouts. The market has been partially deregulated, with some energy intensive industries now paying 50% more for electricity.

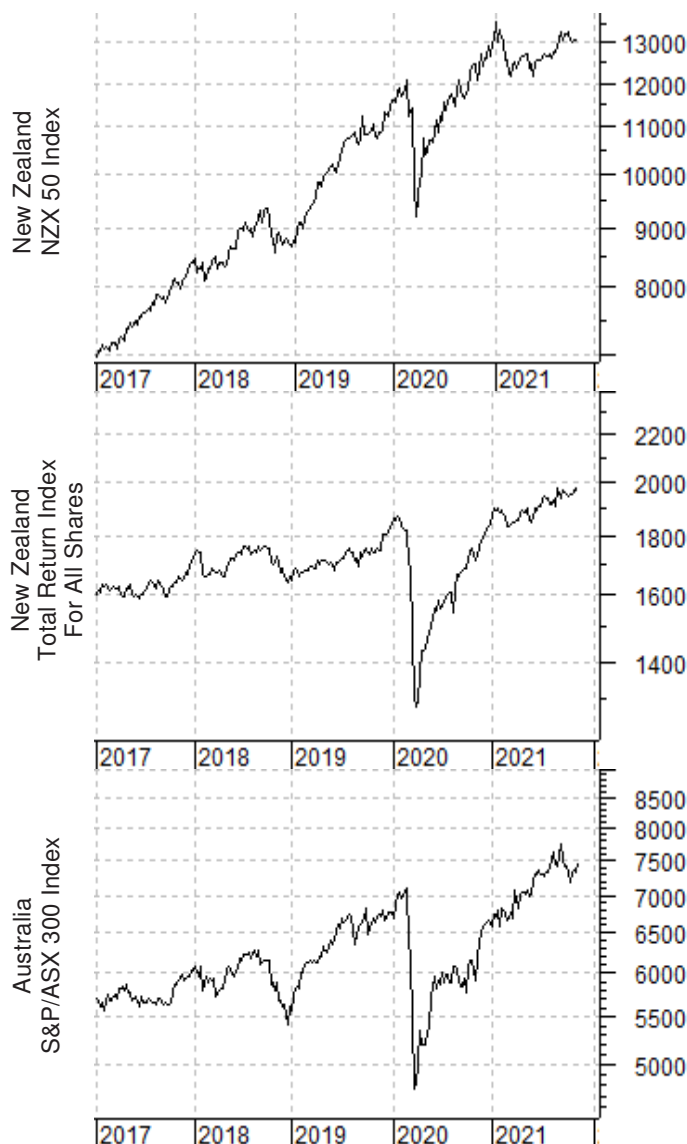
Most mining companies are looking at "zero carbon" or "low-carbon" operations. Vulcan Energy wants to produce zero-carbon lithium, Bellevue Gold seeks to produce the lowest carbon gold in Australia, while Ardea Resources seeks to produce very-low carbon nickel and cobalt. Low-carbon materials are important to the EV industry as it feeds into government subsidies.

If this view expands to other industries then it would no longer make sense to transport commodities to China for energy intensive, "high carbon" processing. Even less sense if energy prices rise in China and this processing is no longer cheap. It makes little sense to convert renewable

*(Continued on Page 16)*

### Stockmarket Forecasts

	One-Month	One-Year
Australia:	78% (Bullish)	60% (Neutral)
New Zealand:	62% (Bullish)	47% (Neutral)



# Recommended Investments

**Colonial Motor Company** reports “underlying demand for vehicles is strong” and “forward orders of heavy trucks are robust” but “disruption” from Covid-19 lockdowns and supply problems “is also strong”.

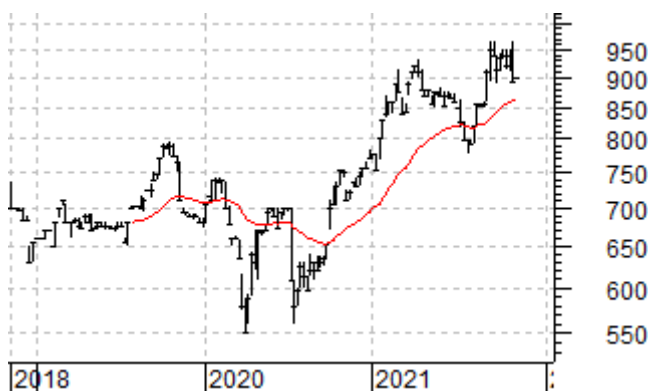
The first quarter was ahead of the previous year and the company expects “a strong run in the short to medium term”, especially ahead of April 2022 tax changes on vehicles.

## Colonial Motor Company



**South Port New Zealand** predicts that “over the coming year, our earnings are likely to remain consistent with our 2021 reported earnings” which “were at a record level”.

## South Port NZ



**Steel & Tube Holdings** reports a 14% increase in sales for the first four months of the new financial year, compared with the same period in 2020, despite lower sales during August and September lockdowns.

## Steel & Tube Holdings



## Australian Shares

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

**Acrux Ltd** and **Harris Pharmaceutical Inc** have terminated the sales, marketing and distribution agreement of the generic lidocaine 2.5% and prilocaine 2.5% cream after Harris Pharmaceuticals filed for Chapter 11 bankruptcy.

Acrux's generic product was approved by the **FDA** in July and the company is now negotiating with another specialist generic company to commercialise the product in the United States.

**Ardea Resources** reports cash of \$8.0 million (5.8 cents per share) at the end of September 2021.

Ardea Resources is conducting a Gap Analysis Study (GAS) “reviewing and consolidating all KNP feasibility data”, including its March 2018 PreFeasibility Study and July 2018 Expansion Study.

The current plan is to process Goethite ore through the High Pressure Acid Leach (HPAL) and Saprolite Ore (which previously was to be stockpiled for later processing) through an Atmospheric Leach (AL). This “maximises resource utilisation”. The additional Sulphuric Acid will require a larger sulphur-burning acid plant, producing all of the steam and electricity required on site (i.e. lowering carbon emissions from other energy sources).

## Ardea Resources



**Atlas Pearls** recorded receipts of \$3,276,000 in the September quarter but a net operating deficit of \$787,000. This is “in line with the company expectations” owing to the seasonal oyster reproduction and pearl harvest.

Pearls were offered “simultaneously online and physically available for inspection” in Kobe, Japan, on 25-28 October. A similar auction is planned online and in Hong Kong on 13-14 December.

At the end of September, cash was \$1.2 million, interest bearing debts were \$4.2 million, with \$1.5 million undrawn on debt facilities.

The company aims to seed 800-850,000 oysters per year to produce 500-550,000 saleable pearls per year.

**Bellevue Gold** has extended the closing date for its *Share Purchase Plan* a third time. The closing date (subject to a fourth extension?) is now 12 November.

For the September quarter the company spent \$2.0

million on operations and continues to spend a huge \$20.2 million on exploration. Cash at the end of September was \$168.8 million (17.1 cents per share).

### Bellevue Gold



**Brickworks Ltd** has entered a collaboration agreement with listed **Delorean Corporation** for a feasibility study to build and operate a *Green Synthetic Natural Gas* (GSNG) facility.

Subject to a successful feasibility study, a 50/50 joint venture will construct and operate facilities to process food and other bio-waste into biomethane, which can be used like natural gas to power the brick kilns.

Brick plants are “well-placed to adopt this technology, with high energy consumption, located in close proximity to industrial, commercial and municipal waste streams and having the available space for receipt and processing of the waste”. The initial facility could “displace up to 100,000 gigajoules per annum” of natural gas with “renewable biomethane”, while consuming organic waste that otherwise may be destined for landfill.

(Continued on Page 4)

## Portfolio of Recommended Investments

CURRENT ADVICE	Company	Initial Recommendation	Performance Forecast	Issued Shares (mil.)	Volatility Ratio	Price/Sales Ratio	Price/Earnings Ratio	Gross Dividend Yield	Recent Share Price	Cash Dividends Rec'd	Total Return %
	<u>NZ Shares</u>										
HOLD-	Bremworth Ltd	BRW 05/12/95 156*	C	68.8	1.4	0.46	0	Nil	74	282.0	+128%
HOLD+	CDL Investments Ltd	CDI 12/01/99 25.0	E	278.8	1.1	3.47	9	4.3	114	46.8	+543%
HOLD-	Colonial Motor Company	CMO 10/11/92 128*	B	32.7	0.5	0.48	21	4.0	1105	744.8	+1345%
HOLD+	South Port New Zealand	SPN 13/02/96 120	A	26.2	0.4	4.99	22	4.2	900	374.3	+962%
HOLD	Steel & Tube Holdings	STU 08/08/00 139*	B	166.0	1.1	0.45	13	3.5	129	355.6	+249%
	<u>Australian Shares (in Aust cents)</u>										
HOLD	Acrux Limited	ACR 12/05/14 99.0	E	283.3	2.9	25.43	NE	Nil	12.0	14.0	-74%
BUY	Ardea Resources	ARL 13/01/20 54.5	C	127.7	1.8	NA	NE	Nil	47	Nil	-15%
HOLD	AJ Lucas Group	AJL 13/05/03 107*	C	1196.3	5.5	0.42	0	Nil	3.9	36.4	-62%
HOLD	ALS Limited	ALQ 12/10/99 72.3*	B	482.4	0.5	3.71	35	1.7	1356	387.1	+2311%
HOLD	Atlas Pearls	ATP 14/05/96 73.0	C	424.8	6.9	0.60	2	Nil	2.6	17.5	-72%
BUY	Bellevue Gold	BGL 07/02/21 105	E	986.9	1.1	NA	NE	Nil	85	Nil	-19%
BUY	Big River Gold	BRV 10/08/20 30.4*	C	219.4	2.1	NA	NE	Nil	24	Nil	-21%
HOLD+	Brickworks Ltd	BKW 12/11/12 1115	B	151.8	0.5	3.74	12	2.6	2340	399.5	+146%
HOLD+	CardieX Ltd	CDX 11/11/13 15.0	D	753.2	4.4	11.05	NE	Nil	6.3	Nil	-58%
HOLD	CPT Global Ltd	CGO 10/03/08 88.0	B	38.8	1.4	0.75	7	7.8	64	26.3	+3%
BUY	Cynata Thera.	CYP 13/03/17 50.0	C	143.3	1.4	NA	NE	Nil	60	Nil	+19%
BUY	Deterra Royalties <sup>1</sup>	DRR	C	528.3	0.7	NA	25	4.7	382	11.5	
BUY	Elixir Energy	EXR 07/12/19 4.2	D	891.0	2.2	NA	NE	Nil	26	Nil	+507%
BUY	FBR Limited	FBR 07/07/17 13.5	D	2206.6	5.4	NA	NE	Nil	4.2	Nil	-69%
BUY	Fenix Resources	FEX 08/11/21 21.5	C	472.2	2.7	0.88	2	24.4	22	Nil	+0%
HOLD	Fiducian Group	FID 11/02/08 260	B	31.4	0.6	4.70	23	3.1	876	178.0	+305%
HOLD+	Finbar Group Ltd	FRI 12/04/10 106	B	272.1	1.1	2.15	25	5.0	81	84.5	+56%
BUY	Greenland Minerals	GGG 11/11/19 11.0	B	1344.1	2.7	NA	NE	Nil	12.5	Nil	+14%
HOLD	Ignite Ltd	IGN 08/04/03 82.2*	B	89.6	2.6	0.11	5	Nil	14.0	70.5	+3%
HOLD+	Iluka Resources Ltd <sup>1</sup>	ILU 12/10/04 471	B	423.2	0.5	3.75	25	0.2	881	328.0	+240%
BUY	Integrated Research	IRI 14/01/08 40.0	C	172.4	0.8	3.44	34	Nil	157	70.5	+469%
HOLD	McMillan Shakespeare G	MMS 07/11/16 1041	A	77.4	0.6	1.96	17	4.4	1381	308.3	+62%
HOLD	Michael Hill Int'l Ltd	MHJ 11/06/91 4.4*	A	388.3	1.3	0.75	9	4.2	108	76.8	+4072%
BUY	Mt Gibson Iron	MGX 10/11/14 44.0	B	1210.6	1.8	1.00	5	7.8	39	14.0	+19%
HOLD	Nova Eye Medical	EYE 14/03/06 49.0	B	143.6	1.6	4.55	NE	Nil	41	42.5	+69%
HOLD+	Opthea Limited	OPT 10/02/04 188	C	351.1	1.1	NA	NE	Nil	125	65.0	+1%
BUY	OZ Minerals	OZL 14/03/16 522	A	333.7	0.4	5.91	37	1.0	2391	127.0	+382%
HOLD+	Prophecy International	PRO 08/09/08 26.0	B	64.1	1.1	6.34	NE	Nil	127	24.5	+482%
HOLD+	Reckon Limited <sup>2</sup>	RKN 08/08/16 141	A	113.3	1.1	1.57	12	4.8	105	21.0	+17%
HOLD+	St Barbara	SBM 12/08/19 396	B	709.5	0.8	1.37	13	4.2	144	18.0	-59%
BUY	Vulcan Energy Ltd	VUL 08/03/21 602	B	123.8	0.7	NA	NE	Nil	1243	Nil	+106%
BUY	Woodside Petroleum	WPL 08/04/19 3410	A	969.6	0.5	4.64	37	2.2	2258	228.9	-27%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +343.8%. This is equal to an average annual rate of +28.0%, based upon the length of time each position has been held.

The average annual rate of gain of ALL recommendations (both the 36 current and 177 closed out) is +30.3%, compared with a market gain of +3.9% (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) Iluka Resources includes one share of Deterra Royalties

(2) Reckon Ltd's return includes 1/3 share of GetBusy plc (GETB) worth 65.0 pence (118.6 Aust cents).

## Recommended Investments

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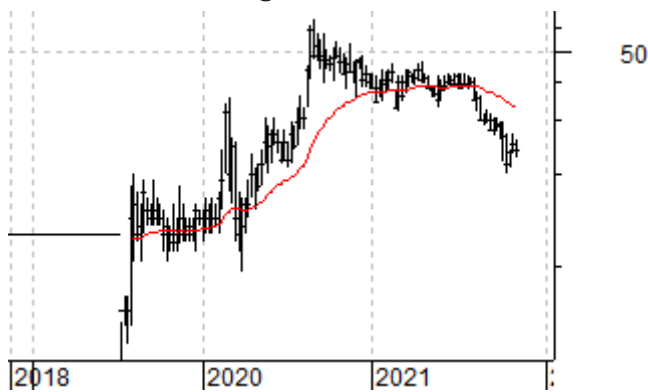
### Brickworks Ltd



**Big River Gold** has secured an exploration drill rig that is expected to be on site later this month. This will initially confirm the widths and grades of resource at depth below the existing resource. This additional information will enable pit optimisation.

September quarter operating expenses were \$621,000 with a further \$880,000 spent on exploration and evaluation. Cash on hand was \$17.9 million (8.2 cents per share).

### Big River Gold



**CardieX Ltd** reports receipts of \$685,000 for the September quarter, resulting in a cash operating deficit of \$2.1 million. Cash in the bank is just \$1.5 million but the exercise of options this month is expected to raise around \$7.0 million.

The listed options have a final exercise/expiry date of 30 November 2021. With the shares trading around 6.3 cents the options have an intrinsic value of 1.3 cents. Investors should therefore exercise the options, paying the company 5.0 cents to buy new shares (or sell the options on-market to realise some, but a lesser, value).

### CardieX Ltd



**Cynata Therapeutics** spent \$3.2 million over the September quarter, with higher administration costs for clinical trials and product manufacture (for use in the clinical trials). Cash at the end of September was \$23.9 million (16.7 cents per share) with a further US\$5 million (A\$6.7 million or 4.7 cents per share) received from **Fujifilm** in October.

The 440 patient Phase 3 trial in osteoarthritis is expected to report final results in 2024 . . . but this is a US\$11.6 billion market for which there is currently no cure.

The 24 patient respiratory distress study expects to be fully enrolled by the end of this year, with results in early 2022.

The Diabetic Foot Ulcer Phase 1 study seeks 30 adult patients. These will be treated for four weeks and evaluated over the following 24 weeks.

The company has recently taken back the GvHD project and is in discussions with the **FDA** for a Phase 2 study in the United States.

Cynata Therapeutics will also “divert activities” from the Phase 2 trial into critical limb ischemia “towards partnering opportunities” (i.e. not advance this project itself, but seek a partner) and trial planning for idiopathic pulmonary fibrosis and renal transplantation have also “assumed a subordinated priority”.

### Cynata Therapeutics



**Deterra Royalties** received royalties of \$59.7 million (11.3 cents per share) for the September quarter, with increased sales volumes more than offsetting lower iron ore prices.

Revenues should grow as *South Flank* iron ore production grows to 80 million tonnes per annum over the next three years.

In addition, Deterra Royalties is looking at investing in new royalties. Over the last year the company has “reviewed more than 40 opportunities” but has “not seen sufficient value in any” of these. Ideally the company is seeking investments of \$100-300 million in royalties from bulk commodities, base metals and/or battery metals, in developed mining jurisdictions (i.e. Australia, North and South America or Europe).

**Elixir Energy** has completed the *Nomgon 6* well to a depth of 501 metres, intersecting a total of 84 metres of coal in four seams (of which 63 metres was in the main coal seam target).

Water and methane have flowed to the surface, with a high water flow of 280 barrels per day. The company

states that “both of these factors are highly supportive of positive CBM production economics”.

Extensive water samples were obtained and initial results show “a brackish salinity level, similar to many producing fields around the world”. The quality of water will determine how it is treated. In other locations, low salinity water can be used in agriculture or flowed into streams, while higher salinity water is either flowed into evaporation ponds or re-injected back underground (away from the coal seam).

Data from this well will be used to plan the long term pilot production testing program planned for 2022. The design and costings for this program will be available before the end of the year.

*Richcain-2S* was drilled to a depth of 801 metres, discovering 8 metres of coal and 9 metres of silty coal. *Richcain-3S* was drilled to 800 metres, intersecting 13 metres of coal, with coal continuing below 800 metres (the maximum depth the rig can reach). The *Richcain 4* core hole will now be drilled.

Drilling will soon start on the *Bag-1S* exploration well.

The third drill rig - delayed by Covid restrictions - has begun drilling the *Richcain West-1S* well.

The expanded 2D Seismic data program is now about half way through collecting a further 300km of data.

Elixir Energy has commissioned a report from **K1 Capital** (a small Australian energy analyst) to evaluate wind and solar resources in the South Gobi region (based upon public information). That report estimates a 79% utilisation in that region, compared with 50-60% in the Southern Goldfields or 40-45% in Pilbara. A capacity factor of 79% will produce 58% more electricity (or hydrogen) than an area with a 50% capacity “from the same capital investment”. Elixir Energy is collecting its own localised data for wind and solar using *SODAR* equipment.

Operating costs for the September quarter were just \$331,000 with a further \$1,664,000 spent on exploration. Drilling costs in Mongolia are very low. The company holds cash of \$30.9 million (3.5 cents per share).

#### Elixir Energy



**FBR Ltd** has executed a “term sheet” (i.e. a non-binding agreement) to build 2000 to 5000 homes for GP Vivienda in Mexico.

There are, however, some milestones to complete:

Firstly, the *Hadrian X* and *Fastbrick Wall System* need to be certified as compliant with all Mexican building codes and regulations. This is expected to take

around 12 months.

Secondly, FBR and GP Vivienda need to negotiate a “collaborative commercial model”, covering pricing and how this service will operate in the Mexican construction industry. This is forecast to take 18 months.

Thirdly, after completing those two steps, a pilot building program will construct 20 homes in Mexico using concrete masonry blocks. This could be completed within 24 months.

Fourthly, FBR and GP Vivienda will need to negotiate formal documentation and execute an agreement before this becomes a binding agreement to build 2000 to 5000 homes.

It is proposed that FBR will build in Mexico exclusively for GP Vivienda for a period of 24 months. The 2000-5000 homes would be constructed within a five year period.

This may all take some time but this is the sort of commercialisation needed to grow revenues.

On the other hand, earlier plans to build 50,000 homes in Saudi Arabia by 2022 “now appear unfeasible” and a *Memorandum of Understanding* has been discontinued. Both parties, however, “still intend to collaborate on FBR's market entry to Saudi Arabia”.

For the September quarter the company had receipts of \$621,000 but an operating cash deficit of \$1.2 million. It also spent about \$2.0 million on development costs. Cash is \$7.5 million (0.3 cents per share) and there are interest bearing debts of \$2.5 million.

#### FBR Ltd



**Fiducian Group** has purchased the financial planning business of **People's Choice Credit Union (PCCU)** for \$12.6 million in cash (i.e. \$8.8 million immediately and \$3.8 million in a year). The business currently generates recurring revenues of \$7.6 million per year from Funds under Advice of \$1,100 million. A deferred consideration of \$600,000 is payable if up-front and financial advice revenues reach an additional \$2 million over the first year.

The PCCU has over 390,000 members in South Australia and the Northern Territory, some undisclosed number of which use its financial planning business. That business employs 50 financial planners and support staff who will move to Fiducian Group.

This acquisition increased Fiducian Group's Funds under Advice by 28% to \$5,000 million and Total Funds under Management, Administration and Advice (which can count assets up to three times) by 10% to \$12,300 million.

(Continued on Page 6)

## Recommended Investments

(Continued from Page 5)

Fiducian Group reports September quarter receipts of \$17.3 million and an operating cash surplus of \$3.4 million. The company is debt-free with cash at the bank of \$17.5 million (55.7 cents per share) which will easily fund the acquisition above.

### Fiducian Group



**Greenland Minerals** has submitted its formal responses for the public consultation *White Paper* to the **Government of Greenland**. These address all issues raised during the 38 week public consultation. The Government is now required to add its comments prior to the publication of the *White Paper*.

The **European Raw Materials Alliance (ERMA)** wants Europe to “establish its own supply of rare earths. The United States is developing similar initiatives. With China expected to use much of its own rare earth production in the coming years, and the EU’s ambitious climate change plans, security of supply along with substantial increase in supply are essential to a cross section of European industry, in order to meet carbon reduction targets.” The *Kvanefeld Project* would be a “globally significant producer of all four critical magnet rare earths”. 26% of the company’s shares are held by European and UK investors and the company has “been engaging large European industrial organisations to participate in infrastructure support for the project”.

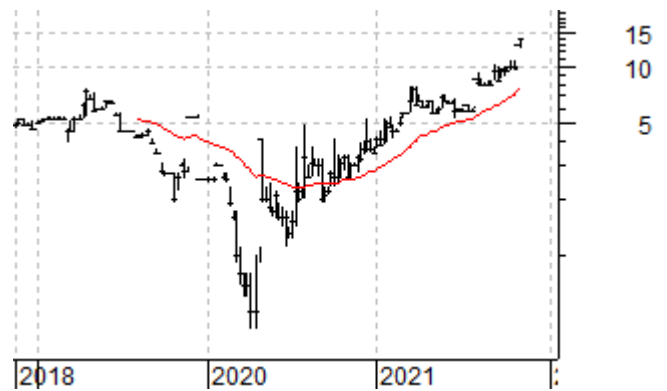
### Greenland Minerals



**Ignite Ltd** reports September receipts of \$33.4 million and an operating surplus of \$2,058,000.

The company is currently debt-free (but with a \$5.0 million undrawn debtor financing facility) and holds \$1,256,000 (1.4 cents per share) in cash.

### Ignite Ltd



**Iluka Resources** reports September quarter production of 377.4 thousand tonnes, up 9.3% on the June quarter or 41.3% higher than the September 2020 quarter.

Sales were 258.8 thousand tonnes, down 22.4% on the June quarter but up 43.3% on the September 2020 quarter.

Quarterly revenues were \$392.0 million, up 0.2% on the June quarter and 86.5% higher than the September 2020 quarter.

Three quarter year to date revenues are up 69.1% at \$1,127.6 million, while year to date production costs are down 3.4% at \$404.9 million. That will boost the operating cash surplus (before tax and some other costs) almost 3-fold to \$722.7 million.

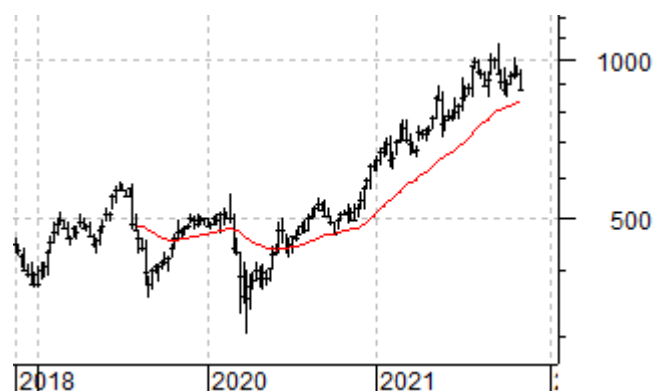
Zircon prices were raised US\$120-170 per tonne from 1 October. The December quarter “is typically a seasonally slower sales period” but “Iluka’s Q4 2021 zircon sales are fully committed”.

Rutile and synthetic rutile prices were increased US\$175-200 per tonne from the start of the December quarter. All production for the quarter has been pre-sold under contract.

Continued higher prices will further boost future revenues, cashflows and net profits.

Iluka Resources has sold its 80% interest in the *Jack Track Deposit* (19MT @ 4.7% HM) to its joint venture partner **Astro Resources**, which improves the viability of Astro’s nearby proposed *Governor Broome Project* (58MT @ 4.6% HM). Iluka Resources has received \$700,000 in cash plus a 1.0% royalty (after GST) on any future Heavy Mineral sales.

### Iluka Resources



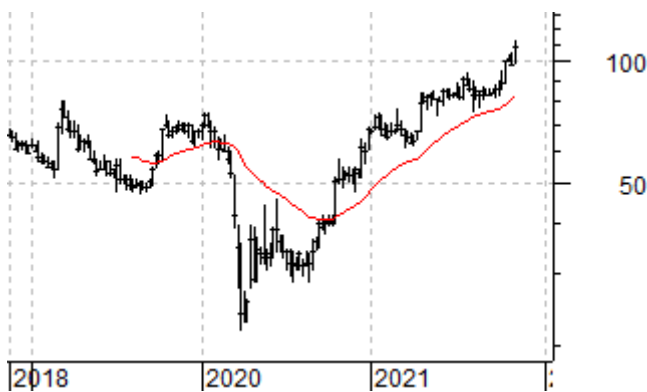
**Michael Hill International** first quarter revenues were depressed by Covid-19 store closures. Total revenues were down 10.0% at \$107.6 million.

Australian sales were down 24.9% and New Zealand sales were down 13.2%, while Canadian sales rose 18.8%.

On a positive note, margins increased “100 to 200 bps” (i.e. 1.0-2.0% which on \$107.6 million is \$1-2 million) “in all markets and channels”. Digital sales were up 58% on the September 2020 quarter, contributing a significant 9.4% (i.e. \$10 million) of total revenues.

The company has a new \$70.0 million debt facility with ANZ and HSBC, although this is currently undrawn and the company is debt-free with \$72 million (18.5 cents per share) of cash in the bank.

#### Michael Hill International



**Mt Gibson Iron** reports its cash holding declined \$128 million to \$237 million (19.6 cents per share) over the September quarter. A further drawdown of \$80 million is expected in the current quarter “before ore shipment volumes progressively increase during 2022”.

The cash deficit largely reflects “advanced waste stripping” and a high stripping ratio for the current small volumes of ore mined. “Unit mining and administration costs, including all transport and logistics charges for the island, were \$10.71 per tonne of ore and waste moved”, but that currently works out at \$89 per tonne of ore - so the “strip ratio” (i.e. the waste to be removed per tonne of ore) is critical to costs.

Mt Gibson Iron has not released an updated mining plan or updated financial projections for *Koolan Island* since April 2018 so those figures will be somewhat out of date. They do, however, indicate an initial strip ratio of 6.6 rising to 10.8 (during the peak waste removal stage which is coming to an end) and then falling to 3.2 the following year, then 1.2, 0.7 and 0.0 in the last year of operation.

At a mining cost of \$10.71 per tonne, a 10.8 strip ratio (i.e. 10.8 tonnes of waste and 1.0 tonne of ore) will cost \$115/tonne of ore. A strip ratio of 3.2 reduces this to \$45/tonne and a 1.2 strip ratio lowers production costs to \$23.50/tonne of ore. Ore volumes also increase rapidly after the period of maximum waste stripping.

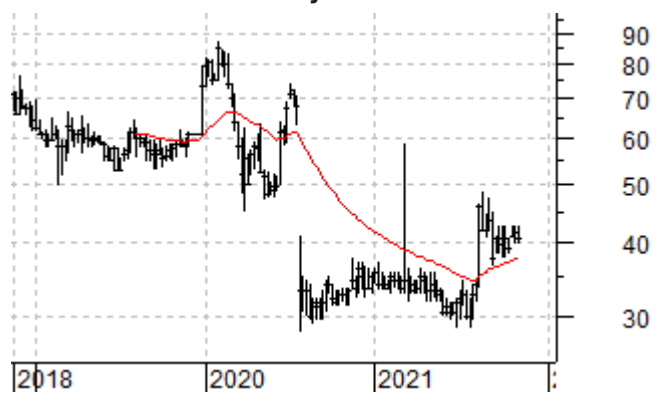
This lower cost per tonne and increased volumes of ore is why the Koolan Island mine should produce very strong cashflows over the next 3-4 years, even with the lower price for iron ore sales.

#### Mt Gibson Iron



**Nova Eye Medical** reports that the US\$1,068,000 Paycheck Protection Program loan has been forgiven (i.e. repaid through eligible expenditure on payroll costs). This amount will show as other income in the June 2022 accounts.

#### Nova Eye Medical



**Opthea Ltd**'s current Phase 3 clinical trial of OPT-302 (a VEGF-C and VEGF-D inhibitor) has been expanded to Australia (in addition to the US, Canada and Europe).

Initial data from this trial is expected in the second half of the 2023 calendar year, with commercial launch in 2024. This will be the first advance in the treatment of wet AMD since the approval of VEGF-A inhibitors over 15 years ago and a “multi-billion dollar commercial opportunity”!

The company has also been granted a Chinese Patent for the term through to February 2034. It already has similar patents in 15 major countries, with applications pending in three further countries.

#### Opthea Ltd



**OZ Minerals** was debt-free (with an undrawn \$480 million facility) and cash of \$188 million (56.3 cents per share) at the end of September. (Continued on Page 8)

## Recommended Investments

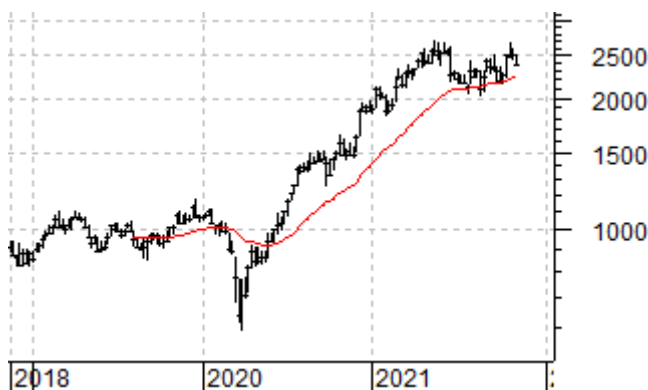
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Expected Gold production for the year to 31 December 2021 has been raised by 15,000 ounces to 220-243,000 ounces (adding \$36 million to revenues and pre-tax profits), owing to “continued higher than expected gold grade in stockpiles at Prominent Hill”.

OZ Minerals has entered a farm-in agreement with **Resolution Minerals** to earn a 51% interest in the *Wollogorang Copper Project* in the Northern Territory, by spending \$4.9 million over the next five years. If Resolution Minerals elects not to contribute 49% of costs after that period, then OZ Minerals can earn up to a 75% interest by sole funding through to a Final Investment Decision to Mine.

Copper is the main target but the 2,825km<sup>2</sup> project contains the *Stanton Cobalt Deposit* (942,000 tonnes, containing 1200 tonnes of Cobalt, 1200 tonnes of Copper and 1300 tonnes of Nickel, from the surface to 90 metres depth) and numerous other near surface Copper/Cobalt targets.

### OZ Minerals



**Prophecy International Holdings** has raised \$7.7 million from the placement of 9.5 million shares at 81 cents each. This increases the issued capital by 14.8%. The company will expand its business development team and “build on current sales momentum”. The company already had \$3.1 million of cash (and recurring revenue income), so it is not obvious why they needed to raise this additional money.

The company now has \$10.8 million (14.7 cents per share) in cash.

Prophecy International also signed **Amica Insurance** as a new *eMite* customer on a 36 month contract.

### Prophecy International Holdings



**St Barbara** reports exploration in Australia and Papua New Guinea “have yielded strong results in the last

quarter”. A new open pit at Trevor Bore is likely by 2024 after drilling identified “sufficient near surface high grade intercepts”. This is just 25km from the *Gwalia* processing plant. Drilling of the *Trotsky* prospect at *Simberi* has “identified additional oxide material to extend the operating life before the conversion of the processing plant to sulphide treatment”.

The *Simberi* processing facility is expected to restart production by the end of December 2021, once the Deep Sea Tailing Placement pipeline is repaired.

Gold production for the September quarter was only 67,000 ounces, with no contribution from *Simberi* and lower production from *Atlantic Gold* (owing to permitting delays, partly owing to Covid-19).

The *Simberi* mine is focusing upon waste stripping while the processing plant is closed. *Simberi's* second half year Gold production is forecast at 60-70,000 ounces, not far short of the *annual* production of 74,000 ounces for the previous financial year to June 2021.

### St Barbara



**Vulcan Energy** has announced *another* binding lithium hydroxide offtake agreement, this time with **Unicore** (a manufacturer of cathode materials) who have agreed to purchase between 28,000 and 42,000 tonnes over a five year period starting in 2025.

We are not really sure why a *third* offtake agreement warrants a two day trading halt . . . except that the \$12.50 *Share Purchase Plan* was about to close and the shares were trading on-market at only \$11.56. A trading halt - where shareholders would expect some market sensitive announcement that *could* move the share price higher - *may* have encouraged a greater uptake of the SPP shares? The SPP raised just under \$3.1 million - somewhat less than the \$20.0 million sought.

Cash at the end of September was Euro 187.2 million (including Euro 119.4 million from the placement). That is Euro 1.53 per share or A\$2.38 per share.

Vulcan Energy was also the target of a short-selling attack from **J Capital Research**. While we are not in favour of this type of action, we can see how Vulcan Energy set itself up to be in that position. Vulcan Energy - like many companies - does not like to disclose too much information to its shareholders . . . and that can lead to uncertainty and doubts about its technology, processes and projections.

For example, J Capital Research states: “Voodoo. Vulcan claims it has a Direct Lithium Extraction (DLE) technology than can reduce production costs, but it has not revealed what that technology is or how it works”.

Vulcan Energy's response to “disinformation in online report” counters with “Vulcan is using an aluminate-



based sorbent to extract lithium from its brines, as previously announced. We have explained how this process works on numerous occasions, most recently in the Equity Raising Presentation released on 14 September 2021.”

In fact, Vulcan Energy have given very little information about this process - witnessed by this being the first time they have ever used the word “aluminate” - and still describes this process in only the most basic terms. We are certainly not suggesting the company disclose complicated, technical, proprietary information concerning this process . . . but it is not surprising that some people see this as “magic” or “voodoo”!

And let's talk a little about “disinformation”. There are some internet businesses that provide information/promotional services to companies like Vulcan Energy - in return for some undisclosed fees for these advertising/promotional/public relations services. We certainly do not know the details of the contractual relationship between Vulcan Energy and this stock promoter, nor what input Vulcan Energy may or may not have in their editorial content. Certainly there is enough “plausible deniability” here that Vulcan Energy can avoid any connection with “disinformation” published by its internet stock promoter. That service suggested a Vulcan Energy “short squeeze” similar to what happened with **AMC Entertainment** and **Gamestop** earlier this year. The promoter was careful not to explicitly mention that both AMC and GME rose 35 times in value in those short squeezes . . . but many stockmarket investors are probably well aware of that fact. An equivalent action here would put Vulcan Energy shares at \$525.

GME had an extremely high *short interest* of 123% (i.e. shares were lent and sold, with the second owners also lending the shares to further short sellers). Vulcan Energy's short interest peaked at less than 2%.

The talk of a “short squeeze” in Vulcan Energy shares was just nonsense and disinformation.

### Vulcan Energy



**Woodside Petroleum** reports September quarter production of 26.0 MMboe. That is up 14.5% on the June quarter but 2.6% lower than the September 2020 quarter.

Revenues of US\$1,531 million were up 19.1% on the June quarter and up 119.0% on the September 2020 quarter.

The company is “on track” for a Final Investment Decision to proceed with the *Scarborough* and *Pluto Train 2* projects “before the end of the year” and also the equity sell-downs of these projects is “progressing well”. Discussions have also begun to sell-down the *Sangomar*

development.

Woodside Petroleum and four Japanese partners will undertake a feasibility study into developing an ammonia supply chain from Australia to Japan.

Woodside Petroleum also plans a staged development of *H2Perth*, a carbon-neutral hydrogen and ammonia production facility to be built on 130 hectares of industrial land (leased from the State Government) in the *Kwinana Strategic Industrial Area* and *Rockingham Industry Zone* in south Perth. The first stage, costing \$1000 million, would produce 300 tonnes of hydrogen per day, with construction expected to start in 2024.

About two-thirds of this initial hydrogen production will be from natural gas (which is split into hydrogen and carbon dioxide) and one-third “green hydrogen” (i.e. from 250 megawatts of electricity used in the electrolysis of water).

Later stages would expand up to 1500 tonnes per day of hydrogen for export as ammonia and liquid hydrogen “as the proportion of renewable energy on the grid increased”. The project will “facilitate substantial growth in renewables in Western Australia by providing to the grid a flexible and stabilising load”. As well as exports, local hydrogen refuelling stations could be built “as early as 2023” (although we are not sure how one can build the retail outlets *before* the production facility?).

Woodside Petroleum and US based **Heliogen** plan to build a 5MW commercial scale demonstration facility in California, USA. This is a concentrated solar energy system where AI enabled software “precisely aligns an array of mirrors to reflect sunlight to a single target on the top of a solar tower” to deliver “nearly 24/7” energy.

This can provide industrial-grade heat, thermal energy storage, electric power and/or green hydrogen production.

Woodside Petroleum is interested in the potential for a zero-carbon hydrogen and/or ammonia business using renewable power. The two companies will also work together to “design, optimize and sell modularised industrial-scale and cost-competitive integrated renewable energy and hydrogen solutions”.

The statements from the companies indicate they will “jointly market” the “technology in the US and Australia” but contradicts that by stating that Woodside will have the “marketing rights for Australia”. Also Woodside is “excited about the marketing rights in Australia, where our abundant solar energy resources support application of this technology in remote power generation” (e.g. mining) “and other industrial processes”.

### Woodside Petroleum



(Continued on Page 16)

# Share Recommendation:

## Buy Fenix Resources

### BUY Fenix Resources Ltd (code FEX).

Fenix Resources is an out-of-favour, very deep *value* investment where the shares are trading on an historical Price/Earnings ratio of 2.1 and Dividend Yield of 24.4%. Shares in this debt-free company trade for less than its cash and financial assets . . . so we are paying nothing, in fact a negative amount, for its business (which in six months of operating last year earned a \$49.0 million profit).

#### Company History

The company was listed on the Australian Stock Exchange in 2008 under the name **Emergent Resources** (exploring for iron ore, vanadium and manganese) but in May 2018 the company acquired unlisted **Prometheus Mining Pty** (for 55.0 million ordinary shares and 112.5 million performance shares) which owned 100% of the *Iron Ridge Project*. The name was changed to **Fenix Resources** in late 2018 and the company recapitalised through an issue of 112.5 million shares at 4.0 cents to existing and new public shareholders to raise \$4.5 million.

In April 2019 it raised a further \$1.75 million from the placement of 31.9 million shares at 5.5 cents and in August 2020 raised \$15 million from 104.4 million shares at 14.5 cents to complete the development of the *Iron Ridge* mine.

#### Iron Ridge Mine

The *Iron Ridge* mine is a low capital cost, high grade (64.2% Fe) Direct Shipping Ore (DSO) operation, transporting ore by road to Geraldton Port. The Resource is 10.5 million tonnes, which will support a 1.25Mtpa production for at least 6.5 years.

Production began in December 2020 with the first shipment in February 2021. Target annual production of 1.25Mtpa was achieved from March 2021.

The major operating cost is road transportation 485km on sealed roads to Geraldton Port, which is carried out by a 50% owned joint venture company, Fenix Newhaul Pty Ltd. This owns and operates 19 prime mover trucks and trailers plus 12 subcontracted units.

Contract mining services are provided by **MACA Mining**.

Port infrastructure (i.e. a storage shed, truck unloading and conveyor systems) were purchased in October 2020 from **Sinosteel Midwest Corporation** for \$1.0 million, with a further \$250,000 spent on recommissioning. A *Port Access and Services Agreement* and *Port Lease Agreement* were signed with **Mid West Ports Authority** (which operates the Geraldton Port) in December 2020 giving the company a port allocation of 1.25 million tonnes per annum for six years.

**Atlas Iron Pty** is the marketing agent for 50% of production from *Iron Ridge* and **Sinosteel International Holding Company** (a HK company, wholly owned by the Chinese State Owned Enterprise, **Sinosteel Group Corporation**) executed a binding offtake agreement to purchase the remaining 50% of production for the life of the mine. Pricing is based on a “monthly average Platts 62% Fe index” plus a premium to reflect the higher iron

content in *Iron Ridge* ore.

“But”, we hear you thinking, “iron ore prices have recently collapsed by 60%”. Yes, that is correct . . . but, before that, in July 2021 Fenix Resources entered a 12 months “iron ore swap arrangement” with an Australian Financial Institution at a fixed price of A\$230.30 per dry metric tonne. That 600,000 tonnes contract effectively guarantees sales revenues of \$138.18 million (plus any premium for higher grade ore) on 45-50% of planned production from October 2021 to September 2022.

These contracts will be cash settled for 50,000 tonnes each month. If the *Monthly Average Platts TSI 62 Index*, converted to Australian dollars, is below A\$230.30 then the company will receive the difference in cash. (If the price was higher, they would need to pay the excess, but would be receiving a similarly higher price on their actual sales). The company is not using “mark-to-market” accounting to value these monthly contracts, but at the end of September these contracts had a fair value gain of around \$42 million (8.9 cents per share).

At the current iron ore price of US\$97 (A\$131) the hedging contracts have a gain of A\$59.6 million (12.6 cents per share).

#### Recent Results

For the year to 30 June 2021 - which includes only six months of mine operation - the company reported revenues of \$114.4 million and a net profit of \$49.0 million (10.4 cents per share).

The net operating cash surplus was \$65.3 million.

The company’s dividend policy is to “distribute between 50% and 80% of after-tax earnings”, “to the extent that dividends can be fully franked”. For the June 2021 year the company paid a 5.25 cents (50% of profits), fully franked. That dividend appears to have been limited owing to expected tax payments to balance the imputation tax credit account.

The 2021 result partially benefited from \$7 million of prior tax losses, reducing income tax to \$12.8 million. Full income tax rates will be payable in the future, which would allow a *higher* dividend payout ratio.

The September 2021 quarter generated cash receipts of \$71.8 million and a net operating surplus of \$25.4 million. Cash at the end of September was \$93.0 million (19.7 cents per share). \$24.8 million has since been paid as the 5.25 cents dividend, leaving cash of around \$68.2 million (14.4 cents per share).

#### Investment Criteria

Six months of mine operations in the full year to 30 June 2021 produced a net profit of \$49.0 million (10.4 cents per share) and the payment of a 5.25 cents dividend. At 21.5 cents, Fenix Resources shares trade on a Price/Earnings ratio of 2.1 and a Dividend Yield of 24.4% (fully franked for Australian investors).

The company is in a very sound financial position with no interest bearing debts and very small lease liabilities. After paying the recent dividend, the company holds cash of \$68.2 million (14.4 cents per share).

The iron ore swap has a current “mark-to-market” value of \$59.6 million (12.6 cents per share).

That is cash and unrealised gains on a financial asset of 27.0 cents - more than the share value!

In addition, the company has \$2.65 million (0.6 cents per share) of loans to its transport joint venture.

The issued capital is 472.2 million ordinary shares, giving a market capitalisation of \$102 million. In addition there are 97.5 million performance shares (from the original project acquisition). These will eventually convert to ordinary shares, subject to performance milestones (which is basically profitable mine production of at least 1.0Mtpa).

Like most *smaller* companies, the shares are *neglected* with no brokers following the company closely enough to publish profit forecasts. Investors are more likely to find undervalued situations among *neglected* shares than in *widely followed* (and fully valued) shares, so *neglected* shares should yield higher average future returns.

Chairman and Non-Executive Director W Davies owns just 30,000 shares, Managing Director R Brierley holds 12,750,000 shares, Non-Executive Director G Plowright owns 7,029,587 shares and 19,615,385 performance shares and Non-Executive Director R Nicholls-Maltman holds just 30,000 shares.

The Managing Director R Brierley obtained his shares from exercising employment options while G Plowright has retained his large interest from the sale of the *Iron Ridge Project* to the company in 2018.

There were two *insider* buys and one sell over the last year. W Davies purchased 30,000 shares on-market in June at 24¼ cents, R Nicholls-Maltman purchased 30,000 shares in July at 39½ cents and R Brierley sold 6,000,000 shares at 21 cents in September (retaining 12.75 million).

The Relative Strength Rating is -9.2%, ranked 78 (on a scale of 0-99). Relatively *strong* shares tend to continue to perform well, while very *weak* shares can also have a tendency to bounce higher.

### Operating Economics and Viability

An alternative way to evaluate this investment situation is to assess the impact of the hedging contract in the company's operating results over the next year . . . and the continued viability of the business at the current environment.

The sale of 50,000 tonnes per month (at market prices but topped up to A\$230.30 via the hedging contract) will generate revenues of \$11.5 million per month *which the company states will cover all operating expenses on 1.25Mtpa of production*.

That is estimated annual operating costs of \$138 million or A\$110/tonne for all expenses. Cash operating costs, for example, including road transport and shipping, are reported at A\$85-90/tonne.

From that information we can estimate the profitability for the current year: There will be 55,000 tonnes per month of production to be sold at market prices. As all operating costs of covered by the hedged sales, this remaining unhedged sales revenue will equal the company's pre-tax profits.

Iron Ore prices have fallen almost 60% over recent months to a current low of US\$91 (A\$131) per tonne for 62% iron ore and at that level the pre-tax profit should be around A\$7.2 million *monthly* or an annual after tax net profit of A\$60 million (12.7 cents per share).

That would put the shares on a current year Price/Earnings ratio of just 1.7. A 50-80% dividend payout

would be 6.35-10.15 cents, yielding 29.5-47.2%. [Editor's Note: Sorry, taxable for NZ investors but fully imputed - tax paid - for Australian shareholders. The payment of dividends should also help to re-rate the share price.]

By September 2022, cash in the bank (before any dividend payments) should be at least \$128 million (27.0 cents per share).

The Hedging contracts runs to the end of September 2022. After that annual operating costs of around \$138 million would require a market selling price of A\$110/tonne to break-even. At the current market price of US\$91/tonne or A\$131/tonne the company would still be slightly profitable, with an after tax net profit of at least \$20 million (4 cents per share) or, allowing a 5% higher revenue for higher grade ore, \$25 million (5 cents per share). The dividend may be around 2½-3¼ cents. That would put the shares on a Price/Earnings ratio of 4-5 and a Yield of 11½-15% for the year to June 2023.

### “Win-Win” Situation

If the price of iron ore continues to fluctuate widely - either higher or lower - then we have a further “win-win situation”!

If the price of iron ore recovers, then revenues, profits and the net cash operating surplus (on the unhedged 50-55% of sales) will be higher than \$60 million in the current year and some *multiples* higher in the June 2023 year.

If the price of iron ore falls further then the company could reduce or completely cease mining (reducing or eliminating operating expenses) while collecting *an even larger cash settlement each month* (until September 2022) on its \$138 million hedging contract. In that situation the company could maximise its cash build up over the next year to above our \$128 million estimate.

### Summary and Recommendation

The falling iron ore price is depressing the market value of Fenix Resources shares. A lower iron price does *reduce* the value of the company's mine but *increases* the value of its large hedging contract. The company is also debt-free with a large cash holding in the bank.

*Mr Market* will sell us these shares at a 20% discount to their cash value . . . and we get the potentially valuable iron ore mine for nothing.

The large cash holding and cash build up over the next year limits our downside risk, while the cash value and potential mine value offers significant potential for the shares to be re-rated strongly. The shares offer the potential for a high income *and* high capital growth. Buy.

### **Fenix Resources**



# 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	Insider Buy-Sell	Brokers Following	Price to NTA	Return on Equity	Volatility	Price/Earn. Ratio	Dividend Yield	Price/Sales 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/Earn. Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n	
<b>UNDER-VALUED SHARES:</b> Lowest Price/Sales, Yld > 0, Rel Strength > 0														<b>WORST PERFORMING SHARES:</b> Weakest Shares, P/S Ratio > 0.25, Yield < Twice Average														
T&G Global	295	+1.0	-0.1	50	0-0	-	0.7	2	0.7	33	2.8	0.26	362	Napier Port	305	-4.2	-0.5	80	2-0	1	1.8	6	0.6	28	2.3	6.06	608	
PGG Wrightsons	435	+11.0	+4.7	12	0-1	3	2.1	5	1.1	42	2.9	0.42	328	Smartpay NZ Ltd	82	-3.6	+2.1	76	3-0	-	6.9	-	1.4	NE	Nil	5.62	190	
Steel & Tube	129	+3.6	-0.3	32	5-0	3	1.1	8	1.2	13	3.5	0.45	214	Delegat Group	1450	-0.3	+1.7	64	1-3	2	3.2	14	0.4	24	1.9	4.80	1,466	
Col Motor Co	1105	+10.3	+2.7	15	1-0	-	1.6	8	0.5	21	4.0	0.48	361	Mercury NZ	605	-0.7	-2.5	65	3-3	4	2.3	6	0.4	41	3.2	4.79	8,470	
Z Energy Ltd	359	+13.4	+3.4	9	0-0	4	1.8	6	0.9	31	5.4	0.53	1,867	AFT Pharma.	485	-4.4	-0.3	81	0-0	-	13.9	21	0.3	65	Nil	4.48	507	
Ebos Group Ltd	3616	+8.8	+1.4	16	0-0	6	4.1	13	0.3	31	3.4	0.62	5,936	Cooks Global Fd	3	-8.1	-5.8	88	0-0	-	-	-	-	3.7	NE	Nil	4.21	17
Seeka Kiwifruit	526	+3.2	+0.1	33	1-0	-	1.0	9	0.7	11	3.2	0.67	169	Augusta Capital	98	-0.1	+0.0	60	0-0	5	1.0	8	0.9	12	6.1	3.56	86	
Sanford Limited	493	+1.0	+0.1	49	3-0	2	0.8	4	0.5	21	1.4	0.98	462	Sky City Ltd	317	-1.7	-0.3	67	3-1	6	1.5	9	0.6	15	7.4	3.38	2,410	
<b>BEST PERFORMING SHARES:</b> Strongest Shares, P/E < 20, P/S < 1.0														<b>General Capital</b>														
NZME Limited	125	+18.2	+1.1	6	2-0	-	1.9	11	1.2	17	Nil	0.77	247	Trust Power Ltd	732	-4.1	-0.9	79	0-2	-	2.1	3	0.5	105	7.5	6.5	2.40	2,291
Sky Network TV	187	+7.8	+2.4	18	6-0	5	7.7	-	1.0	7	Nil	0.46	327	<b>INSIDER BUYING:</b> Most Insider Buying, Relative Strength > 0														
Green Cross H.	128	+5.5	+1.4	27	0-0	-	1.3	15	0.8	9	Nil	0.32	183	Sky Network TV	187	+7.8	+2.4	18	6-0	5	7.7	-	0.8	7	Nil	0.46	327	
Steel & Tube	129	+3.6	-0.3	32	5-0	3	1.1	8	0.9	13	3.5	0.45	214	Infratil NZ	804	+6.4	+1.1	23	5-0	-	2.2	-	0.5	NE	3.1	5.49	5,813	
Seeka Kiwifruit	526	+3.2	+0.1	33	1-0	-	1.0	9	0.6	11	3.2	0.67	169	Steel & Tube	129	+3.6	-0.3	32	5-0	3	1.1	8	0.7	13	3.5	0.45	214	
Metco Per Glass	41	+2.1	-3.2	41	2-0	1	0.9	10	1.4	9	Nil	0.33	76	Kathmandu Ltd	161	+3.1	+3.3	34	4-0	3	1.3	1	1.1	115	Nil	1.28	1,025	
<b>INCOME SHARES:</b> Highest Yields, Capitalisation > NZ\$100 million														<b>INSIDER SELLING:</b> Most Insider Selling, Relative Strength < 0														
Hallenstein G.	693	-0.8	-0.9	66	0-0	-	4.7	32	0.5	15	7.8	1.43	413	RUA Bioscience	41	-6.3	+1.2	85	0-4	-	2.0	-	0.9	NE	Nil	N/A	57	
Ozzy (Tortis)	436	+0.9	-1.0	50	0-0	-	1.2	7	0.4	16	7.5	N/A	105	TruScreen Ltd	8	-9.7	+7.2	90	1-5	-	2.6	-	1.8	NE	Nil	N/A	29	
Sky City Ltd	317	-1.7	-0.3	67	3-1	6	1.5	9	0.6	15	7.4	3.38	2,410	Genesis Energy	323	-2.1	-0.8	71	0-3	5	1.6	1	0.5	192	5.3	1.29	3,348	
Contact Energy	793	+2.1	-1.4	41	1-2	5	2.0	5	0.5	44	6.8	2.75	5,695	Cannasouth Ltd	38	-11.3	+0.9	92	2-5	-	3.3	-	1.1	NE	Nil	N/A	46	
Heartland Group	226	+12.6	+0.0	11	0-2	-	1.7	11	0.7	15	6.8	4.04	1,324	Trust Power Ltd	732	-4.1	-0.9	79	0-2	-	2.1	3	0.3	75	6.5	2.40	2,291	
Kingfish Ltd	206	+2.3	-0.2	40	0-0	-	1.2	26	0.6	5	6.5	N/A	643	Delegat Group	1450	-0.3	+1.7	64	1-3	2	3.2	14	0.4	24	1.9	4.80	1,466	
Turners Auto.	425	+8.7	-2.7	18	0-2	-	1.6	12	0.7	14	6.5	1.23	366	NZ Automotive	79	-10.1	-6.0	91	1-3	-	2.3	20	0.9	11	8.8	0.55	36	
Trust Power Ltd	732	-4.1	-0.9	79	0-2	-	2.1	3	0.4	75	6.5	2.40	2,291	Air New Zealand	166	-0.5	+3.1	64	0-1	4	1.7	-	1.0	NE	Nil	0.74	1,858	
Barramundi Ltd	99	+0.4	-1.5	55	2-0	-	1.1	28	0.7	4	6.1	N/A	212	NZ King Salmon	148	-4.0	+1.4	78	0-1	3	1.1	-	0.4	NE	Nil	1.26	206	
Marlin Global	151	+3.7	-2.2	29	2-0	-	1.2	28	0.6	4	5.9	N/A	287	Savor Ltd	40	-13.3	-3.9	93	0-1	-	4.6	-	1.1	NE	Nil	1.21	25	
<b>OVER-VALUED SHARES:</b> Highest Price/Sales Ratios, Relative Strength < 0																												
Asset Plus	34	-0.2	+0.2	62	0-0	-	0.7	10	0.9	8	5.4	8.74	122															
Kiwi Property	116	-1.8	-0.0	68	4-2	5	0.8	9	0.7	9	4.5	7.80	1,813															
NZ Exchange Ltd	177	-5.9	-0.8	84	0-0	2	7.6	18	0.5	41	4.8	7.13	481															
Plexure Group	54	-23.1	-10.9	97	2-3	-	13.2	-	1.3	NE	Nil	6.87	50															
Blis Technology	6	-4.0	-4.4	78	0-0	-	11.5	10	2.8	116	Nil	6.16	65															

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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	Insider Buy-Sell	Brokers Following	Short Interest	Price to NTA	ROE	Volatility	PIE Ratio	Div Yield	P/S Ratio	Market Cap'n	Company	Share Price	Cur- rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Brokers Following	Short Interest	Price to NTA	ROE	Volatility	PIE Ratio	Div Yield	P/S Ratio	Market Cap'n
<b>UNDER-VALUED SHARES:</b> Lowest Price/Sales, Yld > 0, Rel Strength > 0														<b>Metcash Ltd</b>															
Lifestyle Com.	2175	+30.2	+2.1	7	0-1	2	2.4	14.6	-	0.4	0	0.4	0.00	2,274	Mastermyne Grp	92	+12.4	-3.3	19	0-0	-	-	2.4	28	1.2	8	6.5	0.33	98
Minbos Res.	17	+58.8	+17.0	2	0-0	-	-	-	-	3.3	0.264	7	0.01	16	Ambertech Ltd	38	+34.7	+11.6	6	1-0	-	-	1.3	22	1.8	6	8.2	0.36	29
Playside Studio	75	+31.2	+19.2	7	0-0	-	-	-	-	1.3	1526.7	0.02	0	TPC Cons.	304	+4.1	-6.9	36	0-0	-	-	-	0.6	7	5.9	0.37	35		
GLG Corporation	26	+1.1	-9.1	45	0-0	-	-	0.3	5	1.8	6	10.5	0.08	19	Pro-Pac Pack.	21	+4.4	+2.2	35	5-0	-	-	1.2	6	2.3	21	2.7	0.38	166
Dexus Industria	337	+7.2	-0.9	28	0-0	4	0.4	1.3	19	0.6	7	5.1	0.12	1,074	Downer EDI Ltd	628	+11.4	+2.2	20	2-0	8	2.2	5.3	22	0.8	24	3.3	0.38	4,372
Aust Pharm. Ind	149	+10.5	-1.6	22	1-0	6	0.0	2.0	8	0.9	25	1.3	0.18	732	Ive Group	179	+10.3	+1.1	22	1-0	2	0.6	-	1.2	9	7.8	0.39	256	
Autosports Grp	230	+3.7	-2.9	37	2-0	4	-	-	-	1.0	NE	1.3	0.27	462	SRG Global	51	+4.2	-5.7	35	1-0	-	0.1	0.8	5	1.6	19	3.9	0.40	227
CTI Logistics	89	+9.1	+0.9	25	0-2	-	-	1.1	13	1.1	8	4.5	0.28	67	Embelton Ltd	1265	+3.5	+1.0	38	0-0	-	-	1.8	-	0.3	1	3.2	0.41	27
Aneka Tambang	110	+2.6	+2.1	41	0-0	-	-	-	-	0.9	48	0.1	0.29	1	Graincorp	685	+16.5	+1.8	14	0-0	9	0.5	1.2	3	0.8	45	1.0	0.43	1,568
Centrepoint All	28	+7.7	+3.1	27	0-0	-	-	1.4	7	1.9	21	18.2	0.29	40	Paragon Care	31	+11.3	+0.0	21	3-0	-	-	-	1.9	12	3.3	0.44	103	
Lindsay Aust	42	+3.4	+0.3	38	1-0	2	-	1.6	2	1.5	101	4.0	0.29	126	Boom Logistics	18	+10.1	-3.7	23	2-0	-	-	0.6	1	2.5	63	8.3	0.44	77
Capral Limited	805	+9.3	-1.1	24	0-0	-	-	32.2	-	0.4	5	5.6	0.31	138	Eagers Auto.	1517	+2.4	-2.7	42	3-0	12	1.2	6.6	25	0.8	26	1.6	0.45	3,898
K&S Corporation	167	+6.7	+0.2	29	0-0	-	-	1.0	9	0.7	12	3.9	0.31	215	Motorcycle Hold	315	+9.3	+0.9	24	7-0	3	-	8.1	-	1.0	7	6.3	0.45	194

Company	Share Price	STRENGTH RATING			Insider Buy-Sell	Brokers Following	Short Interest	P/E to N/A	ROE	Volatility	P/E Ratio	Div Yield	P/S Ratio	Market Cap'n
		Cur-rent	4-Wk Chg.	Rank 0-99										
Easton Invest.	110	+2.9	-0.3	40	1-0	-	-	4.6	28	1.0	17	3.6	0.45	41
Ridley Corp.	138	+13.5	+2.1	18	2-0	3	0.5	2.3	13	0.9	18	1.4	0.48	441
Sth Cross Elect	71	+13.4	+6.0	18	0-1	-	-	5.1	40	1.3	13	5.6	0.48	176
Inghams Group	350	+5.2	-3.0	32	0-0	9	8.3	6.0	39	0.6	16	4.7	0.49	1,301
Coventry Group	160	+13.2	+0.9	18	0-0	-	-	1.2	6	0.9	20	1.9	0.50	144
Swick Min Serv	35	+31.8	+9.4	7	0-0	-	-	0.9	6	1.9	16	4.2	0.53	80
Orora Limited	337	+2.6	-3.3	41	1-0	9	0.4	3.7	24	0.7	15	4.2	0.56	2,952
Gale Pacific	44	+5.6	-7.5	32	0-0	-	-	1.7	17	1.6	10	9.1	0.59	121
Big River Ind.	208	+6.8	-1.4	29	0-0	2	-	-	0.7	92	2.4	0.60	168	
Pact Group Hold	317	+2.4	-5.8	42	2-1	4	0.2	-	-	0.7	12	0.9	0.60	1,091
Fleetwood Ltd	229	+1.2	-1.9	45	2-0	2	-	1.0	6	0.8	16	7.2	0.61	216
Coles Group	1780	+2.2	-0.6	43	0-0	13	0.6	-	-	0.4	24	3.4	0.62	23,744
Austin Eng.	22	+27.7	+2.3	8	0-0	1	0.1	1.2	2	2.1	51	2.3	0.63	128
Cardno Ltd	155	+40.7	+5.8	5	0-0	-	0.0	2.9	16	0.9	18	3.6	0.67	603
Excelsior Cap.	178	+3.9	-0.8	37	0-0	-	-	1.5	16	0.8	10	2.2	0.69	52
Origin Energy	506	+2.9	+4.0	40	2-0	11	0.5	1.5	-	0.8	NE	4.0	0.73	8,912
CPT Global Ltd	64	+22.9	-6.7	10	1-1	-	-	64.0	-	1.4	7	7.8	0.75	25
Michael Hill	108	+12.0	+2.1	19	0-0	2	0.4	-	-	1.3	9	4.2	0.75	419
Stanmore Res.	104	+17.7	+9.8	13	0-0	-	-	-	-	1.1	8	2.9	0.77	265
Saunders Int'l	75	+3.4	-2.2	38	1-0	-	-	3.3	23	1.2	14	1.0	0.77	78
Bluescope Steel	2042	+3.4	-5.5	38	0-1	10	0.1	3.4	39	0.5	9	2.4	0.80	10,248
National Tyre	124	+10.5	-4.5	22	2-0	1	-	-	-	1.2	30	1.0	0.80	127
AV Jennings	62	+3.9	-1.6	37	0-0	-	0.0	0.6	5	1.3	13	4.1	0.80	250
Bisalloy Steel	186	+25.0	+8.3	9	1-1	-	-	3.8	40	0.7	10	4.8	0.82	86
GR Engineering	200	+19.0	+3.0	13	0-0	3	-	6.3	45	0.7	14	6.0	0.82	321
Regis Health.	194	+1.7	-0.8	44	0-0	6	0.3	-	-	0.8	29	3.4	0.83	584
Enero Group Ltd	394	+13.2	+1.7	18	0-0	1	-	16.4	49	0.8	34	3.8	0.85	341
Aust Vintage	83	+9.3	-0.4	24	3-0	2	0.0	1.1	9	1.1	12	3.3	0.85	210
Cash Converters	28	+8.2	-0.3	26	3-0	-	-	1.1	10	2.0	11	7.3	0.86	173
Aust Finance Gr	254	+2.6	-0.9	41	0-0	3	0.4	5.1	30	0.8	17	4.2	0.87	684
Super Retail Gr	1340	+1.7	-0.8	44	4-0	11	3.7	39.4	-	0.6	10	6.6	0.88	3,026
Elders Limited	1244	+3.5	+0.7	38	1-2	10	0.4	13.8	69	0.4	20	1.4	0.89	1,947

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

Minbos Res.	17	+58.8	+17.0	2	0-0	-	-	-	-	2.6	0.264	7	0.01	16
Ignite Limited	14	+41.4	+10.1	5	1-0	-	-	0.8	15	1.8	5	Nil	0.11	13
Cardno Ltd	155	+40.7	+5.8	5	0-0	-	0.0	2.9	16	0.7	18	3.6	0.67	603
Atlas Pearls	3	+39.1	-5.8	5	3-0	-	-	0.4	26	4.7	2	Nil	0.60	11
Ambertech Ltd	38	+34.7	+11.6	6	1-0	-	-	1.3	22	1.4	6	8.2	0.36	29
Swick Min Serv	35	+31.8	+9.4	7	0-0	-	-	0.9	6	1.4	16	4.2	0.53	80
Playside Studio	75	+31.2	+19.2	7	0-0	-	-	-	-	1.0	1526.7	0.02	0	0
Lifestyle Com.	2175	+30.2	+2.1	7	0-1	2	2.4	14.6	-	0.3	0	0.4	0.00	2,274
Myer Holdings	54	+29.4	-7.6	7	4-0	2	0.6	1.9	20	1.3	10	Nil	0.17	443
TTA Holdings	5	+28.6	-0.1	8	0-0	-	-	0.7	9	3.2	8	Nil	0.87	7
Joyce Corp.	360	+25.2	+4.2	9	3-0	-	-	10.3	-	0.5	8	4.7	0.91	101
Bisalloy Steel	186	+25.0	+8.3	9	1-1	-	-	3.8	40	0.5	10	4.8	0.82	86
CPT Global Ltd	64	+22.9	-6.7	10	1-1	-	-	64.0	-	1.0	7	7.8	0.75	25
Axiom Property	10	+20.1	+4.4	12	3-0	-	-	-	-	2.3	3	Nil	0.69	41
GR Engineering	200	+19.0	+3.0	13	0-0	3	-	6.3	45	0.5	14	6.0	0.82	321
Stanmore Res.	104	+17.7	+9.8	13	0-0	-	-	-	-	0.8	8	2.9	0.77	265
Ridley Corp.	138	+13.5	+2.1	18	2-0	3	0.5	2.3	13	0.7	18	1.4	0.48	441
Sth Cross Elect	71	+13.4	+6.0	18	0-1	-	-	5.1	40	1.0	13	5.6	0.48	176
Coventry Group	160	+13.2	+0.9	18	0-0	-	-	1.2	6	0.7	20	1.9	0.50	144
BNK Banking	100	+12.8	+4.2	18	1-0	-	-	1.1	-	0.8	0	Nil	0.00	0
Aust Agri Proj.	3	+12.8	-6.4	18	0-0	-	-	0.7	17	4.6	4	Nil	0.00	9
Mastermyne Grp	92	+12.4	-3.3	19	0-0	-	-	2.4	28	1.0	8	6.5	0.33	98
Ashley Services	61	+12.3	+2.8	19	0-0	-	-	5.1	29	1.1	17	Nil	0.26	88
Prime Media Grp	42	+12.1	+6.2	19	0-0	1	-	20.8	-	1.2	8	4.8	0.92	152
Michael Hill	108	+12.0	+2.1	19	0-0	2	0.4	-	-	1.1	9	4.2	0.75	419
Paragon Care	31	+11.3	+0.0	21	3-0	-	-	-	-	1.4	12	3.3	0.44	103
Ive Group	179	+10.3	+1.1	22	1-0	2	0.6	-	-	1.0	9	7.8	0.39	256
MCS Services	7	+9.8	-6.1	23	1-1	-	-	7.0	83	2.8	8	Nil	0.34	13
Aeris Resources	17	+9.7	-11.4	24	1-0	-	0.6	-	-	1.9	6	Nil	0.84	368
Wiseway Group	29	+9.4	-8.3	24	0-0	-	-	-	-	1.4	2	Nil	0.03	4
Aust Vintage	83	+9.3	-0.4	24	3-0	2	0.0	1.1	9	0.8	12	3.3	0.85	210
Capral Limited	805	+9.3	-1.1	24	0-0	-	-	32.2	-	0.4	5	5.6	0.31	138
Motorcycle Hold	315	+9.3	+0.9	24	7-0	3	-	8.1	-	0.8	7	6.3	0.45	194
CTI Logistics	89	+9.1	+0.9	25	0-2	-	-	1.1	13	0.8	8	4.5	0.28	67
EVZ Ltd	16	+8.9	-3.9	25	0-0	-	-	-	-	1.9	5	Nil	0.27	15
Cash Converters	28	+8.2	-0.3	26	3-0	-	-	1.1	10	1.5	11	7.3	0.86	173
DHH1 Limited	118	+7.4	-2.4	28	1-0	-	0.1	-	-	1.1	8	Nil	0.88	403
Dexus Industria	337	+7.2	-0.9	28	0-0	4	0.4	1.3	19	0.5	7	5.1	0.12	1,074
K&S Corporation	167	+6.7	+0.2	29	0-0	-	-	1.0	9	0.5	12	3.9	0.31	215
Australis O & G	6	+6.3	+8.2	30	0-0	-	-	-	-	3.2	6	Nil	0.82	61
Antiles Gold	8	+6.1	-0.7	31	13-0	-	-	0.9	39	2.6	2	Nil	0.26	2
Metro Per Glass	39	+5.9	-5.2	31	0-0	1	-	-	-	1.0	9	Nil	0.33	71
Gale Pacific	44	+5.6	-7.5	32	0-0	-	-	1.7	17	1.2	10	9.1	0.59	121
Inghams Group	350	+5.2	-3.0	32	0-0	9	8.3	6.0	39	0.5	16	4.7	0.49	1,301
Beyond Int'l	60	+4.3	-3.5	35	1-0	-	-	1.0	6	0.9	18	Nil	0.32	37
SRG Global	51	+4.2	-5.7	35	1-0	-	0.1	0.8	5	1.2	19	3.9	0.40	227
TPC Cons.	304	+4.1	-6.9	36	0-0	-	-	-	-	1.4	7	5.9	0.37	35
AV Jennings	62	+3.9	-1.6	37	0-0	-	0.0	0.6	5	1.0	13	4.1	0.80	250
Excelsior Cap.	178	+3.9	-0.8	37	0-0	-	-	1.5	16	0.6	10	2.2	0.69	52
Embelton Ltd	1265	+3.5	+1.0	38	0-0	-	-	1.8	-	0.2	1	3.2	0.41	27
Saunders Int'l	75	+3.4	-2.2	38	1-0	-	-	3.3	23	0.8	14	1.0	0.77	78
Bluescope Steel	2042	+3.4	-5.5	38	0-1	10	0.1	3.4	39	0.4	9	2.4	0.80	10,248
Seven West Med.	53	+3.4	-1.9	39	1-0	8	0.4	-	-	1.4	3	Nil	0.64	829
Yowie Group Ltd	5	+3.1	+0.5	39	2-0	-	0.1	-	-	3.5	8	Nil	0.59	10
Easton Invest.	110	+2.9	-0.3	40	1-0	-	-	4.6	28	0.7	17	3.6	0.45	41

Company	Share Price	STRENGTH RATING			Insider Buy-Sell	Brokers Following	Short Interest	P/E to N/A	ROE	Volatility	P/E Ratio	Div Yield	P/S Ratio	Market Cap'n
		Cur-rent	4-Wk Chg.	Rank 0-99										
DTI Group	3	+2.8	+10.8	40	0-0	-	-	0.2	57	4.2	0	Nil	0.54	10
Aust Finance Gr	254	+2.6	-0.9	41	0-0	3	0.4	5.1	30	0.7	17	4.2	0.87	684
Orora Limited	337	+2.6	-3.3	41	1-0	9	0.4	3.7	24	0.6	15	4.2	0.56	2,952
Eumundi Group	102	+2.5	+1.9	41	0-0	-	-	1.1	-	0.6	0	Nil	0.00	0
Pact Group Hold	317	+2.4	-5.8	42	2-1	4	0.2	-	-	0.6	12	0.9	0.60	1,091

**INCOME SHARES:** Highest Yields, Capitalisation > A\$250 million

Aurizon Hold.	341	-2.1	-2.3	60	6-0	11	1.6	1.4	83	0.4	2	58.7	0.36	6,277
Base Resources	30	+1.2	+0.7	45	0-1	-	0.1	-	-	1.2	24	31.1	1.34	353
Regal Invest.	392	-1.0	-1.6	55	0-0	-	-	-	-	0.6	3	27.1	6.72	454
Jupiter Mines	21	-13.4	-2.9	87	8-1	-	-	-	-	1.4	4	22.6	N/A	411
AGL Energy Ltd	560	-20.7	-0.7	95	0-0	12	4.0	0.9	-	0.4	NE	13.4	0.32	3,687
BHP Group Ltd	3609	-9.8	-6.6	79	2-0	16	6.9	2.5	36	0.3	7	11.1	1.31	106,475
Navigator Gl In	183	+4.7	+0.2	34	1-1	2	0.7	0.0	0	0.7	12	10.7	2.09	371
Elanor Com Prop	110	+0.6	-1.5	47	1-0	2	-	-	-	0.7	7	9.2	6.35	308
Platinum Asia I	111	-5.0	-											

# 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
3D Resources	0.3	0.5	0-6	0.2	0.1	+262	1.23	2.39	1.0	+444	Hastings Technology	26	25	0-4	4.6	4.3	+8	0.66	3.59	1.0	+50
Agua Resources	6.1	10	1-7	2.5	1.3	+92	0.74	2.23	1.0	+57	Helios Energy	13	2.0	0-1	16.5	11.0	+50	0.50	1.18	1.0	+999
Aldoro Resources	50	30	1-9	24.0	28.4	-15	0.86	1.47	1.0	+5	Hydrix Ltd	13	12	0-8	3.7	2.1	+77	0.46	3.70	1.0	+41
Alligator Energy	7.7	1.5	0-7	6.3	6.3	+1	1.26	1.21	1.0	+2	Icandy Interactive	9.1	2.5	1-1	6.6	6.6	-0	0.64	1.36	1.0	+0
Alta Zinc Ltd	8.2	1.0	0-2	0.2	7.2	-97	0.84	1.14	1.0	-100	Icandy Interactive	9.1	2.2	1-1	1.2	0.4	+235	0.64	3.85	1.0	+146
Altech Chemicals	12	8.0	0-6	3.1	4.0	-23	0.65	2.41	1.0	-7	Imagion Biosystems	7.1	3.0	1-5	4.4	4.5	-2	0.78	1.45	1.0	+3
Altura Mining	7.0	20	0-3	1.6	0.0	+999	0.00	9.99	1.0	+999	Imagion Biosystems	7.1	5.0	-1-12	1.9	4.5	-58	0.78	1.45	1.0	+459
Amani Gold	0.2	0.2	2-2	0.1	0.2	-48	2.67	1.02	1.0	+11	Imugene Ltd	59	5.4	1-0	53.0	53.6	-1	0.82	1.10	1.0	-1
Aneotech Ltd	21	3.0	1-4	18.5	17.7	+4	1.09	1.14	1.0	+4	Imugene Ltd	59	4.5	2-9	28.0	33.6	-17	0.82	1.42	1.0	+8
Anson Resources	15	3.5	1-7	11.0	11.7	-6	1.10	1.19	1.0	+0	Imugene Ltd	59	4.0	0-0	54.5	33.6	+62	0.82	1.42	1.0	-100
Anteris Tech.	875	800	0-1	65.0	96.7	-33	0.74	6.77	1.0	-24	Inca Minerals	14	0.7	0-11	4.8	13.3	-64	0.92	1.05	1.0	-64
Antilles Gold	7.7	13	1-5	3.0	1.4	+111	0.74	2.38	1.0	+68	Inca Minerals	14	20	1-11	5.8	5.4	+8	0.92	1.67	1.0	+38
Argosy Minerals	33	20	0-4	15.5	13.4	+16	0.79	2.19	1.0	+30	Kairos Minerals	3.1	2.5	0-1	0.6	0.6	-1	0.47	4.84	1.0	+0
Armour Energy	2.3	5.0	2-3	0.7	0.5	+33	0.76	2.00	1.0	+50	Kalina Power	2.6	4.4	0-9	0.6	0.2	+140	0.75	3.25	1.0	+141
Auking Mining	20	25	1-7	4.5	8.7	-48	1.05	1.58	1.0	+28	King River Resources	2.5	6.0	0-8	0.4	0.0	+999	0.54	6.56	1.0	+310
Aumake Ltd	2.4	14	2-4	0.5	0.0	+999	0.54	3.99	1.0	+119	Kogi Iron	1.4	10	0-1	0.1	0.0	+999	0.69	9.99	1.0	+999
Auric Mining	12	40	1-11	0.9	0.2	+380	0.48	4.36	1.0	+90	Latin Resources	4.3	1.2	1-1	3.0	3.2	-6	0.94	1.30	1.0	-2
Ausquest Ltd	1.7	2.5	0-0	0.1	0.2	-47	0.71	4.36	1.0	+999	Lepidico Ltd	4.1	2.6	1-7	2.3	2.7	-14	1.24	1.31	1.0	+12
Aust Vanadium	2.2	2.5	1-1	0.5	0.6	-14	0.77	2.23	1.0	+34	Lepidico Ltd	4.1	2.0	0-6	2.0	2.3	-15	1.24	1.57	1.0	-5
Avecho Biotechnology	1.6	3.5	2-1	0.4	0.4	+3	0.82	1.95	1.0	+53	Lepidico Ltd	4.1	5.0	0-6	0.8	1.1	-30	1.24	2.10	1.0	+96
Avira Resources	0.7	1.0	0-7	0.3	0.1	+175	0.89	2.78	1.0	+177	Lion Energy	8.5	4.0	1-7	3.4	5.9	-43	1.14	1.28	1.0	-8
BPH Energy	5.4	5.0	0-8	2.9	2.6	+13	1.48	1.57	1.0	+77	Lucapa Diamond	5.8	10	0-6	1.6	0.1	+999	0.48	7.33	1.0	+282
BPM Minerals	27	25	3-9	9.0	17.4	-48	0.95	1.27	1.0	+7	MFF Capital Inv.	288	260	0-11	27.0	31.9	-15	0.13	7.41	1.0	-0
Battery Minerals	1.2	10	1-8	0.3	0.0	+999	0.67	4.07	1.0	+263	MRG Metals	1.2	2.5	1-7	0.4	0.2	+71	0.82	2.18	1.0	+75
Beacon Minerals	3.1	2.5	0-9	0.8	0.7	+15	0.32	3.68	1.0	+9	MSM Corporation	5.9	4.0	1-1	3.1	2.3	+36	0.54	2.16	1.0	+19
Big River Gold	24	2.0	0-7	9.0	22.0	-59	0.60	1.09	1.0	-74	Magnum Mining	7.1	5.0	0-10	3.2	3.2	+0	0.92	1.78	1.0	+19
Blaze Int'l	2.6	5.0	0-4	0.3	0.0	+999	0.66	6.88	1.0	+747	Manhattan Corporation	1.0	1.0	1-8	0.7	0.4	+77	0.80	1.76	1.0	+37
Boadicea Resources	19	42	2-7	3.2	4.1	-21	0.71	2.02	1.0	+41	Matsa Resources	6.1	17	1-5	1.1	0.1	+819	0.52	4.44	1.0	+115
Boart Longyear	314	2.1	2-10	1.0	311.9	-100	1.07	1.01	1.0	-81	Maximus Resources	7.8	11	0-1	2.2	0.0	+999	0.66	9.99	1.0	+999
Broo Ltd	1.3	3.0	0-11	0.2	0.0	+651	0.56	4.84	1.0	+167	Medallion Metals	21	35	1-2	3.0	1.0	+193	0.47	4.31	1.0	+70
Brookside Energy	2.2	1.1	0-7	1.2	1.2	-2	1.02	1.62	1.0	+8	Medibio Ltd	0.8	1.5	2-3	0.4	0.2	+81	0.78	1.89	1.0	+47
Bryah Resources	6.2	9.0	1-2	1.4	0.5	+155	0.49	3.73	1.0	+56	Medibio Ltd	0.8	3.0	0-0	0.1	0.2	-55	0.78	1.89	1.0	+999
Caeneus Minerals	1.5	1.5	2-1	0.5	0.6	-13	0.69	1.81	1.0	+15	Metalcity Ltd	0.9	0.4	0-6	0.6	0.5	+18	0.74	1.71	1.0	+24
Candy Club	13	10	1-6	5.2	5.1	+3	0.69	1.86	1.0	+14	Metallica Minerals	2.9	6.0	2-4	1.0	0.8	+28	0.80	1.88	1.0	+46
CarbonX Group	29	24	1-7	6.0	11.6	-48	0.73	1.82	1.0	+3	Metals Australia	0.2	0.4	0-6	0.1	0.1	+4	2.36	1.44	1.0	+406
CardieX	6.3	5.0	0-0	1.2	1.6	-25	0.67	1.82	1.0	-100	Minbos Resources	17	15	1-5	8.9	7.5	+18	0.89	1.68	1.0	+27
Carly Holdings	5.1	16	1-6	1.8	5.1	-64	4.71	1.00	1.0	+130	Moho Resources	5.8	25	1-7	1.4	0.0	+999	0.34	9.55	1.0	+157
Casillo Copper	3.6	8.0	2-8	0.7	1.0	-32	0.80	1.80	1.0	+39	Motio Ltd	9.7	8.0	1-10	4.5	3.9	+16	0.64	1.86	1.0	+15
Castillo Copper	3.6	5.0	1-4	1.5	0.9	+64	0.80	2.13	1.0	+56	Mt Burgess Mining	0.7	1.5	1-6	0.3	0.1	+104	0.89	2.09	1.0	+88
Catalyst Metals	199	245	0-6	29.0	6.2	+367	0.35	7.67	1.0	+90	Mt Ridley Mines	0.7	0.3	1-0	0.4	0.5	-23	1.63	1.22	1.0	+0
Cellmid Ltd	6.2	18	1-4	1.1	0.0	+999	0.43	6.21	1.0	+133	NZ Coastal Seafoods	1.0	2.8	0-8	0.1	0.0	+306	0.79	4.19	1.0	+401
Cervantes Corp.	0.9	1.0	2-6	0.4	0.5	-25	1.09	1.34	1.0	+20	Nanollose Ltd	12	15	2-7	5.1	7.2	-30	1.14	1.31	1.0	+22
Cipherpoint Ltd	3.2	8.0	0-3	0.2	0.0	+999	0.84	8.48	1.0	+999	Naos Ex-50 Opps	122	103	1-4	18.0	20.3	-11	0.15	5.15	1.0	-0
Cirralto Ltd	5.7	2.5	1-8	4.0	3.8	+4	0.97	1.33	1.0	+8	Naos Small Cap Opps	94	102	2-7	5.9	8.7	-32	0.19	9.99	1.0	+5
Classic Minerals	0.1	0.3	2-2	0.1	0.1	+12	2.52	1.05	1.0	+90	Nelson Resources	4.1	8.0	1-9	1.3	1.0	+30	0.86	1.99	1.0	+62
Cohiba Minerals	1.5	1.0	0-6	0.9	0.7	+23	1.33	1.67	1.0	+64	Nelson Resources	4.1	8.0	0-7	2.0	0.3	+563	0.86	3.39	1.0	+342
Cons Zinc	3.5	0.6	1-6	1.1	3.0	-63	1.17	1.14	1.0	-38	New Talisman Gold	0.2	5.5	0-10	0.1	0.0	+999	1.48	2.81	1.0	+999
Corazon Mining	3.7	0.7	0-7	0.3	3.0	-90	1.01	1.22	1.0	-88	Norwest Energy NL	2.4	0.6	0-2	1.8	1.8	-0	1.38	1.33	1.0	+0
Corazon Mining	3.7	14	0-7	0.1	0.1	-2	1.01	3.59	1.0	+802	Noxopharm Ltd	50	30	1-9	23.0	24.5	-6	0.63	1.71	1.0	+4
Creso Pharma	14	5.0	1-2	9.0	10.6	-15	1.62	1.18	1.0	+3	Noxopharm Ltd	50	30	1-7	18.0	24.1	-25	0.63	1.75	1.0	-2
Cycliq Group	2.0	3.0	1-6	0.8	1.6	-49	2.24	1.13	1.0	+55	Oakdale Resources	1.1	4.0	0-1	0.1	0.0	+999	0.62	9.99	1.0	+999
DGR Global	6.3	12	1-10	1.9	0.4	+430	0.44	3.81	1.0	+55	Oar Resources	1.1	3.0	0-0	0.1	0.0	+999	0.62	9.99	1.0	+999
DXN Ltd	1.0	2.0	1-6	0.4	0.1	+319	0.61	3.02	1.0	+82	Okajee Corporation	7.1	8.0	0-7	1.0	1.4	-27	0.82	2.81	1.0	+55
Deep Yellow Ltd	105	50	0-6	0.1	57.7	-100	0.95	1.67	1.0	-77	Okapi Resources	55	30	1-4	34.5	30.8	+12	0.82	1.55	1.0	+13
Digital Wine Ventures	5.0	1.5	1-1	4.9	3.6	+37	0.80	1.36	1.0	+26	Opakri Resources	3.6	11	1-10	1.1	0.7	+54	0.91	2.01	1.0	+89
Eastern Iron	5.2	1.2	1-2	3.9	4.2	-7	1.20	1.20	1.0	-2	Patrys Resources	3.7	4.0	2-1	1.6	1.5	+5	0.80	1.69	1.0	+23
Elsight Ltd	39	90	1-4	10.0	1.8	+458	0.57	3.70	1.0	+105	Patrys Ltd	3.7	2.4	1-8	2.0	2.0	+2	0.80	1.57	1.0	+11
Enegex Ltd	7.5	3.0	0-9	15.5	4.8	+224	1.00	1.46	1.0	+233	Peak Resources	6.8	3.0	0-5	5.1	3.9	+32	0.84	1.71	1.0	+59
Env Clean Tech	1.9	0.3	1-3	0.5	1.8	-72	2.31	1.05	1.0	-51	Peregrine Gold	39	20	2-1	25.0	20.3	+23	0.48	1.72	1.0	+8
Errawarra Resources	23	30	0-10	5.5	4.5	+22	0.80	2.55	1.0	+68	Perpetual Equity	131	135	0-9	1.6	4.9	-67	0.15	9.99	1.0	+6
Esport Mogul	0.6	2.0	0-11	0.2	0.0	+999	0.57	5.71	1.0	+313	Pointsbet Holdings	848	1300	0-10	90.0	54.5	+65	0.54	4.18	1.0	+81
Essential Metals	24	15	1-0	12.0	12.7	-5	0.99	1.58	1.0	+13	Powerhouse Ventures	12	7.0	2-1	6.5	8.2	-21	1.24	1.23	1.0	+8
Estrella Resources	3.3	2.0	1-8	2.0	1.8	+13	0.76	1.58	1.0	+12	Prevident Discovery	21	1.8	1-1	19.0	18.7	+2	0.84	1.10	1.0	+1
European Lithium	19	7.5	2-5	10.0	12.9	-22	0.82	1.31	1.0	-2	Prescient Therapeutics	28	6.3	1-4	21.5	22.1	-3	0.87	1.24	1.0	-1
Fatfish Group	5.4	3.0	1-1	2.5	3.5	-28	1.29	1.35	1.0	+2	Prominence Energy	0.7	2.0	1-9	0.3	0.3	+10	1.29	1.52	1.0	+97
Fiji Kava Ltd	9.4	12	1-3	2.1	1.4	+45	0.54	3.00	1.0	+38	Pure Alumina	1.7	2.5	1-1	0.5	0.2	+104	0.66	2.86	1.0	+69
Fin Resources	4.3	2.5																			



**Recommended Investments** (Cont'd from Page 9)

**GetBusy plc** has completed two small bolt-on technology acquisitions, *DocDown* and *Quoters*.

*DocDown* uses online forms, web hooks and APIs to “automate the population of forms and templates”, replacing the manual transfer of information.

*Quoters* “automates proposals and quotes, especially for accountants and financial services professionals.

Both have been acquired “on attractive terms” with a small upfront cash amount for each plus an early 2023 earn-out equal to December 2022 annualised recurring revenues, capped at US\$500,000 in each case.

Very little investment in development is required, but once integrated into *SmartVault* are expected to contribute to revenues.

*SmartVault* estimates its document storage business for US accountants and bookkeepers is a US\$800 million annual market, plus it is expanding into the US financial services sector with the recent launch of *Certified Vault*.

Recurring revenue growth in the September quarter was steady around 12%, with cash on hand up £300,000 over the period to £2,300,000.

**Investment Outlook** (Continued from Page 1)

electricity into Hydrogen - with a 70% loss of the energy in making compressed hydrogen or liquid hydrogen or liquid ammonia and in transportation - for export.

The most energy intensive industries include iron, aluminium, copper, cement and glass. Australia has those minerals, which it exports for value added processing in other countries. It also has the potential to build significant renewable energy, which it also plans to export as Hydrogen.

Surely we are not the only people to see that there is a better way to do this? Hopefully some economically sensible investment opportunities in value-added processing will become available at some stage in the future. Local production would minimise bulk commodity transportation, use 100% (not 30%) of the energy in renewable energy resources and produce “low carbon” materials. A smaller volume of higher margin, higher value product could be exported to world markets. In terms that politicians may understand: It will create jobs and tax revenues. Higher paying, sustainable jobs.

Some companies are doing this, but only in a small way. *Iuka Resources* is investigating building a Rare Earth refinery, rather than just exporting a rare earth concentrate for processing overseas.

*OZ Minerals*, on the other hand, exports a copper concentrate for processing in China. A miner may not want to expand into processing and smelting. Copper processing is an energy intensive business that usually involves roasting (heated by gas or electricity) to produce a 98-99% pure metal, with electrolytic refining (using electricity) producing 99.95-99.96% pure Copper. If Australia has a cheap abundance of renewable electricity in the future, then it makes more economic sense (and more environmental sense!) to invest in a “zero-carbon” Copper smelter than in a “green” Hydrogen exporter.

**Warrant / Option Analysis**

(Continued from Page 14)

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
Six Sigma Metals	1.1	0.8	0-7	0.4	0.5	-18	1.13	1.78	1.0	+16
South Harz Potash	15	20	1-8	10.0	4.0	+150	0.75	2.04	1.0	+55
Sportshero Ltd	3.0	5.0	1-1	0.4	0.6	-37	0.92	2.22	1.0	+76
Strickland Metals	8.7	3.6	2-6	5.6	6.8	-17	1.15	1.18	1.0	+2
Sumble Solutions	2.3	4.0	2-8	1.0	0.8	+28	0.79	1.72	1.0	+33
Surefire Resources	1.1	0.6	0-7	0.7	0.6	+24	0.95	1.72	1.0	+33
TNG Ltd	12	18	0-0	0.2	0.6	-65	0.59	1.72	1.0	+999
Tasman Resources	3.0	5.0	1-8	1.6	1.1	+41	1.05	1.64	1.0	+60
Tennant Minerals	2.3	3.0	2-5	0.9	2.3	-61	9.05	1.00	1.0	+25
Thomson Resources	7.4	3.0	1-0	5.6	4.6	+23	0.72	1.54	1.0	+16
Titanium Sands	3.0	10	1-12	0.6	0.0	+999	0.43	4.99	1.0	+91
Torian Resources	2.8	2.0	0-2	0.7	0.9	-19	0.76	2.89	1.0	-18
Total Brain	17	36	0-9	2.6	1.0	+155	0.78	3.53	1.0	+214
Triangle Energy	1.8	3.5	1-8	0.5	0.3	+56	0.73	2.31	1.0	+61
Trigg Mining	8.4	25	0-11	0.7	0.1	+999	0.56	5.53	1.0	+239
Trigg Mining	8.4	20	1-8	1.5	0.5	+203	0.56	3.38	1.0	+78
Tubi Ltd	4.9	15	0-7	0.2	0.0	+999	0.58	7.59	1.0	+596
Twenty Seven Co.	0.5	0.9	1-11	0.2	0.3	-21	1.27	1.40	1.0	+51
Tymlez Group	3.1	6.5	2-1	1.1	1.7	-35	1.37	1.33	1.0	+54
UUV Aquabotix	0.2	0.1	1-8	0.1	0.2	-37	1.62	1.15	1.0	+0
Valor Resources	1.8	1.5	0-1	0.3	0.4	-27	1.21	3.33	1.0	+0
Visioneering Tech.	99	3.0	2-3	8.6	96.0	-91	0.61	1.03	1.0	-61
WAM Active	104	110	0-11	1.2	2.9	-59	0.13	9.99	1.0	+8
WAM Global	257	254	0-9	6.3	12.4	-49	0.12	9.99	1.0	+2
WCM Global Growth	162	150	0-9	15.5	16.0	-3	0.17	7.26	1.0	+3
Weebit Nano	323	45	0-2	275.0	278.0	-1	0.82	1.16	1.0	-5
Wellfully Ltd	10	15	1-4	3.0	2.2	+38	0.74	2.31	1.0	+53
Wellnex Life	11	20	1-7	3.7	4.6	-19	1.26	1.50	1.0	+66
West Wits Mining	3.6	12	0-8	0.6	0.0	+999	0.73	4.95	1.0	+512
White Cliff Minerals	1.3	1.5	2-3	0.6	0.5	+31	0.69	1.84	1.0	+24
White Rock Minerals	30	1.0	0-11	7.0	29.0	-76	0.64	1.03	1.0	-76
Woomera Mining	2.1	3.0	1-7	1.3	0.4	+257	0.59	2.63	1.0	+57
Woomera Mining	2.1	3.5	2-6	1.0	0.4	+130	0.59	2.25	1.0	+36
YPB Group	0.2	0.5	0-3	0.1	0.0	+642	1.60	3.15	1.0	+999
Zimi Ltd	1.4	10	0-3	0.1	0.4	-74	3.83	1.60	1.0	+999
Zuleika Gold	2.1	10	1-2	0.2	0.0	+999	0.46	8.06	1.0	+288

**Total Return Index for All Listed Shares**

Oct 11	1945.29	Oct 18	1964.15
Oct 12	1949.65	Oct 19	1959.93
Oct 13	1947.32	Oct 20	1972.79
Oct 14	1959.33	Oct 21	1969.51
Oct 15	1964.58	Oct 22	1975.20
Oct 25	Holiday	Nov 1	1974.33
Oct 26	1979.81	Nov 2	1968.76
Oct 27	1976.93	Nov 3	1967.14
Oct 28	1967.66	Nov 4	1962.85
Oct 29	1976.66	Nov 5	1965.00

**Dividend\$**

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
South Port NZ	19.50	29-10	09-11	Full
<u>Australian Shares</u>				
Brickworks Ltd	40.00	02-11	24-11	

**Next Issue:**

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

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