Asia-Pacific resources quarterly

August 2012

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Edison investment research

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Contents

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Global perspectives: Confidence is back; take risk off

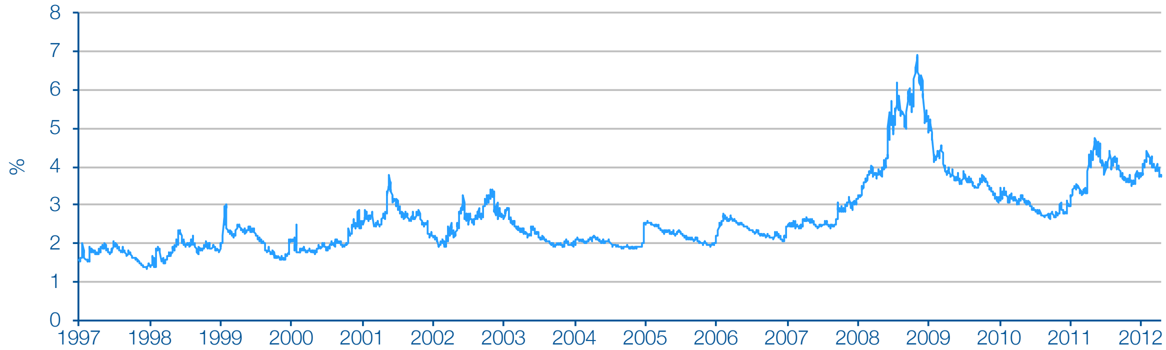
- **Market action consistent with expectations for US QE.** Only the prospect of large-scale quantitative easing could have driven equity, bond and commodity markets so far and so fast in the face of so much negative economic data. Markets seem to have developed an auto-pilot linked to highly predictable central bank policies. Namely, as economic growth shrinks, central bank balance sheets expand.
- **What's different this time? US QE is in the price.** Since 2009 the strongest returns to risk assets have been generated as central banks, especially the Federal Reserve, have eased policy or engaged in QE. But it has also been the case that valuations were often relatively depressed and prices falling at the initiation of monetary easing. This time non-financial equities are trading at all-time highs and in the last three months markets have 'corrected' by more than 10% to the upside.
- **What's different this time? US QE might not happen on time.** Federal Reserve action over the last four years has been strongly associated with declining inflation expectations. This is also the most politically acceptable excuse for increased monetary accommodation. Though US inflation expectations had been falling to levels associated with QE, since the beginning of June they have been rising sharply. This will make further QE more difficult to justify at the present time, especially in a US election year.
- **Evidence of economic slowdown clear and global**. The evidence of a global slowdown is clear in the US, Europe and Asia. Survey data is now indicative of contraction or stagnation in all major regions and the momentum is downwards. Last year we felt that the risk of a 'normal' global recession in 2012 was low as it would have made the post-2009 expansion one of the shortest of the post-war period. However, a recessionary year in 2013 is entirely consistent with the historical frequency of recessions.
- **US, UK – muddle-through may be challenged.** Nations in control of their own central banks, with the most prominent being the UK and US, have in effect used QE to fund government deficits while the economy repairs itself and returns to growth. The risk was always that debt sustainability was questioned before growth returned. We believe activity in the US and UK is being strongly supported by government spending. If fiscal targets are missed due to slowing activity, the temptation will be to tighten fiscal policy at exactly the wrong time. This is a clear risk to the exceptional profit margins being recorded by the corporate sector.
- **Structural solutions no closer in Europe.** The last year has seen frantic policymaking in Europe, which cynics would argue has been designed to look like action without taking any. Only one policy has been effective in reducing panic, albeit for the short run – the ECB's LTRO facilities. Further ECB action seems to be on hold until nations commit to conditionality and the consequent loss of sovereignty. Difficult political negotiations still lie ahead and are likely to create opportunities for investors.
- **Conclusion – Take advantage of the opportunity and take risk off.** We believe it is time to be more cautious on equities. This is not a call to 'sell everything' as valuations for quality equities remain modest in a historical context. Cyclical names that have rallied hardest should be the candidates for the sell list. We take no pride in suggesting that cash raised should be parked in the safest, lowest returning and least economically useful places such as short-term government bills and gold.

Confidence is back; take risk off

We believe equity and bond markets have been driven by the prospect of another round of monetary easing. AAA sovereign bond yields have continued to fall while global equities have rallied by more than 10%, with the notable exception of China – the supposed growth engine of the world economy. Commodity markets have also followed suit as oil is up 20% in recent weeks and soft commodity prices have responded to the drought in the US.

Since the end of Q112 we have watched as the economic outlook has deteriorated. The structural issues within the eurozone also look no closer to a solution. In this context, it is surprising that European equities have been delivering such strong returns, rising 15% in less than three months. We believe this has been at least in part a function of the starting point. At 6,000 points the DAX yield was close to its highest level since the 1960s (aside from 2008/09), Exhibit 1. We would characterise this as being at the upper-end of a new post-credit crisis range; with growth likely to be slower in future the equilibrium dividend yield has risen to compensate. Now, with the DAX brushing 7,000 points, the medium-term valuation picture is a less compelling reason to be fully invested.

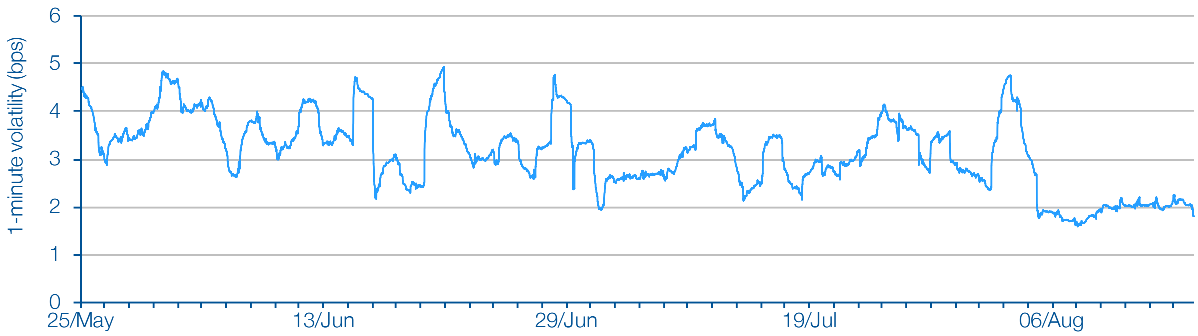
Exhibit 1: DAX dividend yield



Source: Bloomberg

In contrast to the high level of market uncertainty in March, both intra-day volatility and the variation of volatility have declined to exceptionally low levels during August, Exhibit 2. We find this disturbing because we believe the outlook remains highly uncertain – in this environment consensus is indicative of complacency, in our view.

Exhibit 2: Sharp decline in S&P intraday volatility (bps)

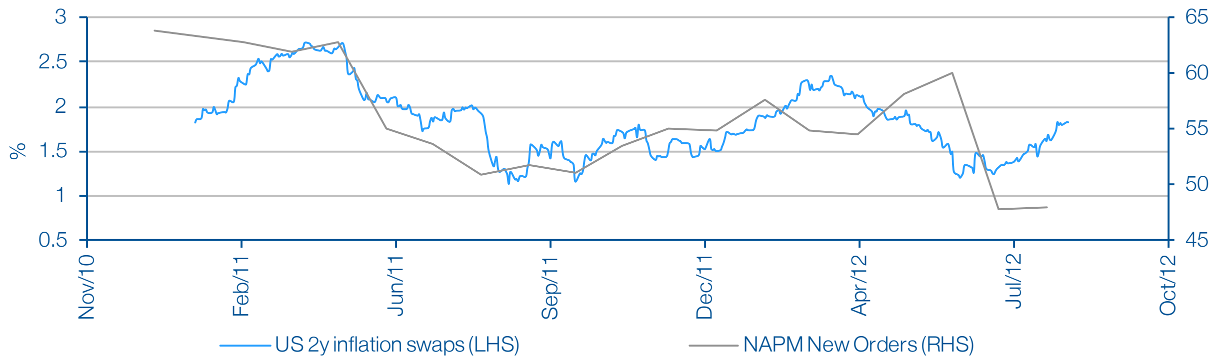


Source: Bloomberg

We see two risks to equity prices globally. The first is a very ordinary recessionary episode which is typical after economic expansions of four to seven years. Such a decline in activity would result in a significant re-appraisal of 2013 earnings prospects – to the downside.

The second risk is that expectations of monetary easing are not matched by policy action. While purchasing managers' survey data has declined sharply, US inflation expectations have been rising, Exhibit 3. With both food and energy prices escalating in recent weeks, headline CPI figures are likely to remain elevated in the short term. This is phenomenon is more significant in emerging markets where food and energy account for a much larger proportion of consumers' total expenditure. Central banks wishing to ease policy further will have to communicate their intentions clearly to keep longer-term inflation expectations anchored.

Exhibit 3: Mini-stagflation – US PMI data and inflation expectations



Source: NAPM, Bloomberg

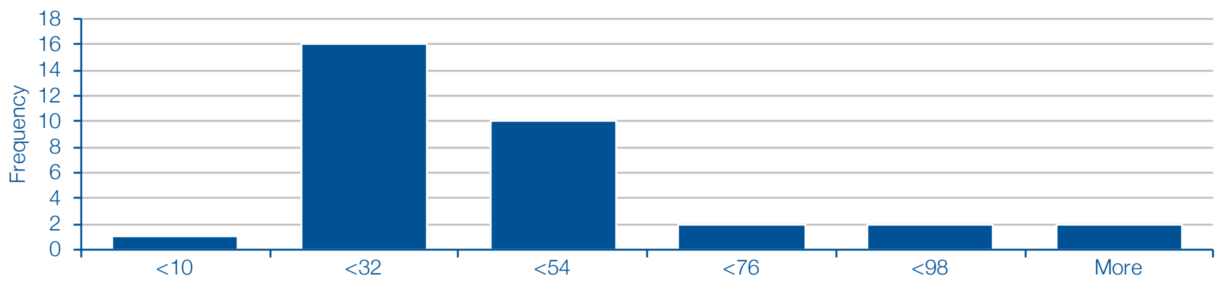
Business cycle indicates a cyclical slowdown increasingly likely

Though the economic recovery in developed markets since the trough in June 2009 has been the weakest of the post-WWII period this does not mean that a cyclical slowdown is any less likely. To assess the risk of a cyclical slowdown we have examined the US National Bureau of Economic Research (NBER) records on the US economic cycle, which go back to 1857.

The data show the average length of US expansions (between the trough in activity and the peak) has been 40 months over this period. Since the 1970s the expansion phase of the economic cycle has been somewhat elongated at 60 months. Exhibit 4 shows that the duration of expansions is a skewed distribution but with less than 20% of expansions lasting longer than 54 months.

NBER has dated the most recent trough in US economic activity to June 2009. On the basis of the statistical data alone this would imply a peak in US economic activity is due over the next 12 months.

Exhibit 4: Duration of US economic expansions since 1857 (months)



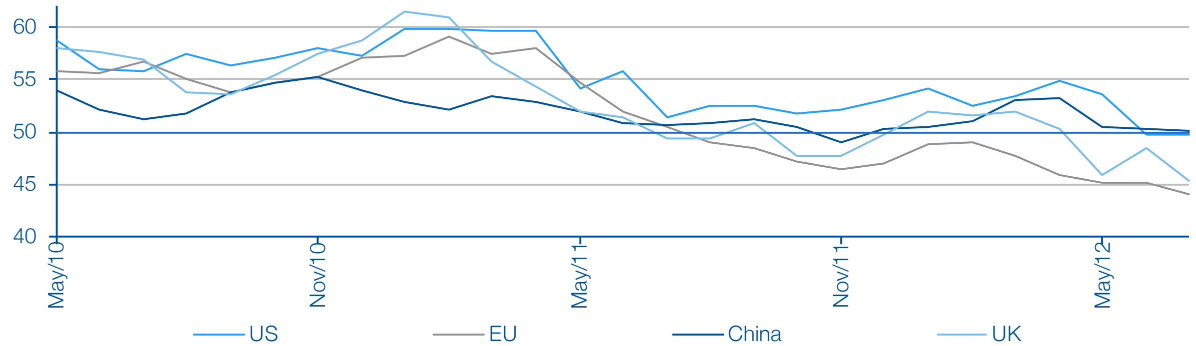
Source: NBER, Edison calculations

Evidence of economic slowdown clear and global

It is difficult escape the signs of a slowdown in the world economy. Whether it is PMI data, the Baltic Dry index or GDP expectations, all indicators are falling globally. Unlike during H211, it is not acute bank stress and asset price declines driving the slowdown; measures of European bank stress in particular have been easing over the summer.

The slowdown is especially marked in Europe; German manufacturing orders have now fallen year-on-year and the eurozone manufacturing PMI index at 44 is indicating a sharp contraction is underway, Exhibit 5.

Exhibit 5: Global survey data poor - and indicating contraction in Europe & UK



Source: NAPM, Markit

For those nations prepared to use fiscal deficits and QE to support demand (and therefore corporate profits and cash flow), a growth slowdown is highly unwelcome and will challenge the muddle-through policy. This is especially relevant in the US and UK. A slowdown is likely to mean fiscal targets will be missed. The risk is that a knee-jerk response of fiscal consolidation will significantly impact expectations for demand and corporate profits. For this reason we are, at present, particularly cautious on cyclical sectors.

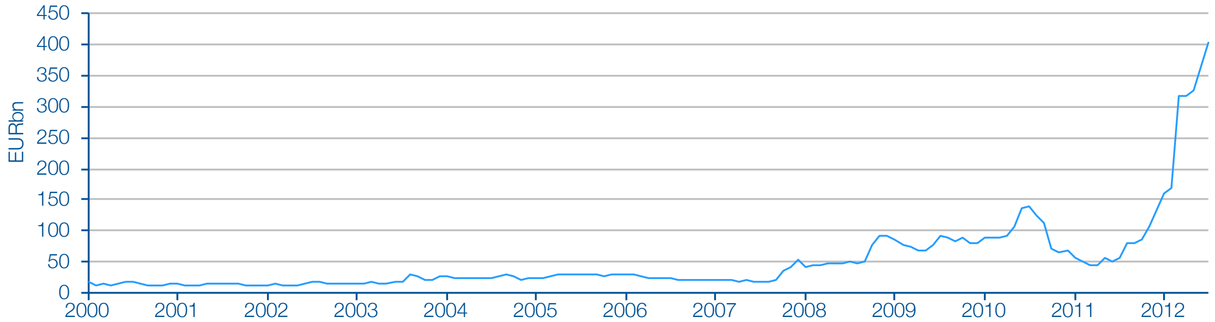
Structural solutions no closer in Europe

Since the acute phase of the European sovereign credit crisis last autumn we would appear to be no closer to a permanent political solution to the crisis. Such a solution requires an element of burden sharing and therefore closer political integration. Both of these concepts are being strongly resisted.

Draghi has made it clear there will be no extended Spanish or Italian bond buying without those nations applying for Europe's bail-out mechanisms and thus being subject to strict conditions on government spending. Given the experience of austerity without exchange rate adjustment in Greece, other peripheral nations may be correct to conclude this path leads to a permanent state of bail-out and a permanent loss of sovereignty. These are good reasons for debate on the merits of staying in the euro for a nation such as Spain.

We note recent reports that Greece plans to extend the period within which it will achieve its fiscal targets. Additional market volatility is likely should these plans meet political resistance from Northern European nations.

Exhibit 6: Spain central bank borrowing from ECB



Source: ECB

Though the ECB will not buy Greek government bonds, it will discount those bonds if owned by Greek banks. We therefore see Greece issuing bonds to its banks with the express intention of discounting at the ECB; such accounting manoeuvres are reminiscent of the permissive pre-crisis financial era. They do not inspire confidence.

The ESM, the centre-piece of EU crisis-fighting legislation remains subject to a German constitutional court hearing in September. Meanwhile capital flight in the periphery continues as Spain's central bank liabilities to the ECB soar, Exhibit 6. Anecdotal reports from the Spanish commercial property market indicate a near-freezing of transactions as real estate executives openly express concerns over peseta re-denomination risk.

Conclusion

Last month we wrote that the short term was difficult to discern. This month we have come off the fence. We believe markets have become overly confident in both the likelihood and effectiveness of further monetary easing, especially in the US. The possibility of a meaningful slowdown in global economic activity appears to have been overlooked.

Our case for owning quality equities was based on two beliefs. The first and most important was that equities are cheap in a historical context and this has not changed. What has changed is the outlook for corporate profits in a slowing growth environment. With a slowdown in demand the corporate sector risks disappointing first with earnings and second with cash returns to shareholders. Market action over the last six weeks has favoured dividend plays (supposedly the new 'government bond'). This was helpful validation of our previous portfolio strategy but presupposes that corporate cashflow is sustainable. In our view, the risks are rising.

A recessionary outcome is looking more likely for Europe in 2013 as activity weakens in all regions. This would also be consistent with a historical analysis of the length of business cycles. Apart from a purely cyclical slowdown, we believe European politics is still some way from resolving the core/periphery problems.

We believe investors should take profits in equities in anticipation of better opportunities later in the year as both growth and the monetary policy response may disappoint the market. Cyclical sectors should be the focus of any portfolio cull. Cash should be parked in the safest of places such as 3m bills of AAA sovereigns. We continue to recommend a single-digit percentage allocation to gold as further quantitative easing is likely to be implemented if growth slows as we fear – but only after the damage has been done to equity prices.

This remains a tactical call going into H212 as the medium-term valuation picture for quality non-financials is still supportive. However, in a difficult economic environment having ample firepower to take advantage of opportunities over coming months will be the route to outperformance if, as we suspect, the growth slowdown will be more severe than in H211.

Our portfolio strategy has been systematically underweight both the periphery of Europe and commodity-linked equities as China's growth moderates. We have made no change to this regional and sector view.

Sector focus: Mining

Analysts

Charles Gibson

Peter Chilton

Resources out of favour... for now

The performance of resource stocks in the last quarter was very disappointing. Concerns at the beginning of the period were mainly over Greece but rapidly escalated to involve Spain before encompassing the whole of the EC and the survival of the euro. Just when minds were focused on damage control in Europe, US growth began to stall although amid evidence of the start of a recovery in the US housing market. To add to the concerns, PMI numbers out of China deteriorated. If China was losing its export markets, what would be its appetite for commodities in an economy increasingly reliant on its domestic consumers for growth? Economic commentary during the period was almost universally negative.

But just when one major broker was instructing its clients to reduce exposure to equities further, most equity markets started to recover from early June, including those in Europe and the US. At the time of writing, this recovery is still underway. The Shanghai Index is an exception and is still falling, although it may be close to forming a base. Unfortunately, equities markets are the sum of their components and resource equities have generally continued to be weak as investors spurn risk and seek stocks with greater perceived sustainability of earnings.

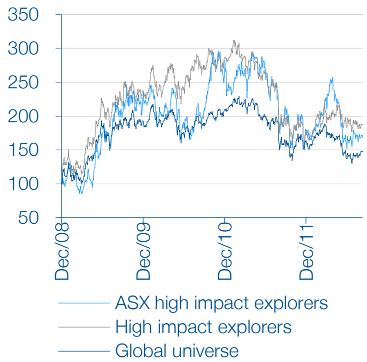
What of commodities? Well, most have been falling, including iron ore and coal. But not all. Oil prices began their recovery in tune with equities markets and, despite all the negative press, US gas prices have also rallied off a low base. Copper and gold prices have also been firm, although the bias may still be on the downside. The uncertainty facing near- and medium-term earnings for resources equities in volatile commodity markets has led to earnings downgrades, P/E contraction and selling. By the traditional valuation measures such as NPV or replacement cost, many resources companies are undervalued, sometimes significantly.

How low can commodity prices go? Perhaps not much lower for most of them. Marginal costs of production have been rising for a range of reasons, some structural, including falling ore grades, rising waste to ore ratios, greater mining depths, higher fuel and labour costs and new taxes. The capital costs of getting new projects off the ground, which affects required incentive commodity prices, has also increased due to factors such as higher steel prices, increased plant size because of lower ore grades, difficult mine locations and a lack of infrastructure and greater regulation. Depressed equity markets mean it will be more difficult to raise equity to explore or fund new projects. Debt finance will be subject to increased scrutiny. Exploration activity and hence new project generation has already started to fall away as explorers start to conserve cash. Some companies are choosing to defer projects, especially longer-term ones, in favour of rewarding shareholders with higher dividends or other initiatives focused on the near term. Supply is responding to demand, like it should. There will be a time to buy resources again and it may not be too far away.

Sector focus: Oil & gas

Analyst

Ian McLelland



Accessing exploration risk capital

While established E&P companies with access to production and reserves can rely on debt to fund activities, focused high-impact explorers are largely exposed to the whims of the equities market for funding. This puts explorers at the mercy of risk appetite and investment horizons that are practically impossible to predict in the medium to long term. For example, during the first nine months of 2011 when equity markets were particularly bearish and non-dividend paying global oil and gas stocks lost 35%, a basket of global high-impact explorers was particularly hit – falling 44% – despite some great success stories such as Ophir and Cove. Goldman Sachs has also recently shortened the time it considers investors currently ascribe to exploration activities from nine months to a mere two months – a gross simplification perhaps (we can think of many explorers with activities beyond two months who trade above net cash) – but you get the point.

However, for those with the risk appetite we continue to believe that a basket of high-impact explorers represents a hand that is likely to beat the market in the long term. This is a concept we first introduced in our 2007 report, *Golden Barrels,* where we laid out an analytical approach to switching from producing assets to exploration assets. Since then, despite some turbulent times, a group of global high impact explorers has consistently beat the total 'market' (adjusted for dividends), with 87% returns versus 48% for the market.

Markets are, of course, not always global and we see interesting distinctions across the three major exchanges focused on specialist resource stocks – London, Toronto and Sydney. Australian high-impact explorers have been particularly volatile compared with the global market, with total gains over 2009 to 2012 slightly lagging that of global explorers at 71%. We would attribute at least some of this volatility and at times malaise to a more general risk-on risk-off environment and a more retail-oriented shareholder base in Australia than exists in either the London or Toronto markets. It is possibly for this reason that some high-profile names such as Range Resources, Rialto Energy and Oilex have all created a secondary AIM listing that in many cases has become the primary exchange for the companies' trade activity.

While markets are not always global, there is an increasing need for explorers to access as many different routes to risk capital as they can. Specialist deep value resource funds are becoming increasingly exchange agnostic and research such as ours is distributed on a truly global basis. Short-term returns remain reliant on both risk appetite and, ultimately, explorers' success with the drill bit. However, market statistics indicate there are clearly compelling reasons for an increasing number of managers to be invested in exploration exposure globally.

Company profiles

TGP development approved

Mining

Alkane Resources (ALK) has announced a number of key catalysts for the development of its Tomingley Gold (TGP) and its flagship Dubbo Zirconium-Niobium-Rare Earth (DZP) projects in New South Wales. A$70m of its March 2012 A$107m equity raising will go towards the A$107m (excl. contingencies) capex required to develop the TGP; the rest will be available via a A$45m loan facility and an up to 163koz gold hedging facility agreed with Credit Suisse (extended to 31 December 2012). ALK has memorandums of understanding (MoUs) for off-take agreements for 100% of future DZP production (first production due in 2014). This is critical to securing the projected c A$893m capex (which could be reduced on re-design of certain project elements) needed to bring the DZP into production.

DZP MoUs completed, project revenues de-risked

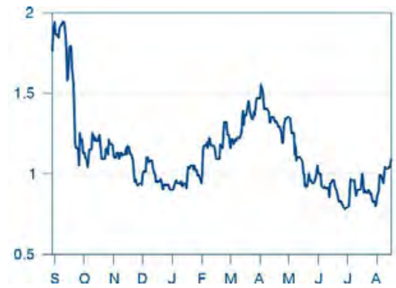
Throughout 2011 ALK entered into non-binding MoUs with third-party companies for the sale of high purity (99% ZrO_2) end-value products, such as specific zirconium chemicals and zirconias (ZrO_2) and ferro-niobium (FeNb). This FeNb will be at 70% purity and is equivalent to, or better than, the standard sold by CBMM, the integrated niobium specialist that operates the largest Nb mine, Araxas, in Brazil. ALK had the chance to sell its high-quality light and heavy rare earth concentrates many times over, but instead secured an MoU for these products with Shin-Etsu (announced 16 July 2012). Shin-Etsu is the biggest non-Chinese rare earth company in the world and has been involved in the rare earths industry for over 50 years. It has global operations in diversified chemicals and a market cap of c US$25bn. ALK preferred the arrangement with Shin-Etsu as it gave it the opportunity to have the light and heavy rare earth concentrates toll treated to produce a suite of high-purity separated individual rare earth oxides (these are not metals). The MoU gives Shin-Etsu priority over purchase of these refined rare earth oxides at commercial prices and gives ALK the right to sell the rest.

TGP development under way; McPhillamys value realised

At the end of the June quarter, TGP had spent A$9.37m of its c A$107m (excl. contingencies) capex requirement on development and capital costs. A ball mill – a critical processing long-lead item – was ordered last year. Pending further approvals for environmental and operating plans, ALK will be able to undergo off-site development such as road upgrades and work on power and water supply. Actual mine development is likely to start after this, with first gold production from the TGP expected in Q413. The TGP has an official 7.5-year mine life, with annual gold production at a rate of 50-60,000oz. However, in March 2012 Alkane announced a 24% increase in code-compliant resources to 812koz Au, which should extend the TGP's mine life. The TGP is expected to generate total LOM revenues of c A$570m with an expected EBITDA of c A$200m. On 9 August 2012, ALK and partner Newmont announced an agreement to sell 100% of the Orange District Exploration JV containing the large McPhillamys (2.96Moz oz Au in resource) project to Regis Resources (ASX:RRL) for A$150m. This translates to A$73.5m for ALK's 49% share taken in shares of Regis at a VWAP of A$4.20 per share.

Price	Market cap
A$1.09	A$409m

Share price performance



Business description

Alkane Resources is a multi-commodity explorer with all its projects in central New South Wales. It owns the Tomingley Gold Project (100%) and Dubbo Zirconia Project (100%) as well as numerous promising exploration projects, including the Cu-Au Bodangora project.

Catalyst: Final TGP approvals (Q412)

Having obtained the most critical of approvals (development) from the New South Wales government, Alkane is now pursuing approval of its mining lease from the New South Wales Division of Resources and Energy.

Catalyst: TGP mine development

Through securing A$107m in its March 2012 equity rising, Alkane has already demonstrated its ability to fund the TGP's development and maintain its timeline. Ongoing TGP newsflow should support Alkane's share price.

Catalyst: DZP project development

With TGP development approval completed and new shareholders involved via the A$107m March 2012 equity raising, Alkane has already gained significant experience in mine development in NSW, operating the Peak Hill Au Mine from 1996-2005. This should help it when securing funding and developing its much more valuable flagship project, the DZP, over the coming months until first production (expected in 2014).

Analyst

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Edison profile page

Alkane Resources is a research client of Edison Investment Research Limited

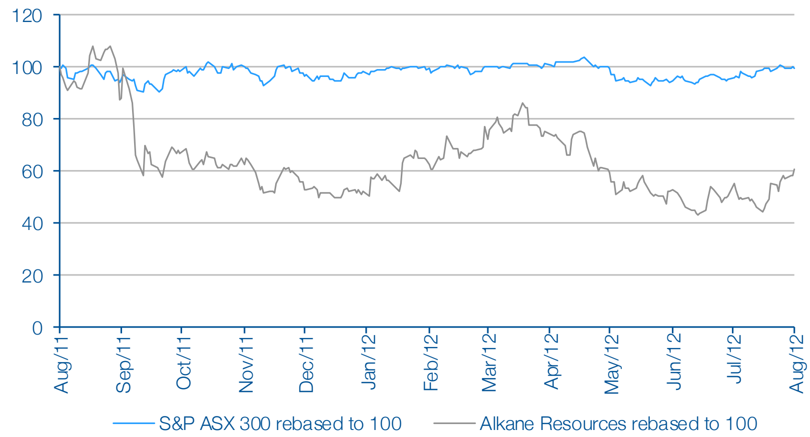
Management team	
Chairman: John Stuart Ferguson Dunlop	**MD: David Ian Chalmers**
Mr Dunlop is a consultant mining engineer with close to 40 years' surface and underground mining experience both in Australia and overseas.	Mr Chalmers is a geologist and graduate of the Western Australian Institute of Technology (Curtin University). He has worked in the mining and exploration industry for over 40 years.
Non-executive director: Anthony Dean Lethlean	**Non-executive director: Ian Jeffrey Gandel**
Mr Lethlean is a geologist with 10 years' mining experience. He has worked as a resources analyst with various stockbrokers and also as a consultant to Helmsec Global Capital Pty.	Through his private investment vehicles, Gandel Metals Pty Ltd, is currently a substantial holder in a number of publicly listed Australian companies.

Share data and price performance

Market data

Market data			
Ticker			ALK
Listing			ASX
Net cash (A$m) (as at June 2012)			100.2
EV (A$m)			307
Free float (%)			73
Shares in issue (m)			372.5
Price performance	**1m**	**3m**	**12m**
Absolute	3.5	9.3	5.6
Relative	(0.4)	18.9	10.7
		High	**Low**
12 month range (A$)		197	74

Share price performance relative to ASX 300



Shareholders, reporting dates and summary financial history

Top shareholder	%
Abbotsleigh	24.6
Fidelity Management	5.0
DMP Asset Management	1.0
Van Eck Associates	0.9

Sensitivities evaluation	
Litigation/regulatory	●
Commodity price	●
Currency	◖
Stock overhang	○
Interest rates	○

Reporting calendar	Date
Q312 quarterly cashflow report	Oct 2012
Annual report	April 2013

P&L (A$'000s)	Jun 09A	Jun 10A	Jun 11A
Turnover	4,714	10,116	961
Adj. EBITDA	2,249	7,642	(3,364)
Adj. PBT	2,427	7,919	(2,642)
Tax rate	N/A	N/A	N/A
Adj. EPS (c)	1.0	3.2	(1.0)
Adj. fully diluted EPS (c)	0.0	0.1	(0.1)
Balance sheet (A$'000s)	**Jun 09A**	**Jun 10A**	**Jun 11A**
Non-current assets	33,574	41,849	54,657
Current assets	10,980	4,995	10,493
Current liabilities	(710)	(1,090)	(2,236)
Non-current liabilities	(146)	(186)	(211)
Net assets	43,699	45,568	62,703
Cash flow (A$'000s)	**Jun 09A**	**Jun 10A**	**Jun 11A**
Operating cash flow	(552)	(1,525)	(1,533)
Capex	(8,903)	(8,831)	(13,250)
Equity issued	1,308	0	19,950
Net cash flow	(3,492)	(278)	(5,944)

Source: Company accounts, Thomson Reuters

Atlantic Gold NL

Asia-Pacific resources quarterly

Edison investment research

Nova Scotia: Pure gold play

Mining

Atlantic Gold (ATV) is a major step closer to development and production at its Touquoy Gold Project after vesting the remaining 14 surface land titles as required by the Minister of Natural Resources and the government of the Province of Nova Scotia to complete the land acquisition program. The company's two key gold projects of Touquoy and Cochrane Hill, both amenable to open-pit mining, are in Nova Scotia, Canada, where ATV holds c 800km^2 of prospective mineral exploration tenements. ATV is the first company to comprehensively explore Nova Scotia for shale-hosted disseminated gold projects. Past exploration activity has focused on gold in quartz veins assuming that host sediments were barren of gold.

Touquoy: Surface land title issues resolved

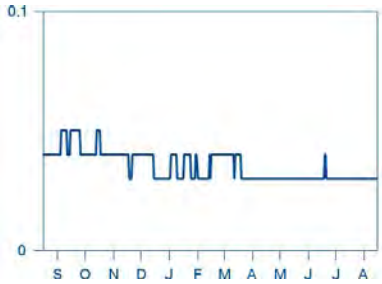
ATV's most advanced project in Nova Scotia is the Touquoy gold project, where it has a 60% interest. Touquoy is approximately one hour from the regional capital Halifax and is well served by paved roads, power and water. Despite the Minister of Natural Resources granting a mining lease in August 2011, the project has experienced delays due to surface property title issues, which have now been largely resolved by the province expropriating the properties and vesting ownership with ATV. An updated definitive feasibility study (DFS) for Touquoy was released in February 2012 based on the mining and processing plan developed in the original 2010 DFS, and included the cash operating cost estimate of A$597 per ounce. All inputs relating to ore reserves, pit design, mining plan, processing and site infrastructure remain unchanged from the original 2010 DFS. Capital cost estimates for the project are pegged at A$140m, which includes an A$10m reclamation bond. According to management, construction is forecast to begin in Q412, subject to financing, with production starting by 2014.

Cochrane Hill: 100% interest now confirmed

ATV's other major focus in Nova Scotia is the Cochrane Hill gold project, an advanced gold exploration property 80km east of ATV's Touquoy Gold Project, with total Canadian NI43-101 compliant inferred and indicated resources of 10.1Mt@1.7g/t gold for 549,000 ounces. The mineral resource estimate incorporates results from the 39 diamond holes drilled into the resource by ATV; 79 holes drilled in the 1970s and 1980s by previous explorers; and infill sampling undertaken by ATV in 2007 on this historic core recovered from storage. Based on conceptual modelling of a unified production plan for the Touquoy and Cochrane Hill gold projects, as outlined in the updated DFS released in February 2012, production is forecast at 93,000 ounces of gold per year at a cash cost including royalties of A$646 per ounce. Management expects capital costs to be similar to Touquoy. A major title issue stemming from a challenge by Steeple Holdings was resolved in May 2012, which cleared the way for ATV's final instalment of C$1m to complete the purchase of Scorpio Gold Corporation's 100% in the project, under the formal agreement from 2011.

Price	Market cap
A$0.028	A$16m

Share price performance



Business description

Atlantic Gold is an ASX-listed exploration and mining company focused on shale-hosted gold in Nova Scotia, Canada. ATV's most advanced project is the Touquoy gold project, with JORC proven and probable reserves of 454,000oz. ATV's s other major gold project is 80km east of Touquoy at Cochrane Hill.

Catalyst: Touquoy gold project

Despite an appeal filed by a lone landowner against the minister's decision, recent resolution of surface title issues paves the way for Atlantic Gold to move forward on development of the project. An industrial approval application will be lodged by the end of August 2012 subject to a decision on the lone landowner action, which is highly anticipated to be dismissed according to ATV management.

Catalyst: Cochrane Hill gold project

Successful completion of the purchase of Cochrane Hill for C$1.6m, or C$3 per resource ounce, following the dismissed claim from challenger Steeple Holdings paves the way for further infill drilling to be undertaken which may potentially increase levels of indicated resource.

Catalyst: Consolidation potential

The opportunities for regional consolidation are substantial given the significant gold deposits between the Touquoy and Cochrane Hill projects not owned by Atlantic Gold.

Analyst

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Edison investment research

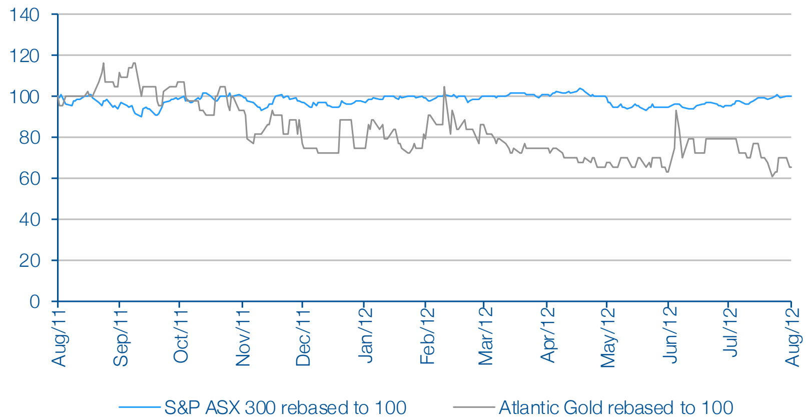
Management team	
Chairman: Ron Hawkes	**CEO: Wally Bucknell**
Ron Hawkes has been the non executive chairman since 1999. He has considerable experience in the mining industry in both Canada and Australia. He was formerly the Managing Director of Plutonic Resources Limited.	Wally Bucknell has been executive director since 1999. . He has considerable experience in the mining industry in both Canada and Australia. He was formerly the General Manager – Exploration of Plutonic Resources Limited.
CFO: Graeme Hogan	**General manager corporate: Brian Bolton**
Graeme Hogan has been the CFO since 2010. He has extensive experience in the mining industry.	Brian Bolton has been General Manager Corporate since 2011. He is the former CFO of Plutonic Resources and has extensive experience in the mining and oil and gas industries.

Share data and price performance

Market data

Ticker			ATV
Listing			ASX
Net debt (A$m) (as at June 30 2012)			0.0
E V (A$m)			15.0
Free float (%)			63
Shares in issue (m)			560.4
Price performance	**1m**	**3m**	**12m**
Absolute	(17.6)	(3.4)	(34.3)
Relative	(21.3)	(3.2)	(33.7)
		High	**Low**
12 month range (A$)		0.05	0.03

Share price performance relative to ASX 300



Shareholders, reporting dates and summary financial history

Top shareholder	%	P&L (A$'000s)	Dec 09A	Dec 10A	Dec 11A
Au Mining Ltd	20	Turnover	0.0	0.0	0.0
Cairnglen Investments Pty Ltd	6	Adj. EBITDA	(619)	(717)	(685)
Australian Pioneer Pty Ltd	6	Adj. PBT	(601)	(589)	(604)
Wapimala Pty Ltd	5	Tax rate	0	0	0
Regency Hallmark Holdings P/L	3	Adj. EPS (c)	(0.2)	(0.1)	(0.1)
Macquarie Bank Ltd	3	Adj. fully diluted EPS (c)	(0.2)	(0.1)	(0.1)
Sensitivities evaluation		**Balance sheetA$'000s)**	**Jun 09A**	**Jun 10A**	**Jun 11A**
Litigation/regulatory	○	Non-current assets	13,901	16,569	21,995
Commodity price	○	Current assets	5,334	4,332	1,740
Currency	○	Current liabilities	(390)	(396)	(1,456)
Stock overhang	○	Non-current liabilities	(76)	0	(7)
Interest rates	◖	Net assets	18,768	20,506	22,271
Reporting calendar	**Date**	**Cash flow (A$'000s)**	**Jun 09A**	**Jun 10A**	**Jun 11A**
Quarterly report	Oct 2012	Operating cash flow	(702)	(794)	(604)
		Capex	(184)	(982)	(1,650)
		Equity issued	7,531	3,417	3,347
		Net cash flow	5,298	(990)	(2,634)

Source: Company accounts, Thomson Reuters

AusTex

Asia-Pacific resources quarterly

Edison investment research

Ramp-up continues

Oil & gas

AusTex continues to ramp-up the commercialisation of its extensive oil-rich acreage in Oklahoma and Kansas. An independent reserves report received in the last quarter concluded P50 reserves of 6.0mmboe and now sets the stage for a TSX-V listing later in 2012.

Snake River priority

AusTex's immediate focus continues to remain lifting production rates from its flagship Snake River project in northern Oklahoma. The project, in which AusTex holds a 100% working interest, spans 5,400 acres atop the Mississippi Lime play. On the back of new wells coming into production, AusTex has successfully lifted production from an average 175boe/day in the first five months of 2012 to 299boe/day in June. With just four current producing wells but six more under development and plans to drill two new production wells each month, AusTex remains confident of achieving its 1,000boe/day 12-month target. That one of its most recent wells, which was drilled by JV partner Range Resources and in which AusTex has a 13.7% stake, has itself been delivering at >1,000boe/day provides significant weight to the achievability of this target.

AusTex is also progressing its exploration and production drilling programme in its Kansas acreage where it aims to drill up to a further eight wells in its Ellsworth County project before the end of 2012.

Further validation of Mississippi Lime play

A highlight of AusTex's latest quarter was its receipt of the conclusions of an independent reserves assessment in June. The study concluded P50 reserves of 4.9mmbbl oil and 6.3mmscf gas for a total 6.0mmboe and NPV10 of US$158m. On a 2P basis this equates to 48cps; around four times AusTex's current share price.

Further validation of the Mississippi Lime play emerged in June when US oil major Apache announced it had acquired a 580,000 net acreage position in the Kansas and Nebraska sections of the play. Apache estimates its acreage could yield 2bn boe from multiple stacked oil plays across the Mississippian Lime, Cherokee, Upper Pennsylvanian formations. AusTex holds acreage immediately adjacent to Apache's newly acquired Kansas acreage.

TSX-V listing on track

In June, AusTex completed a two-stage capital raise providing a total $8.9m of new funding via a US$7.5m issue of convertible notes to a consortium of North American institutional investors led by major AusTex shareholder Iroquois Capital and a $1.4m share placement completed to AusTex director, Kwang Hou Hung.

AusTex continues to work towards completing a secondary TSX-V listing and is aiming to apply in the final quarter of 2012. With cash on hand of $7.2m at 30 June, operating cash flow is expected to continue to strengthen as further production wells are brought online. With the TSX-V listing likely to recruit significant development capital, AusTex appears well positioned to progress its forward work programme.

Price	Market cap
A$0.13	A$43m

Share price performance

Business description

AusTex is an oil and gas explorer and producer with operations in the US mid-continent states of Kansas and Oklahoma. With 26,000 net acres of leases, its current focus is on developing its Mississippi Lime play.

Catalyst: Snake River ramp-up

AusTex's near-term work programme is drill-intensive with at least a further 10 wells planned over the rest of 2012. The market will be watching to gauge the extent to which testing results meet expectations.

Catalyst: Kansas extension

Although most of AusTex's recent focus has been on the Snake River project, its Kansas acreage is earlier-stage but just as prospective. Drilling results in H212 will provide a clearer gauge on the production potential to the North of its acreage.

Catalyst: TSX-V listing

With NI 51-101 compliant reserves assessment and audited financial accounts, AusTex has completed the paperwork necessary to apply for a secondary TSX-V listing. An application is expected to be lodged in the final quarter of 2012.

Analyst

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AusTex is a research client of Edison Investment Research Limited

Management team

Executive chairman: Richard Ardrey

Richard Ardrey has an investment and merchant banking background. He is based in Oklahoma and oversees all of AusTex's US operations.

Deputy chairman: Kwang Hou Hung

Mr Hung is Singapore-based and has an accounting background and has served in various senior management and governance roles.

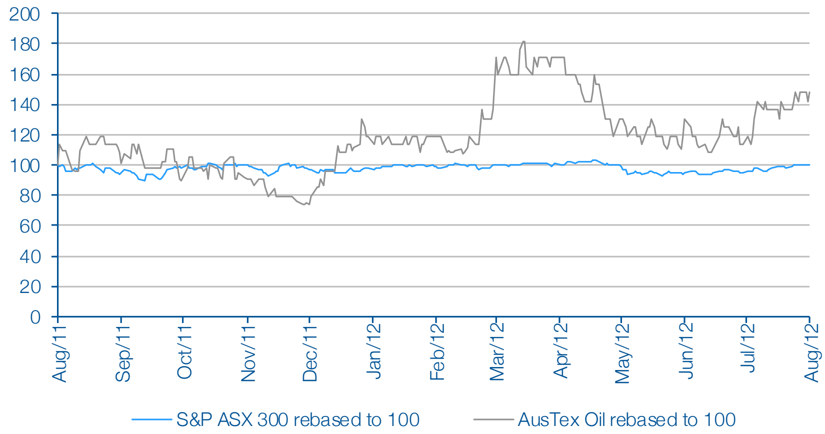
Managing director: Daniel Lanskey

Daniel Lanskey has more than 10 years' experience in senior management roles with a number of Australian companies.

Share data and price performance

Market data			
Ticker			AOK
Listing			ASX
Net cash (A$m) (at 30 Jun 12)			7.2
EV (A$m)			36
Free float (%)			53
Shares in issue (m)			328.8
Price performance	1m	3m	12m
Absolute	30.0	13.0	47.7
Relative	24.3	13.3	49.1
		High	Low
12 month range (A$)		0.165	0.065

Share price performance relative to ASX 300



Shareholders, reporting dates and summary financial history

Top shareholder	%
Kwang Hou Hung	9.6
Iroquois Capital	8.3
Leon Pretorius	4.0
Phesoj Pty	3.8
Richard Ardrey	3.4
Scott Cohen	2.0

P&L (A$'000s)	Mar 10A	Mar 11A	Dec 11A
Turnover	1,477	3,609	2,121
Adj. EBITDA	(4,009)	(3,021)	(3,230)
Adj. PBT	(3,258)	(2,128)	(2,922)
Tax rate	0	0	0
Adj. EPS (c)	(2.2)	(1.0)	(1.1)
Adj. fully diluted EPS (c)	(2.2)	(1.0)	(1.1)

Sensitivities evaluation	
Litigation/regulatory	○
Commodity price	◖
Currency	○
Stock overhang	◖
Interest rates	○

Balance sheet (A$'000s)	Mar 10A	Mar 11A	Dec 11A
Non-current assets	16,234	18,984	21,744
Current assets	2,705	3,082	1,159
Current liabilities	429	800	1,173
Non-current liabilities	0	10	541
Net assets	18,511	20,725	21,721

Reporting calendar	Date
Half-year result	October
Third-quarter result	January

Cash flow (A$'000s)	Mar 10A	Mar 11A	Dec 11A
Operating cash flow	(2,688)	(943)	(2,795)
Capex	(4,829)	(5,986)	(3,205)
Equity issued	4,285	6,684	5,311
Net cash flow	(3,212)	590	(1,940)

Source: Company accounts, Thomson Reuters

Cabral Resources

Asia-Pacific resources quarterly

Edison investment research

Brazilian iron ore province explorer

Mining

Cabral Resources (CBS) is rapidly growing its already substantial portfolio of projects in the emerging iron ore province near Brumado in the state of Bahia, Brazil. With a 463km^2 tenement holding, up from 140km^2 in March 2011, the company's land holding contains ground prospective for coarse-grained magnetite ore, itabirite ore and high grade direct shipping hematite ore. Airborne magnetic surveys and exploration work to date indicate a target tonnage range of between 331Mt and 644Mt of medium to coarse grained magnetite iron ore, with the bulk occurring in the Lago Real Group of tenements. CBS recently started drilling at Morro do Gergelim, one of several iron ore targets, with initial assay results due in early September. Most of CBS's targets are close to the government-funded FIOL railroad, under construction, which will extend 536km east to the proposed new open access deep-water port of Porto Sul.

Export infrastructure - rail and port

In March 2012 CBS signed a protocol of intentions with the Bahia state government for access of up to 15Mtpa rail and port infrastructure on the US$5bn publicly funded FIOL rail line and the Porto Sul development. The FIOL rail line is under construction with the latest commissioning timetable cited as 2014, which coincides with the company's potential project development schedule given its stated objective of becoming a 5Mtpa to 15Mtpa iron ore producer by 2015. The agreement with the government also gives CBS assistance with road infrastructure, water, power, potential project funding from Brazilian agencies, tax concessions and financial incentives in exchange for creating local employment opportunities through its projects. The proposed port of Porto Sul will be largely dedicated to handling bulk commodities such as iron ore with commissioning expected in 2015, however a project development schedule has yet to be released.

Morro do Gergelim prospect – drilling underway

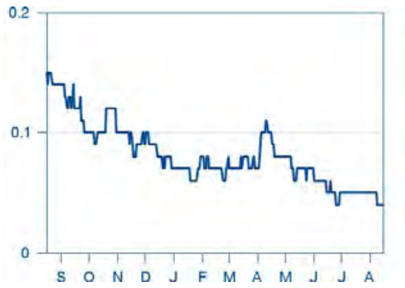
CBS began a 3,000m drilling programme at the Morro do Gergelim prospect in May 2012, c 12km from the FIOL rail line, with initial assay results expected to be released in early September. The company will initially be focusing on magnetite iron ore with a view to expanding its resource base to include hematite and itabirite ores through further exploration and consolidation of land in the surrounding region.

Strategic links with China

CBS has an established and strong contact network within China among both state-owned and private Chinese entities due largely to links with key personnel on its board and senior management team. These include Tier 1 Chinese steel mills, policy banks and Chinese State-owned port and rail construction enterprises, which, when coupled with the company's close partnership with local Brazilian groups, bodes well for lowering the financial risk and advancing the company's projects, securing iron ore off-take agreements and constructing Port Sul individual berth and ship loading capabilities.

Price	Market cap
A$0.042	A$11m

Share price performance



Business description

Cabral Resources (CBS) is an ASX-listed iron ore explorer focused on the Brumado region of Bahia State, Brazil. CBS also holds several uranium tenements in Western Australia.

Catalyst: Initial drilling results

Initial assay results from Cabral's maiden 3,000m diamond drilling programme at Morro do Gergelim, due early September, will be an important step towards defining the in-ground resource for the company. News generated by the periodic release of results will be a significant driver of value until the establishment of a JORC compliant resource.

Catalyst: JORC resource

Cabral's substantial landholding is strategically positioned adjacent to export infrastructure, currently under construction, and well diversified in terms of iron ore prospects. Establishing an initial JORC resource, potentially in Q3 12, would be a major catalyst for a re-rating of the stock.

Catalyst: Tenement consolidation

CBS has flagged further regional acquisition of tenements with the aim of growing its portfolio to over 1Bt of beneficiable iron ore targets. Notwithstanding the possibility of increasing DSO hematite potential already identified to date, incremental consolidation of tenements bodes well for economies of scale.

Analyst

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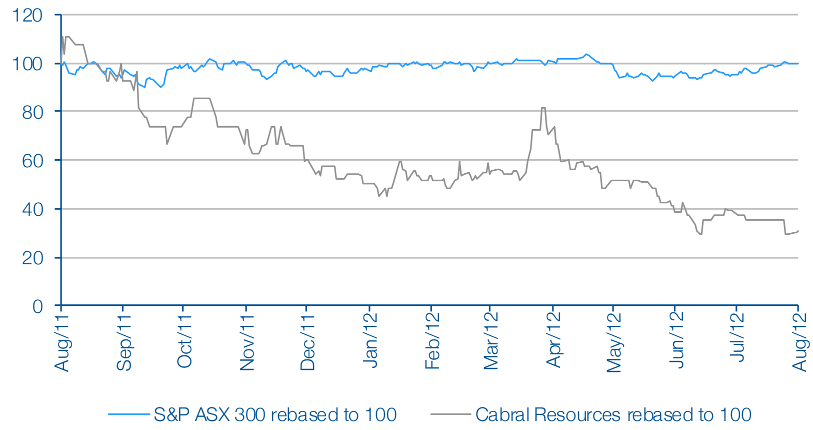
Cabral Resources is a research client of Edison Investment Research Limited

Senior Management team	
Managing director and CEO: Michael Bogue	**Head of exploration: Paulo Ribeiro**
Michael Bogue has 19+ years' M&A and corporate finance experience in the natural resources sector including as former co-head of mining & metals, Asia Pacific and Australian oil & gas for JPMorgan Chase & Co, and as part of the business development and finance departments of gold major Newcrest Mining.	Paulo Ribeiro is a Brazilian citizen with over 25 years' experience as a geologist. Paulo graduated in geological engineering and has a post graduate degree in mineral science on crustal evolution and natural resources: structural geology and geotectonics.
Country Manager Brazil: Bruno Ribeiro	**Executive General Manager – Asia: James Li**
Bruno Ribeiro has participated in numerous investment projects focusing on the resources sector as well as working for a leading financial services company in Brazil. He has specialist experience in consulting and the development of risk management solutions for many of Brazil's largest banks and corporations.	James Li is a metallurgist by background with an established contact network in Asia including Chinese State Owned Enterprises and the Policy Banks.

Share data and price performance

Market data			
Ticker			CBS
Listing			ASX
Net cash (A$m) (as at Jun 30 2012)			10.8
EV (A$m)			0.1
Free float (%)			78
Shares in issue (m)			259.3
Price performance	**1m**	**3m**	**12m**
Absolute	(20.8)	(40.0)	(68.9)
Relative	(24.2)	(39.9)	(68.6)
		High	**Low**
12 month range (A$)		0.15	0.04

Share price performance relative to ASX 300



Shareholders, reporting dates and summary financial history

Top shareholder	%
Passport Capital LLC Group	10
CBS Board members (in aggregate)	8
Sun Hung Kai Inv. Services	6
JP Morgan Nominees Aust	3
ABN Amro Clearing Sydney Nom	3
Zelman Pty Ltd	3
Sensitivities evaluation	
Litigation/regulatory	○
Commodity price	●
Currency	◖
Stock overhang	○
Interest rates	○
Reporting calendar	**Date**
AGM	Nov

P&L (A$'000s)	Jun 09A	Jun 10A	Jun 11A
Turnover	0	332	0
Adj. EBITDA	(2,430)	(394)	(2,043)
Adj. PBT	(2,443)	(419)	(1,788)
Tax rate	-	-	-
Adj. EPS (c)	(0.7)	(0.5)	(0.9)
Adj. fully diluted EPS (c)	(0.6)	(0.4)	(0.8)
Balance sheet (A$'000s)	**Jun 09A**	**Jun 10A**	**Jun 11A**
Non-current assets	1,489	1,587	5,186
Current assets	1,604	351	19,889
Current liabilities	800	148	497
Non-current liabilities	6	7	149
Net assets	2,287	1,784	24,571
Cash flow (A$'000s)	**Jun 09A**	**Jun 10A**	**Jun 11A**
Operating cash flow	(1,173)	(686)	(2,078)
Capex	(54)	(3)	(100)
Equity issued	103	0	23,727
Net cash flow	(631)	242	19,392

Source: Company accounts, Thomson Reuters

Potential poised to be unlocked

Oil & gas

By virtue of its extensive acreage Central Petroleum (CTP) has the potential to become a major player in the development of Australia's lightly explored central basins. Earlier in 2012 CTP highlighted the prospectivity of a very small part of the region with its Surprise1 REH oil discovery in the southern Northern Territory. An extended well test began here in late June and will probably be followed by a development programme. Discussions are underway with prospective joint venture partners and CTP is hopeful that a partnership will be announced in the near future.

Surprise1 REH discovery: Awaiting news on the EPT

The Surprise1 REH discovery has helped materially de-risk the western Amadeus Basin in the Northern Territory. CTP's estimate of the P50 oil-in-place currently covers a wide range of 4mm to 110mm barrels. Significantly, the oil is light and sweet with an API of 40 degrees. An extended three-month production test (EPT) was started on June 20 with the first oil shipments being made by truck in early July. Production was initially planned at a modest 100 to 200b/d but after the first month was expected to be stepped up to test the reservoir's limits and provide cash flow. Assuming an average production rate of 350b/d, revenues net of royalties over the 90-day EPT could be about $2.9m. CTP is also undertaking a 3D seismic programme over the greater Surprise structure. This should be complete over the next month or so.

Joint venture partners: Announcement expected soon

Given the scale (67m net acres) and scope (oil, gas, helium and coal) of CTP's asset base it has long been clear that a major joint venture partner or partners will be needed to share the likely heavy exploration and development burden. CTP has recently indicated that it has received unprecedented interest from both domestic and international energy concerns. Interest generally in the central and western Australian sedimentary basins, including Cooper, has been increasing rapidly of late stimulated by the considerable unconventional potential and exploration success by the likes of Beach, Buru and Senex. The most recent new entrant has been Statoil, which at the end of June announced a farm-in agreement with PetroFrontier concerning its South Georgina properties. Significantly, CTP has adjacent acreage.

Balance sheet: Net cash

We believe CTP is comfortably financed near term thanks to equity injections of A$25.9m in the financial year to June 2012. At June year end we believe the company had a cash balance of about A$14m.

Valuation: A mere $2/acre

Based on the key valuation metric for unconventional plays of EV/acre CTP sells on a mere $2. For comparison, valuations for our sample of junior and mid-tier stocks focused on central and western Australia range from $2 to $135/acre while undeveloped unconventional plays in the US typically sell for over $100/acre. We believe that successful outcomes to the joint venture discussions and the EPT could lift the valuation basis to over $4/acre in due course.

Price	Market cap
A$0.11	A$152m

Share price performance

Business description

Central Petroleum (CTP) is an oil and gas junior focused on exploration and development in central Australia. It currently has four oil and gas exploration projects primarily in NT. It also has substantial coal potential.

Catalyst: Farm-in partner

Near term, the key event at CTP is likely to be a decision on a joint venture partner for the oil and gas projects in the Amadeus, Pedirka and Southern Georgina basins. Based on company statements we would expect news on this in Q3. The involvement of a partner should underpin financing and provide technical support.

Catalyst: Surprise EPT

Following completing the Surprise extended production test, CTP should be in a position to give a firmer indication of the resource base and possibly recoverable reserves. Confirmation of a P50 resource potential at the upper end of the range already given would potentially have major implications for the stock.

Catalyst: Peer development activity

The most relevant peer exploration and development activity for CTP is that being undertaken by PetroFrontier (PFC) in the Southern Georgina Basin in the NT (Northern Territory). PFC spudded its third horizontal well here in early July to test the unconventional potential. This will be followed by a 10-stage frack programme at the three wells.

Analyst

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Edison profile page

Central Petroleum is a research client of Edison Investment Research Limited

Management team

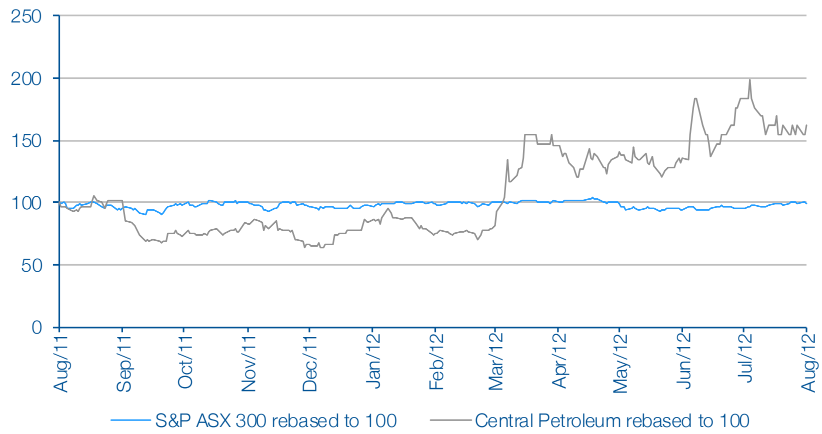
Chairman: Dr Henry Askin	CEO: Richard Cottee
Dr Askin is a geophysicist with over 40 years' experience of oil exploration. He spent 25 years with Shell and was exploration manager Shell Development (Australia). Dr Askin has also worked for Shell in Oman, The Netherlands and India in senior management and technical roles.	Richard Cottee, an attorney by background, is a prominent figure in Australian oil and gas circles. He is particularly well known for having taken QGC from an explorer to a major gas supplier which was sold to BG Group for $5.7bn in 2008. Richard Cottee is a principal and 50% shareholder in Freestone Energy Partners.
CFO: Bruce W Elsholz	**COO: Dalton Hallgren**
Bruce Elsholz is a chartered accountant with around 35 years experience in the upstream oil and gas sector in Australia and Canada.	Dalton Hallgren is a petroleum engineer with approximately 20 years' oil and gas experience. He is a well qualified drilling engineer with broad experience of several US shale plays.

Share data and price performance

Market data

Ticker			CTP
Listing			ASX
Net cash (A$m) (as at 30 June 2012)			14.0
EV (A$m)			138
Free float (%)			100
Shares in issue (m)			1,383.4
Price performance	**1m**	**3m**	**12m**
Absolute	(12.0)	14.9	61.8
Relative	(15.9)	14.8	63.3
		High	**Low**
12-month range (A$)		0.14	0.1

Share price performance relative to ASX 300



Shareholders, reporting dates and summary financial history

Top shareholder	%
Schoch Matthew William	4.1
Brighten International Pty Ltd	1.7
Renlyn Bell Investment	0.8
Franze Holdings Pty Ltd	0.7

Sensitivities evaluation	
Litigation/regulatory	○
Commodity price	●
Currency	○
Stock overhang	○
Interest rates	○

Reporting calendar	Date
AGM	Nov
Annual results	Sep

P&L (A$'000s)	Jun 09A	Jun 10A	Jun 11A
Turnover	0	0	0
Adj. EBITDA	(12,649)	(12,193)	(37,244)
Adj. PBT	(12,240)	(11,483)	(36,550)
Tax rate	0	0	0
Adj. EPS	(4.6)	(3.4)	(3.8)
Adj. fully diluted EPS	(4.56)	(3.4)	(3.8)
Balance sheet A$'000s)	**Jun 09A**	**Jun 10A**	**Jun 11A**
Non-current assets	10,934	14,259	13,802
Current assets	37,629	51,517	13,787
Current liabilities	(5,092)	(9,264)	(1,643)
Non-current liabilities	0	0	(50)
Net assets	43,471	56,512	25,896
Cash flow (A$'000s)	**Jun 09A**	**Jun 10A**	**Jun 11A**
Operating cash flow	(308)	(12,142)	(3,858)
Capex	(10,926)	(8,612)	(32,246)
Equity issued	30,734	21,401	7,079
Net cash flow	20,518	1,599	(28,066)

Source: Company accounts, Thomson Reuters

De-risking continues

Mining

Chatham Rock Phosphate (CRP) is moving closer to demonstrating a commercially and technically viable undersea mining project. Risks still remain, but the most significant are easing. Doubts over the technical viability of undersea seabed mining at the depths CRP is contemplating have reduced substantially, with global dredging major Royal Boskalis taking an equity stake in CRP. The other main risk, mining and environmental approvals, will be CRP's major focus over the coming 12 months.

Undersea rock phosphate play

CRP is progressing the appraisal and potential development of a large permit area 450km offshore from the east coast of New Zealand's South Island. The area has been known since the 1950s to contain large deposits of high-grade rock phosphate on or near the seabed, 400m below the surface.

Royal Boskalis: Global-scale validation

In July CRP announced that Dutch company Royal Boskalis, the world's largest integrated dredging company, would take up to a 20% stake in CRP. Boskalis has already had a significant association with the project having been selected as the preferred submitter of three mining concept studies tendered by global dredging operators in early 2011. In our view, Boskalis deciding to join the project at an equity level after completing extensive hands-on due diligence over the past 18 months is a very material endorsement of the project and of the confidence Boskalis has in the technical viability of its mining concept.

The Boskalis announcement followed earlier share placements to new and existing investors including a US-based private equity fund. The result is that CRP has recruited US$12m of new funding since the start of the year. CRP remains committed to completing a secondary TSX-V compliance listing in Q412 as a means of laying a beachhead for future capital raisings.

Risks

Despite the progress it has made, CRP still faces a number of significant project risks. In respect of technical risk, the most material lies in successfully executing its undersea mining concept. If sanctioned, the Chatham Rise project would be the first time that seafloor mining at depth has been undertaken anywhere in the world.

Regulatory risk distils largely to CRP securing the marine and mining licences it requires to support a commercial operation. CRP expects to submit an application for a mining licence in the next few weeks. Separate marine consents will be required and will be subject to a new regulatory regime. CRP intends applying immediately after the new regime comes into effect, expected to be in April/May 2013. The new regime will require all new applications to be be dealt with within six months, meaning a decision should be expected in late 2013.

Price	Market cap
NZ$0.25	NZ$25m

Share price performance

Business description

Chatham Rock Phosphate holds an exploration licence over 4,726km^2 off the east coast of New Zealand known to house significant seabed deposits of rock phosphate and other minerals.

Catalyst: TSX-V listing

CRP is aiming to submit a TSX-V listing application before the end of Q312 with a target of listing before year-end. Although CRP's intention is not to accompany the listing with a capital raise, a compliance listing would substantially broaden the potential investor pool for future capital raisings when markets recover.

Catalyst: Mining licence

CRP intends submitting a mining licence application to the regulator, New Zealand Petroleum & Minerals, by the end of September. CRP expects a six-month turnaround on its application, with an outcome likely to become known by the end of Q113.

Catalyst: Marine consents

As its mining concept involves activities beyond New Zealand's 12-mile limit, marine consents will be required under new legislation currently going through Parliament. An application is expected to be lodged with the newly established Environmental Protection Agency in H113.

Analyst

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Chatham Rock Phosphate is a research client of Edison Investment Research Limited

Management and project team

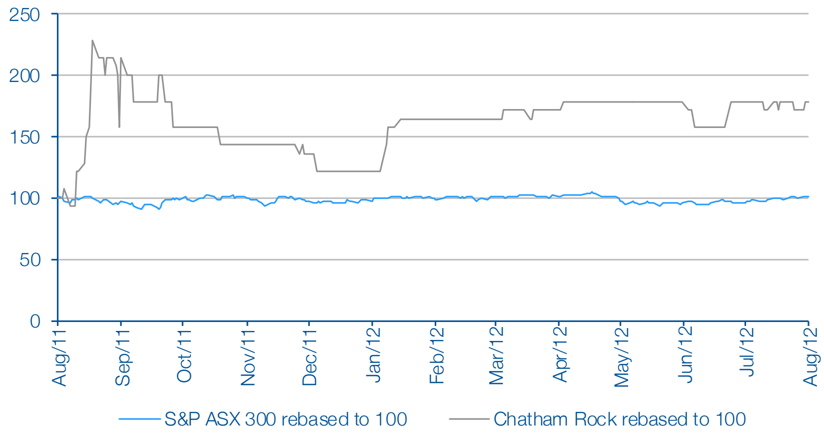
Managing director: Chris Castle	Principal scientist: Dr Robin Falconer
Chartered accountant with more than 35 years' experience in the investment, corporate finance and mineral sectors. Also a non-executive director of TSX-V listed Asian Mineral Resources and ASX listed King Solomon Mines.	Formerly with GNS Science where he was the manager of research and the natural hazard group from 1995 to 2008. Prior to that, he was a consultant working nationally and internationally.
Chief geologist: Campbell McKenzie	
Geologist with 15 years' minerals experience. Currently COO of Kenex. Previously managed the minerals unit within the Crown Minerals Group of the Ministry of Economic Development and New Zealand country manager for Neptune Minerals.	

Share data and price performance

Market data

Ticker			CRP
Listing			NZX
Net debt (NZ$m)			(0.3)
EV (NZ$m)			24.4
Free float (%)			79
Shares in issue (m)			98.7
Price performance	**1m**	**3m**	**12m**
Absolute	0.0	0.0	78.6
Relative	(3.7)	(2.1)	68.5
		High	**Low**
12 month range (A$)		0.33	0.13

Share price performance relative to ASX 300



Shareholders, reporting dates and summary financial history

Top shareholder	%
Subsea Investments LLC	19.9%
Boskalis Offshore BV	15.0%
Widespread Portfolios Ltd	14.1%
Odyssey Marine Exploration Inc	9.4%
Tasman Portfolio Ltd	3.7%
International Mining & Financing Corporation	3.3%
Sensitivities evaluation	
Litigation/regulatory	◖
Commodity price	●
Currency	○
Stock overhang	◖
Interest rates	○
Reporting calendar	**Date**
Interim report	Nov

P&L (NZ$'000s)	Mar 10A	Mar 11A	Mar 12A
Turnover	0	0	0
Adj. EBITDA	(142)	(529)	(761)
Adj. PBT	(107)	(506)	(749)
Tax rate	0	0	0
Adj. EPS	(0.6)	(2.0)	(1.6)
Adj. fully diluted EPS	(0.3)	(1.2)	(1.4)
Balance sheet (NZ$'000s)	**Mar 10A**	**Mar 11A**	**Mar 12A**
Non-current assets	738	4,398	11,389
Current assets	553	455	478
Current liabilities	(132)	(250)	(3,621)
Non-current liabilities	(0)	(0)	(0)
Net assets	1,159	4,603	8,245
Cash flow (NZ$'000s)	**Mar 10A**	**Mar 11A**	**Mar 12A**
Operating cash flow	(133)	(493)	(666)
Capex	(105)	(819)	(3,848)
Equity issued	396	1,045	4,396
Net cash flow	163	(276)	39

Source: Company accounts, Thomson Reuters

Edison investment research

All eyes on the Makhado progress

Mining

Coal of Africa (CoAL) released mixed Q4 operating results that saw a visible drop in export shipments. As a result of the less favourable sales mix and weak international coal pricing, its coal business is now loss making. In addition, the company has successfully raised US$45m in an equity offering to help fund the major projects and it has reshuffled its board.

Mixed Q412 operating data

Coal of Africa reported mixed fourth-quarter production numbers that saw a visible reduction in export sales accompanied with a simultaneous increase in the lower value add coal supplies to Eskom. The company's overall ROM coal production grew 23% q-o-q to 1.3Mt, while saleable coal output reached 0.9Mt, a 26% q-o-q increase driven by the improved processing yields and Vele contribution. At the same time, export coal sales have fallen 9% q-o-q to 411kt, while sales to Eskom jumped 163% to 272kt. According to the company, this reduction in export shipments was primarily caused by the quality changes in the ROM coal feed at the Woestalleen mine, which saw a transition from the mined out South to North block during the quarter. Apart from the mixed production data, the key takeaway from the released quarterly report is management's comments on the company's current performance, with the underlying thermal coal business being loss making due to the less favourable sales mix and weaker export pricing.

Equity placement and board changes

The company has recently completed an equity offering raising US$45m that, among other things, will be spent on the Vele ramp-up and Makhado. As of the end of June 2012, the company had US$19m in cash on hand and another US$19m in the available debt facilities. Taking into account the US$9m raised in an equity placement from Investec and the recently completed equity offering, the company's cash position should increase to c US$65m. CoAL has also announced the reshuffle of its board of directors. David Brown and Bernard Pryor joined the board as chairman and non-executive directors respectively, while Richard Linnell, Simon Farrell, Steve Bywater and Mikki Xayiya stepped down. Following these changes, the company's board consists of nine directors, including six non-executives.

Valuation: Strongly dependant on Vele ramp up

The existing thermal coal business represents a small portion of the company's overall value, which is strongly dependant on the Vele's operational and financial performance and coking coal potential. Beyond that, we would watch the progress on Makhado, which, once advanced to the development stage and de-risked, should become the company's flagship operation contributing the bulk of its value. As announced earlier, the decision on the Exxaro's 30% option exercise is expected by the end of September. Under the base case scenario, Exxaro will make its 30% equity contribution at an NPV and co-finance the project's development cost. We currently value Makhado on an EV/Resource basis and believe that the transition to more in-depth NPV methodology should be accretive to the company's overall valuation.

Price	Market cap
A$0.41	A$314m

Share price performance

Business description

Having two thermal coal mines in production, the company has recently launched the Vele project, which produces semi-soft coking coal and an export-grade secondary thermal coal product. The next step is to bring the company's flagship Makhado project into production.

Catalyst: Vele ramp-up

Having launched Vele in Q112, Coal of Africa is ramping up the project to bring it to full capacity in 2013. While a 10% semi-soft coking coal is being tested with AMSA, the company looks to establish the end market by the end of 2012. It also aims to upgrade the project to produce an export quality secondary thermal coal product.

Catalyst: Makhado progress

CoAL is advancing its flagship coking coal Makhado project, which has been recently brought through the FS stage. Given the coal qualities and the scale of the project, Makhado's launch should become the CoAL's key focus in the medium term.

Catalyst: Woestalleen replacement

Woestalleen's depletion appears to be one of the biggest challenges for the company, which faces a 50% reduction in thermal coal output once it ceases operations in 2013. CoAL is considering different options to replace the mined-out resource.

Analyst

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Edison profile page

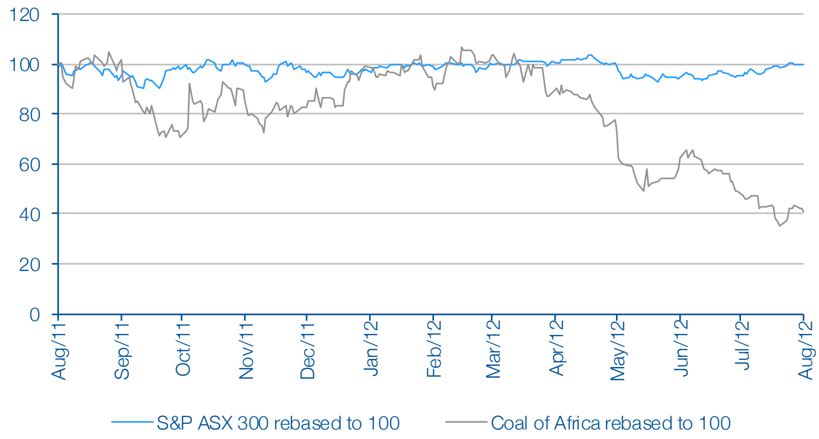
Coal of Africa is a research client of Edison Investment Research Limited

Management team	
Chairman: David Brown	**CEO: John Wallington**
Prior to joining Coal of Africa, Mr Brown served as CEO of Impala Platinum. He joined Implats Group in 1999 and served in the capacity of CFO till August 2006.	Mr Wallington has 30 years' experience in the coal exploration and mining industry. Before joining Coal of Africa, he was global chief executive for the Anglo Coal division of Anglo American.
CFO: Wayne Koonin	
Mr Koonin is a qualified chartered accountant. Over the past 12 years he has gained extensive experience working in senior financial roles for Canadian-, South African-, British- and Swiss-based exploration, development and operating mining companies.	

Share data and price performance

Market data			
Ticker			CZA
Listing			ASX/AIM
Current net cash (A$m)			43
EV (A$m)			271
Free float (%)			89
Shares in issue (m)			766
Price performance	**1m**	**3m**	**12m**
Absolute	(9.8)	(34.5)	(57.0)
Relative	(12.6)	(38.9)	(60.6)
		High	**Low**
12 month range (A$)		1.05	0.35

Share price performance relative to ASX 300



Shareholders, reporting dates and summary financial history

Top shareholder	%	P&L (A$'000s)	Jun 10A	Jun 11A	Jun 12A
M&G Investment Management	18.0	Revenue	98,376	261,425	N/A
ArcelorMittal	15.8	EBITDA	12,573	14,706	N/A
Africa Management	13.3	Adj. PBT	(46,180)	(120,706)	N/A
Capital	6.3	Tax rate	-	-	N/A
Vitol Energy	3.1	Adj. EPS (c)	(7.7)	(22.9)	N/A
Blackrock	3.0	Adj. fully diluted EPS (c)	(7.7)	(22.9)	N/A
Sensitivities evaluation		**Balance sheet A$'000s)**	**Jun 09A**	**Jun 10A**	**Jun 12A**
Litigation/regulatory	◖	Non-current assets	537,569	501,062	N/A
Commodity price	●	Current assets	123,319	90,617	N/A
Currency	◖	Current liabilities	(90,918)	(118,176)	N/A
Stock overhang	●	Non-current liabilities	(39,296)	(39,869)	N/A
Interest rates	◖	Net assets	530,674	433,634	N/A
Reporting calendar	**Date**	**Cash flow (A$'000s)**	**Jun 09A**	**Jun 10A**	**Jun 12A**
FY12 financial results	Sept.	Operating cash flow	(6,130)	(1,863)	N/A
		Capex	(106,530)	(73,966)	N/A
		Equity issued	167,827	309	N/A
		Net cash flow	(2,367)	(61,353)	N/A

Source: Company accounts, Thomson Datastream

Continental Coal

Asia-Pacific resources quarterly

Edison investment research

Maintaining the momentum

Mining

Continental Coal achieved strong financial performance in 2012, driven by growing sales volumes, robust export pricing and cost cutting. Having seen a 94% y-o-y increase in overall coal sales, the company reported FY12 un-audited revenue of A$82m and gross profit of A$15m. It continues to advance the Penumbra mine, which is slated for first production in late 2012, adding c 0.5Mt in high quality export thermal coal. With A$15m in cash and A$30m in available debt financing the company is well funded to deliver on its short-term growth plans.

Penumbra development: Keep moving ahead

The Penumbra mine is the company's most advanced development project to be commissioned in late 2012, gradually replacing the mined-out Ferreira. As of July 2012, the project was 38% complete and was expected to be commissioned on time and on budget (A$39m). The principal development activity is currently focused on advancing the twin declines (as of the end of June, up to 170m) and mobilisation of contractors for construction and installation of site infrastructure and services. Penumbra is forecast to produce 750ktpa of ROM thermal coal, which will be washed at the company's Delta processing plant and sold mainly on exports. It is expected that some 0.5Mt of high-quality saleable product will be destined to the seaborne market with the rest supplied to Eskom.

Botswana maiden resource

Continental Coal announced maiden JORC compliant inferred resource of 2.2bn tonnes at the Kweneng coal project with an exploration target of 5bn tonnes. At Serowe, an exploration target was set at 4bn tonnes. Washed coal qualities for both projects suggest the coal is suitable for the South African and export Asian markets. The second drill phase will aim at improving the quality and upgrading the resource.

Strong 2012 results, challenging year ahead

Continental achieved strong financial and operating performance in 2012, driven by growing sales volumes, robust export pricing and cost cutting. Having seen a 94% y-o-y increase in overall coal sales, the company reported FY12 un-audited revenue of A$82m and gross profit of A$15m. We forecast FY12 EBITDA at A$4m, a marked improvement on A$15m loss for 2011. While the full-year numbers look solid, the Q412 performance was dented by the deteriorating export coal pricing. We expect this weakness to persist through FY13 pointing to a challenging year ahead.

Weak fundamentals weigh on valuation

Having fallen c 50% in the year to date, the stock performed in line with global resource and coal producers' equities, suffering from falling commodity prices and slowing economic growth. Consensus puts the stock on FY12 and FY13 EV/EBITDA of c 6x and c 5x respectively. Amid the challenging market fundamentals, the company is well positioned to deliver on its near-term growth plans. This, coupled with anticipated efficiency gains, should support the share price.

Price	Market cap
A$0.062	A$27m

Share price performance

Business description

Continental Coal is a thermal coal producer with a portfolio of mines and development projects in South Africa. Producing 2mtpa of domestic and export grade coal from its Vlakvarkfontein and Ferreira operations, the company is on track to launch its third operating mine, Penumbra.

Catalyst: Penumbra

As a relatively small development, Penumbra will eventually replace the depleting Ferreira mine, which produces export grade thermal coal. The mine is expected to be commissioned in late 2012 delivering c 0.5Mt of high quality coal to the seaborne market.

Catalyst: Market fundamentals

While the company's investment case is essentially based on organic growth and current operations turn around, we believe that the thermal coal price performance represents an important catalyst for the stock. While the pricing has bottomed out and is likely to remain volatile, any visible upward correction should be supportive of the stock.

Catalyst: De Wittekrans

The company's biggest project, which is expected to add c 2.4Mt of saleable coal destined for both export and domestic markets. With up to US$220m in capex, the project is NPV positive and could potentially be launched in the mid-term.

Analyst

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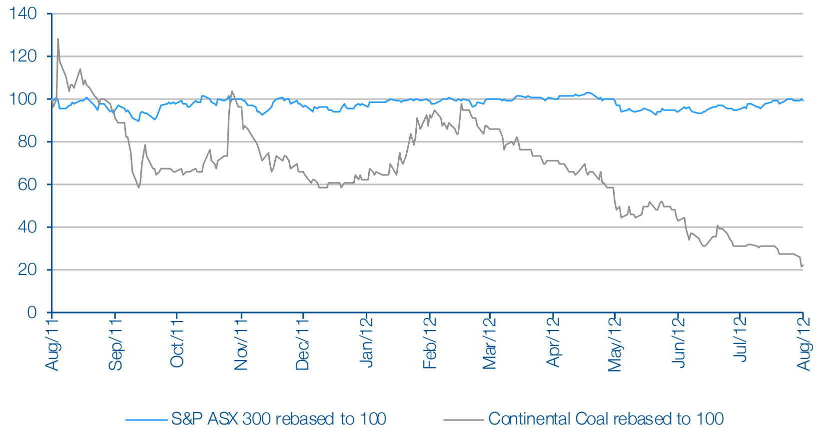
Edison profile page

Management team	
Chairman: Mike Kilbride	CEO: Don Turvey
Mr Kilbride has held various senior management positions in charge of world-class mines primarily associated with the bulk commodities and supplying markets into Asia, Europe and South Africa.	Having spent more than 27 years in the coal industry, Mr Turvey's career includes senior management roles in production, project execution, business development, minerals resource management mainly with BHP Billiton.
CFO: Maritz Smith	COO: Johan Heystek
Prior to joining Continental Coal Mr Smith was CFO at the African-based diversified mining company Metorex Limited.	Mr. Heystek spent more than 25 years in the coal industry. He is a registered professional engineer and served as a director on the boards of Mine Rescue Services and Ingwe Collieries. Most recently he was CEO at Mashala Resources.

Share data and price performance

Market data			
Ticker			COOL
Listing			AIM/ASX
Net debt (A$m) (Dec 2011)			7.8
EV (A$m)			34.8
Free float (%)			87
Shares in issue (m)			430
Price performance	1m	3m	12m
Absolute	(27.1)	(55.1	N/A
Relative	(29.3)	(58.1)	N/A
		High	Low
12 month range (A$)		0.4	0.1

Share price performance relative to ASX 300



Shareholders, reporting dates and summary financial history

Top shareholder	%
SOCIUS SG II	13.1
Citicorp Nominees	3.6
Perpetual Capital Investments	2.9
National Nominees	2.5
HSBC Custody Nominees	1.4

Sensitivities evaluation	
Litigation/regulatory	○
Commodity price	●
Currency	◖
Stock overhang	◖
Interest rates	○

Reporting calendar	Date
FY12 financials	End-Aug

P&L (A$'000s)	Jun 10A	Jun 11A	Jun 12A
Revenue	0.0	50,834	82,057
EBITDA	(13,141)	(14,902)	N/A
Adj. PBT	(25,458)	(29,881)	N/A
Tax rate	-	-	N/A
Adj. EPS (c)	(25.1)	(11.1)	N/A
Adj. fully diluted EPS (c)	(25.1)	(11.1)	N/A
Balance sheet (A$'000s)	**Jun 10A**	**Jun 11A**	**Jun 12A**
Non-current assets	65,966	144,501	N/A
Current assets	12,464	34,749	N/A
Current liabilities	(35,974)	(36,152)	N/A
Non-current liabilities	(2,232)	(38,199)	N/A
Net assets	40,225	104,900	N/A
Cash flow (A$'000s)	**Jun 10A**	**Jun 11A**	**Jun 12A**
Operating cash flow	885	2,998	N/A
Capex	(21,383)	(27,044)	N/A
Equity issued	19,143	83,425	N/A
Net cash flow	(50)	11,679	N/A

Source: Company accounts, Thomson Reuters

Exoma Energy

Asia-Pacific resources quarterly

Edison investment research

Big acreage, big plans

Oil & gas

Exoma holds a large acreage position in the Galilee and Eromanga basins in central Queensland. Although early stage, Exoma's acreage has already demonstrated significant multi-zone potential on both oil and gas measures. An aggressive 2012 work programme is being fully funded by a major international oil company that farmed-in 18 months ago and has just extended its commitment.

JV with world-scale international operator

Exoma's 27,000km^2 of Galilee and Eromanga basin acreage has demonstrated all of CSG, shale and conventional oil and gas potential. In late 2011, Exoma penned a farm-in deal with Chinese major CNOOC for it to spend $50m to farm-in to Exoma's 27,000km^2 of acreage. As well as the deal providing Exoma with a full cost carry, it also served to affirm the potential plausibility and materiality of the play. CNOOC has just reaffirmed its support by exercising an option to participate equally in 19,000km^2 of further adjoining acreage.

End of CNOOC cost carry in sight

With CNOOC having funded all JV exploration costs since the end of 2010, Exoma's underlying financials are very transparent. Cash burn has sat consistently at $500k/quarter. However, with CNOOC's cost carry set to end at the completion of the JV's current exploration campaign around the end of 2012, investors have good reason to consider how Exoma will make its own way from Q113. In this regard, the company does have options – both for instruments and strategies. A large tranche of options expire on 30 September 2012. With $9.6m currently cash on hand but up to $17m of potential new capital at stake in the options, Exoma's post-carry funding profile will largely be determined over the next six weeks. Over the past few weeks Exoma's share price and the 10c per share option strike price have been sitting at or near parity. In this context, Exoma's recent unsuccessful drill of the conventional Katherine West-1 well was a major disappointment as a success would have provided a clear value catalyst for investors. Instead, and as we said in our 6 August initiation report, the head share price slumped 20% on news from Katherine West. Exoma's next conventional well at Katherine East, which is assessed by Exoma at 146mmbbls estimated oil in place, is a much larger prospect than Katherine West and if proven would be substantially more valuable.

Valuation: Early-stage, upside potential aplenty

It is always difficult to value the underlying assets of explorers as early into their work programmes as Exoma. With so many unknowns, we prefer to look towards knowns to provide a clearer sense for value. Exoma is trading at a substantial 38% discount to the inferred value of its farm-in deal with CNOOC. On an EV/acreage basis, peer benchmarking shows that Exoma is trading at a >40% discount to other listed junior explorers, but a 65% discount to those peers that have also secured an international farm-in partner. While short-term catalysts may provide some upside, we believe the shale potential of Exoma's very large acreage position is Exoma's key value proposition. This angle is of longer-term (a minimum of three to five years) but potentially very much greater (perhaps more than 10-fold) value proportions.

Price	Market cap
A$0.09	A$38m

Share price performance

Business description

Exoma is a junior oil and gas explorer that operates five exploration permits totalling 27,000 km^2 in the Galilee and Eromanga basins, Australia. It has also recently been selected as the preferred tender in four further blocks totalling 19,000 km^2.

Catalyst: Work programme

Exoma intends drilling up to 17 more wells over the next five to six months, most of which will be targeted at its unconventional CSG and shale plays. A steady stream of news flow should be expected as well results are announced to market.

Catalyst: Katherine East

In September Exoma will drill Katherine East which is considered by Exoma to be a larger prospect than Katherine West thought to sit on an elevated fault block around 5km to the east of the Katherine West well. Initial results should be known in late September.

Catalyst: Option expiry

A large tranche of options lapse on 30 September. With the failure of Katherine West the share price sits at a 20% discount to the option exercise price. With up to $17m of new cash at stake, the decisions of holders over the next few weeks will have a major bearing on Exoma's future financial profile.

Analyst

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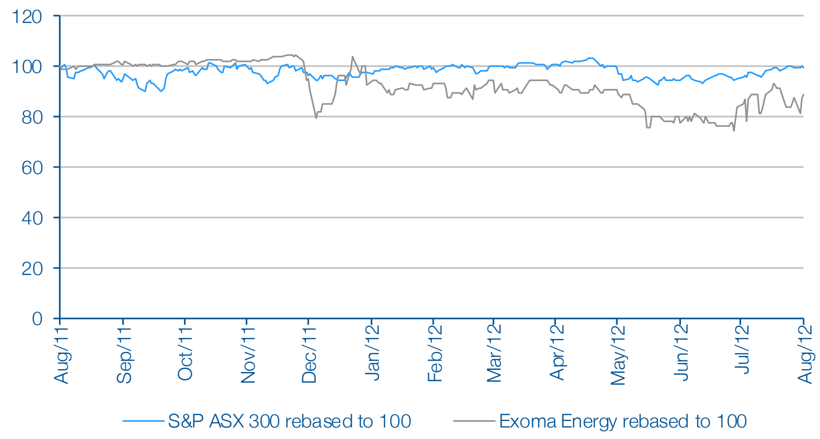
Exoma Energy is a research client of Edison Investment Research Limited

Management team	
CEO: Rob Crook	**COO: Dr Josh Whittombe**
Over 20 years' experience in the petroleum industry in a variety of senior managerial roles. Between 2001 and 2002 he was managing director of QGC which, from a standing start, built a world-scale CSG resource in the Surat and Bowen Basins.	An engineer with an extensive E&P drilling background including roles with Shell, Santos and Westside Corporation. Since returning to Australia from Shell he has worked exclusively on the CSG industry.
GM subsurface: Vic Palanyk	**Exploration advisor: Ken Dups**
Background as a geologist focused on the unconventional Australian sector including previously as COO of Bow Energy before its takeover by Arrow Energy in late 2011 and, until 2004, as GM of QGC.	25 years' experience in the E&P sector including 15 years as an international consultant advising on projects in Asia and Europe. Most recently, he was chief geophysicist and a director of Celtique Energie Petroleum.

Share data and price performance

Market data			
Ticker			EXE
Listing			ASX
Net debt (A$m) (at 30 Jun 2012)			9.8
EV (A$m)			28.2
Free float (%)			35
Shares in issue (m)			417.4
Price performance	**1m**	**3m**	**12m**
Absolute	(6.2)	(27.2)	(35.0)
Relative	(10.3)	(27.0)	(34.4)
		High	**Low**
12 month range (A$)		0.21	0.085

Share price performance relative to ASX 300



Shareholders, reporting dates and summary financial history

Top shareholder	%
Brian Barker	12.6%
Norman Dewhirst	12.5%
MSJ Capital Pty Ltd	9.7%
Credit Suisse	5.7%
Jasmah Investments Pty Ltd	5.7%
Blueseas Inv Pty Ltd	3.3%

Sensitivities evaluation	
Litigation/regulatory	○
Commodity price	●
Currency	○
Stock overhang	◖
Interest rates	○

Reporting calendar	Date
Full-year result	August
FY13 first-quarter report	October
FY13 second-quarter report	January
Interim result	February

P&L (A$'000s)	Jun 09A	Jun 10A	Jun 11A
Turnover	0	0	0
Adj. EBITDA	(977)	(2,181)	(4,991)
Adj. PBT	(965)	(2,056)	(4,860)
Tax rate	0	0	0
Adj. EPS (c)	(1.3)	(0.7)	(1.2)
Adj. fully diluted EPS (c)	(0.7)	(0.4)	(0.8)
Balance sheet (A$'000s)	**Jun 09A**	**Jun 10A**	**Jun 11A**
Non-current assets	65	3,744	4,412
Current assets	3,566	2,490	11,642
Current liabilities	283	628	487
Non-current liabilities	0	0	0
Net assets	3,348	5,606	15,567
Cash flow (A$'000s)	**Jun 09A**	**Jun 10A**	**Jun 11A**
Operating cash flow	(590)	(1,320)	(2,510)
Capex	(1)	(126)	(317)
Equity issued	0	2,000	12,276
Net cash flow	2,421	(811)	8,846

Source: Company accounts, Thomson Reuters

Gold One

Asia-Pacific resources quarterly

Edison investment research

Labour pains but ready for growth

Mining

Gold One (GDO) has recently released its Q212 operational details and has lowered its 2012 total production by 12% from 300koz to 265koz, mostly due to the illegal industrial action at its Modder East operations. The good news is that GDO's turnaround strategy from its Cooke and Randfontein operations appears to be returning benefits in increased production and lower cash costs. The company has also finalised the acquisition of First Uranium's Ezulwini mine and is engaged in a study to combine the gold and uranium assets from Ezulwini and the Cooke underground operations. While GDO has experienced some loss of gold production due to the illegal strike, we fully expect the company to reach its pre-industrial action production and unlock the synergies between its newly acquired Ezulwini assets and its existing Cooke operations. Despite the lower production at Modder East, GDO was able to increase its production at Cooke underground and Randfontien surface operations by 12% and 42% quarter-on-quarter, respectively, as well as lower its group cash costs from US$1,093/oz to US$1,007/oz. With GDO's aggressive growth strategy we see the company becoming a mid-tier gold producer in the near term.

Lower production at Modder East operations

Production from Modder East totalled 26,493oz, representing a 22% reduction over the previous quarter due to the illegal strike which began on 3 June. The South Gauteng High Court provided a swift response on 12 June by interdicting violence and intimidation against the Professional Transport Allied Workers Union (PTAWU). The courts also awarded costs against the PTAWU. GDO has a three-year wage agreement with the National Union of Mineworkers (NUM) valid till 31 December 2012 and therefore considers the strike to be unprotected. A total of 1,044 employees were dismissed for participation in the unprotected work stoppage and the company is using contract labour and training new staff members. Contingency plans are in place to minimise the effects of the illegal industrial action and the company expects to be at pre-strike production by 30 September 2012.

Ezulwini is a done deal with others in the pipeline

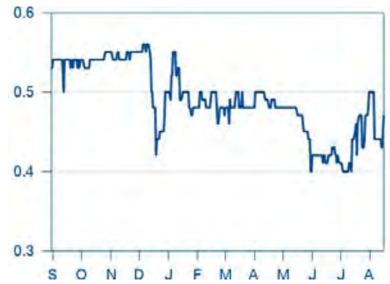
GDO's acquisition of First Uranium's Ezulwini mine was completed on 1 August 2012 for a purchase price of US$70m in cash. The Ezulwini gold and uranium assets will be integrated into the Cooke underground operations enabling GDO to leverage its uranium co-product strategy by reducing cash costs. The existing uranium plant at Ezulwini is under care and maintenance and GDO will inject a total of US$4.95m over two phases to have the plant operating at full capacity. The company is also working on a JV with Gold Fields, exploring retreatment opportunities with the West Rand.

Valuation: c 30% discount relative to peers

Relative to other South African gold producers, GDO trades at a c 30% discount when compared with the weighted average of EV/Production (2011). We see further upside when GDO is able to leverage its co-product strategy and reduce operating costs at the Cooke underground and the recently acquired Ezulwini operations.

Price	Market cap
A$0.47	A$666m

Share price performance



Business description

Formed from the takeover of Aflease by BMA Gold in 2009, Gold One (GDO) is an emerging mid-tier gold producer with significant assets within the Witwatersrand basin.

Catalyst: Production back to normal

The company is using contract labour and training new staff. With contingency plans in place the company expects production at Modder East to return to pre-strike levels by 30 September 2012.

Catalyst: Ezulwini production

GDO is reviewing the gold and uranium opportunities at the Cooke shafts and will integrate the acquired gold and uranium assets at Ezulwini. A comprehensive study with updated resource models integrating the existing gold and uranium plants should be completed by the end of 2012.

Catalyst: Exploration assets

GDO continues to explore for gold mineralisation along the Main Reef at its Modder North deposit. A pre-feasibility study with an estimated resource is expected by the end of 2012. Feasibility studies on GDO's Ventersburg gold project and the Cooke uranium project are also expected by the end of 2012.

Analyst

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Edison profile page

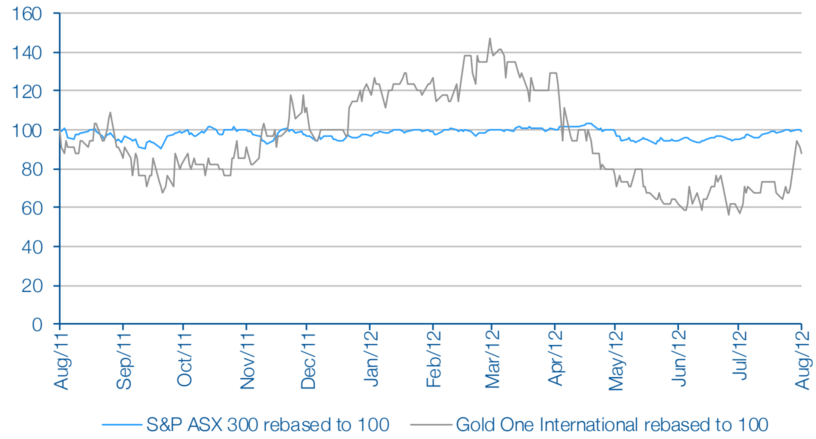
Gold One is a research client of Edison Investment Research Limited

Management team	
Chairman: Yalei Sun	CEO: Neal Froneman
Mr Sun is a director of CITIC Group, assistant to the CEO of the CITIC Group and the vice-chairman and CEO of CITIC Guoan Group. Mr Sun is also vice-chairman of Baiyin Nonferrous Group Co.	Mr Froneman is a registered engineer with over 25 years' experience. Before forming GDO, he was CEO of First Uranium.
CFO: Christopher Chadwick	
A qualified chartered accountant, before joining Aflease in July 2008, Mr Chadwick held executive positions in a wide range of industries, both with local South African companies and multinationals.	

Share data and price performance

Market data			
Ticker			GDO
Listing			ASX
Net cash (A$m) (at 31 Dec 2011)			222.6
EV (A$m)			443
Free float (%)			N/A
Shares in issue (m)			1,416
Price performance	1m	3m	12m
Absolute	5.6	(2.1)	(11.3)
Relative	1.0	(1.9)	(10.5)
		High	Low
12 month range (A$)		0.56	0.40

Share price performance relative to ASX 300



Shareholders, reporting dates and summary financial history

Top shareholder	%
Baiyin Non-Ferrous Group Co	53.5
China-Africa Bank	26.8
Long March Capital	8.9
CITIC Kingview Capital Mgmt	8.9

Sensitivities evaluation	
Litigation/regulatory	○
Commodity price	●
Currency	●
Stock overhang	○
Interest rates	◖

Reporting calendar	Date
Q312 results	October
Year-end results	Feb13

P&L (A$'000s)	Jun 09A	Jun 10A	Jun 11A
Turnover	8,863	89,326	188,260
Adj. EBITDA	(18,252)	39,388	92,286
Adj. PBT	(30,801)	19,348	68,700
Tax rate	15.4	24.9	27.4
Adj. EPS (c)	(4.0)	1.8	6.0
Adj. fully diluted EPS (c)	(4.0)	1.8	6.0
Balance sheet (A$'000s)	**Jun 09A**	**Jun 10A**	**Jun 11A**
Non-current assets	143,634	166,511	148,295
Current assets	24,485	16,570	238,940
Current liabilities	(92,230)	(80,805)	(34,303)
Non-current liabilities	(3,021)	(12,821)	(27,426)
Net assets	72,868	89,455	325,506
Cash flow (A$'000s)	**Jun 09A**	**Jun 10A**	**Jun 11A**
Operating cash flow	(28,603)	41,005	107,305
Capex	(33,865)	(33,216)	(34,964)
Equity issued	54,496	503	147,871
Net cash flow	(10,505)	(2,063)	218,115

Source: Company accounts, Thomson Reuters

Gunson Resources

Asia-Pacific resources quarterly

Edison investment research

Mineral Sands project JV

Mining

Price	Market cap
A$0.15	A$33m

Share price performance

Business description

Gunson Resources is a mining exploration and development company. Its major heavy mineral sands project in Western Australia is construction ready and a JV has been announced. It has projects in copper and nickel in South Australia and gold in the Northern Territory.

Catalyst: JV agreement

Confirmation of the POSCO JV within the revised schedule is a crucial step forward for Gunson. POSCO can be considered an excellent JV partner and it is believed that the Korean steel group is keen to diversify into products such as zircon and titanium. Formal approval of the agreement should trigger funding and a 2014 start-up date.

Catalyst: Environmentally benign

The Coburn project is located close to the Shark Bay World Heritage Property. Due to the ecologically sensitive site, it has had to pass many environmental and technical hurdles in the permitting process. This also applied to rehabilitation and groundwater management.

Catalyst: Product demand

Relatively limited new production combined with potentially strong demand growth for products, particularly for premium grade zircon sand in the construction industry, is likely to maintain positive price trends. Forecasts by industry experts and market analysts predict a China-led demand recovery for the products markets in 2013.

Analyst

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Edison profile page

On 13 August 2012, Gunson Resources announced confirmation, subject to formal approval, of an unincorporated joint venture structure with the major Korean steel producer, POSCO, for its construction-ready Coburn mineral sands project. The investment will be through a special purpose investment vehicle POSCO SPV, which will earn a 40% interest through a A$7m initial payment to Gunson and then contribute the first A$21m of Gunson's share of mine development expenditure. Each joint venture party will be entitled to its proportional share of the proposed production from the project and contribute its proportionate share of mine development expenditure.

Value Engineering review

Execution of a joint venture document outlining the financial and operational aspects of the Gunson-POSCO agreement is expected by end September 2012. Gunson will be the Project manager and will have a higher percentage voting interest. Gunson had already commissioned a Value Engineering review from Sedgman Engineering, the engineering contractor, scheduled for completion in mid-September 2012. This will encompass results from the evaluation and analysis of identified areas to prioritise potential capital and operating cost savings and streamline the construction schedule.

Risks/sensitivities

The Coburn project is fully permitted for construction and government environmental approvals are in place. The JV agreement is contingent on Gunson raising its 60% of the A$180m estimated mine development costs less the A$28m POSCO SPV payments. Exchange rate variations are more real in the current volatile conditions but the Australian dollar looks vulnerable, which would give positive leverage. The biggest risk was the POSCO investment approval, but this has now been removed subject to final approval expected in the coming weeks. A five-year sales agreement for its proposed chloride ilmenite product with DuPont was announced in March 2012, while other product off-take agreements are nearing completion.

Funding and timing

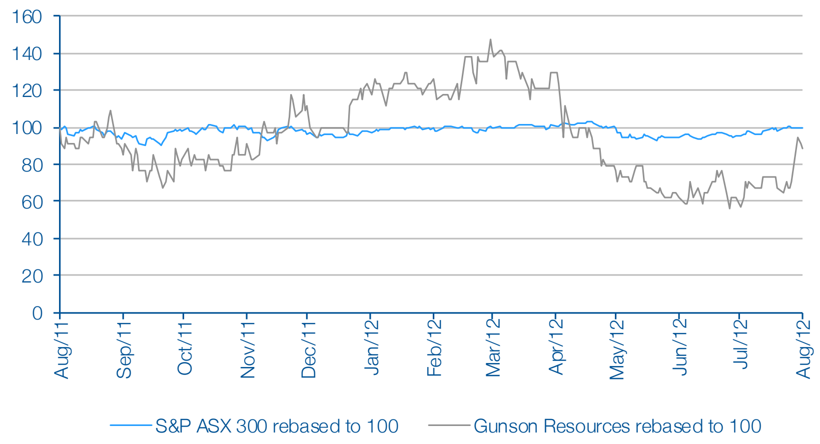
Gunson's valuation critically depends on Coburn project financing and the company expects to complete its debt and equity package for the project by the end of 2012. Formal approval of the POSCO JV should allow production in 2014 and establish Coburn as one of the few new producers in the mineral sands industry. In looking at industry comparators, the most relevant companies are Mineral Deposits and Base Resources, which are listed, already fully financed and aiming for production by end-2013.

Management team	
Managing director: David Harley	**Chairman: David Craig**
A geologist with over 30 years' experience in the mining industry, mostly in senior exploration management positions with WMC Resources. He is a past president of the Association of Mining and Exploration Companies (AMEC).	An experienced businessman and lawyer, who has held and holds executive and board positions in mining, construction, mining financial and legal services, plus in the petroleum industry. He is a director of several industry companies.
CFO: Ron Chamberlain	**Non-exec director: Peter Harley**
Appointed in March 2012, Ron Chamberlain an experienced financial manager who has held senior posts in the mining industry, including Iluka Resources. He will assist in negotiating debt and equity finance and manage the financial aspects of the Coburn JV.	An experienced corporate manager and director with over 30 years' experience with private and public companies. He was a non executive director of Perilya until November 2011.

Share data and price performance

Market data			
Ticker			GUN
Listing			ASX
Net cash (A$m) (at 30 Jun 2012)			1.9
EV (A$m)			31.2
Free float (%)			84
Shares in issue (m)			220.85
Price performance	**1m**	**3m**	**12m**
Absolute	42.9	15.4	15.4
Relative	36.6	15.6	(11.0)
		High	**Low**
12 month range (A$)		0.25	0.09

Share price performance relative to ASX 300



Shareholders, reporting dates and summary financial history

Top shareholder	%
Grey Willow	5.4
John Tilbrook	5.4

P&LA$'000s)	Jun 09A	Jun 10A	Jun 11A
Turnover	103	157	149
Adj. EBITDA	(627)	(419)	(1,704)
Adj. PBT	(633)	(423)	(1,710)
Tax rate	0	0	0
Adj. EPS	(0.3)	(0.2)	(0.6)
Adj. fully diluted EPS	(0.3)	(0.2)	(0.6)

Sensitivities evaluation	
Litigation/regulatory	○
Commodity price	●
Currency	○
Stock overhang	○
Interest rates	○

Balance sheetA$'000s)	Jun 09A	Jun 10A	Jun 11A
Non-current assets	22,277	24,234	27,388
Current assets	587	378	3,361
Current liabilities	(707)	(689)	(786)
Non-current liabilities	0	0	0
Net assets	22,167	23,923	29,962

Reporting calendar	Date
POSCO agreement	Aug 12
Interim	Mar 13
Final	Sep 12
AGM	Nov 12

Cash flow(A$'000s)	Jun 09A	Jun 10A	Jun 11A
Operating cash flow	(1,478)	(2,621)	2,624
Capex	0	9	17
Equity issued	939	2439	3597
Net cash flow	(639)	(191)	(966)

Source: Company accounts, Thomson Reuters

Hawkley Oil & Gas

Asia-Pacific resources quarterly

Edison investment research

Ukraine growth story

Oil & gas

Ukraine-focused Hawkley Oil & Gas offers investors solid upside via self-funded development of 7.8mmboe of 2P reserves alongside extensive appraisal opportunities across its two licences, Sorochynska and Chernetska. Low-cost production and ready access to infrastructure ensures robust economics across a wide range of commodity prices and fiscal structures. Currently fully funded for 2012/13, ongoing appraisal success at Sorochynska could unlock significant upside requiring further funding for which a proposed AIM listing in 2012 would provide fresh routes to capital.

Robust economics provides grounds for confidence

Hawkley's business strategy is to drill on previously explored and/or producing assets with existing infrastructure. In the case of commercial assets this allows its fields to be developed quickly and efficiently. Although we would expect investors to be wary of Ukraine's evolving regulatory regime, we consider Hawkley's economics to be robust across a wide range of stress-test scenarios giving investors confidence around downside risks.

Solid cash flow funds upside potential

Hawkley's business strategy entails a work programme fully funded through 2012/13. Management expects current Sorochynska production of c 1.0mboepd to grow to 3.6mboepd bv 2014 as 7.8mmboe of 2P reserves from its B18 horizons are developed. Meanwhile 48.5mmboe of net 2C resources at Sorochynska and 17mmboe of contingent and prospective resources at Chernetska offers significant upside for investors, although we expect Chernetska to be a lower priority for the foreseeable future as the company focuses on Sorochynska appraisal.

B19 horizons offers significant near-term upside

The most significant near-term catalyst for investors is the ongoing drilling of the Sorochynska-202 well targeting deeper B19 horizons that are estimated to contain 22mmboe of net 2C resources. We expect the well to reach TD at the end of August 2012 and for testing to be carried out during September. A successful commercial development of the B19 horizons could increase reserves almost four-fold and ultimately increase production to possibly in excess of 10mboepd.

Valuation: Solid upside based on EV/resources

Despite being a fully funded E&P with cashflow from operations underpinning current exploration and development expenditure, Hawkley continues to trade at a particularly low EV/resource multiple. Based on 2P reserves of 7.8mmboe this equates to an EV/2P of only A$7/boe while including 2C contingent resources of 48.5mmboe across Soroshynska's three major fault blocks drives an EV/2P+2C of only A$1.0/boe. This is a remarkably low level for an established production and development company and points to the upside available to investors as the company progresses its ongoing appraisal and development programme.

Price	Market cap
A$0.21	A$60m

Share price performance

Business description

Hawkley Oil & Gas an ASX-listed oil and gas development company with 100% owned assets in the Dnieper-Donets Basin, the most prolific gas basin in Ukraine.

Catalyst: Sorochynska 3D

Processing of 100km^2 of full fold 3D seismic across the Sorochynska licence was completed in June 2012. We expect interpretation of this to be complete during August/ September 2012, which could result in updated resource estimates for new structures on the block.

Catalyst: Sorochynska-202 TD

Sorochynska-202 drilling is ongoing with TD expected around the end of August and results expected in September/ October. The well will provide an extra drainage point for the B18 reservoir. However, more critically for investors it could prove the commerciality of the deeper B19 horizons and upgrade 22.5mmboe of 2C resources.

Catalyst: Potential AIM listing

Hawkley intends to pursue a second listing on the London AIM exchange. We expect the listing to be in Q412 subject to market conditions. A second listing will give Hawkley access to fresh sources of funding that will be particularly critical in the event of success with the ongoing B19 appraisal programme.

Analyst

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Edison profile page

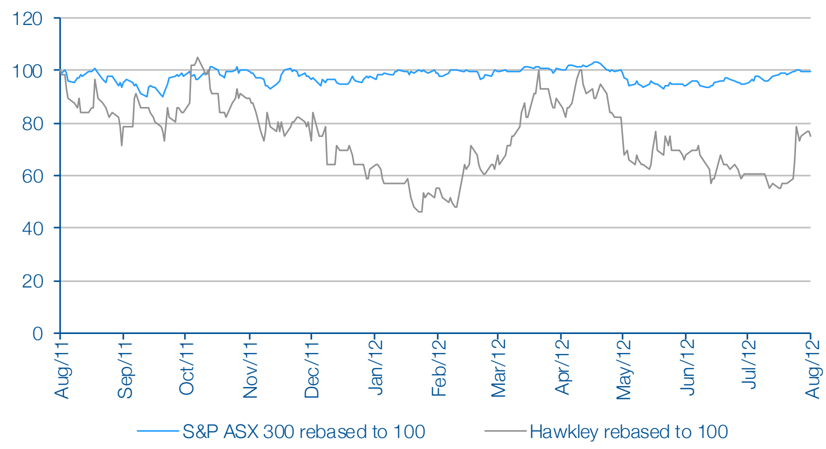
Hawkley Oil & Gas is a research client of Edison Investment Research Limited

Management team	
Chairman: Richard Reavley	**Chairman: Glenn Featherby**
Mr Reavley, the founding CEO between 2007 and May 2011, resumed the role after management changes on 27 February 2012. He has 10 years' experience in financials and natural resources.	Mr Featherby has 30 years of corporate advisory experience with extensive exposure to the resources sector. He is the chair of Forte Energy, a resource company with assets in Africa.
CFO: Victor Eriksen	
19 years' experience in FSU oil and gas companies. Previously employed by Canadian Fracmaster, Sinopec, Harvest Natural Resources, Concorde Oil and Gas.	

Share data and price performance

Market data			
Ticker			HOG
Listing			ASX
Net cash (A$m) (as at 30 June 2012)			8.0
EV (A$m)			52
Free float (%)			57
Shares in issue (m)			285.5
Price performance	**1m**	**3m**	**12m**
Absolute	18.1	0.2	(24.3)
Relative	23.5	0.0	(25.0)
		High	**Low**
12 month range (A$)		0.30	0.13

Share price performance relative to ASX 300



Shareholders, reporting dates and summary financial history

Top shareholder	%	P&L (A$'000s)	Jun 09A	Jun 10A	Jun 11A
Morgan (Paul James)	12.3	Turnover	N/A	0	9,992
Avenger Investment Holdings Limited	10.8	Adj. EBITDA	N/A	(3,013)	637
Acetone Ltd.	10.6	Adj. PBT	N/A	(6,021)	517
Lextrop Wealth Inc.	6.5	Tax rate	N/A	0	(377)
Ballure Trading Limited	6.3	Adj. EPS (c)	N/A	(4.4)	(1.4)
Ogden Group Pty Ltd	2.0	Adj. fully diluted EPS (c)	N/A	(4.4)	(1.2)
Sensitivities evaluation		**Balance sheet (A$'000s)**	**Jun 09A**	**Jun 10A**	**Jun 11A**
Litigation/regulatory	●	Non-current assets	N/A	8,925	11,234
Commodity price	●	Current assets	N/A	7,923	15,755
Currency	◖	Current liabilities	N/A	(2,122)	(1,074)
Stock overhang	○	Non-current liabilities	N/A	0	(263)
Interest rates	○	Net assets	N/A	14,725	25,653
Reporting calendar	**Date**	**Cash flow (A$'000s)**	**Jun 09A**	**Jun 10A**	**Jun 11A**
Annual results	Oct 2012	Operating cash flow	N/A	(1,296)	(1,138)
Quarterly activities report	Oct 2012	Capex	N/A	(1,785)	(2,754)
H1 results	Mar 13	Equity issued	N/A	8,891	14,081
		Net cash flow	N/A	6,444	9,045

Source: Company accounts, Thomson Reuters

Early-stage gas play

Oil & gas

MEC Resources' (MEC) key investment, Advent Energy, is advancing early-stage work programmes targeting both conventional and unconventional gas. Its main current focus is the acreage it holds in the onshore Bonaparte Basin, which has yielded four modest conventional gas discoveries to date. A large and gassy shale formation underlies its Bonaparte permits and is drawing increasing explorer interest in the region. Securing the further funding and/or partnerships necessary to meaningfully progress its work programmes will be a key focus for Advent and, therefore, MEC, over the coming year.

Conventional and unconventional gas focus

MEC is registered as a pooled development fund (PDF), which affords it substantial tax concessions on capital gains made from PDF-compliant investments. MEC's key investment is a controlling 44.9% interest in unlisted oil and gas explorer Advent Energy, with which it shares a number of common shareholdings and directors. Advent is progressing gas-intensive appraisal and exploration work programmes focused on two frontier regions: the onshore Bonaparte Basin in the Northern Territory and the offshore Sydney Basin in New South Wales.

Advent's Bonaparte Basin interests centre on 100% stakes it holds in permits EP386 and RL1. The Bonaparte Basin has already been proven as a conventional oil and gas system, but most activity to date has been focused offshore. Advent's focus is on conventional and unconventional potential of its onshore acreage. It is appraising two modest conventional gas discoveries in EP386 to add to two earlier discoveries made by previous operators of the acreage. Of these, the Weaber gas field in RL1, which was discovered by a previous operator in 1985, has been independently assessed as holding a contingent 3C resource of 45Bcf.

Around two-thirds of the 2,568km^2 of EP386 and all of RL1 (166km^2) is known to sit atop the Milligans shale formation from which Advent's initial study estimates unrisked OGIP of between 19tcf and 141tcf. Significant further work must be done to firm-up the nature and extent of the Milligans shale fairway, but a recent move by Beach Energy to farm-in to acreage in the Bonaparte Basin adjacent to Advent's provides third-party validation of the play.

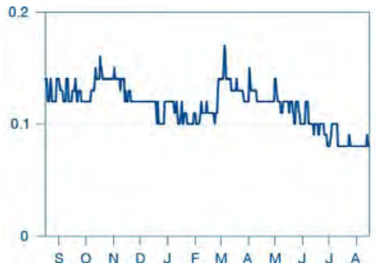
Advent's other main area of focus is the offshore Sydney Basin where it holds an 85% stake and operatorship of the 4,649km^2 PEP11 permit. In December 2010, Advent led the drilling of the first ever well in the Sydney Basin.

Strategy and financials

MEC's accounts consolidate the financials from its Advent interest. Although MEC presented net equity of $6.3m at the close of its H112, this is accounted for largely by the capitalised cost of the unsuccessful offshore well drilled in PEP11 in 2010. With very strong equity positions in each of its main permits, current cash on hand of (we estimate) around $6m and the next stage of its Bonaparte work programme likely to require significant exploration and/or development capital to progress, Advent is likely to be actively progressing investment and/or farm-out options. Recruiting this investment will be a central focus for MEC in 2012/13.

Price	Market cap
A$0.085	A$13m

Share price performance



Business description

MEC Resources (MEC) is a Perth-based pooled development fund established to invest in exploration companies in the energy and mineral exploration sectors.

Catalyst: FY12 reporting

MEC will report its results for the year to 30 June in late August. As well as providing an updated picture of the financial profile of Advent and, therefore, MEC, we would expect to learn more about MEC's outlook including its E&P plans for its flagship Bonaparte permits.

Catalyst: Waggon Creek testing

Advent is undertaking production testing of its Waggon Creek discovery in EP386. A positive outcome would add weight to the options to commercialise it and Advent's other conventional gas fields in Bonaparte.

Catalyst: EP386 development

To develop its Bonaparte fields and to advance its exploration programme, Advent would need to secure further funding. Advent has previously stated its intention to IPO. While this could deliver a number of benefits, market sentiment remains downbeat, which could weigh on market valuations and outcomes and, therefore, implications for MEC holders.

Analyst

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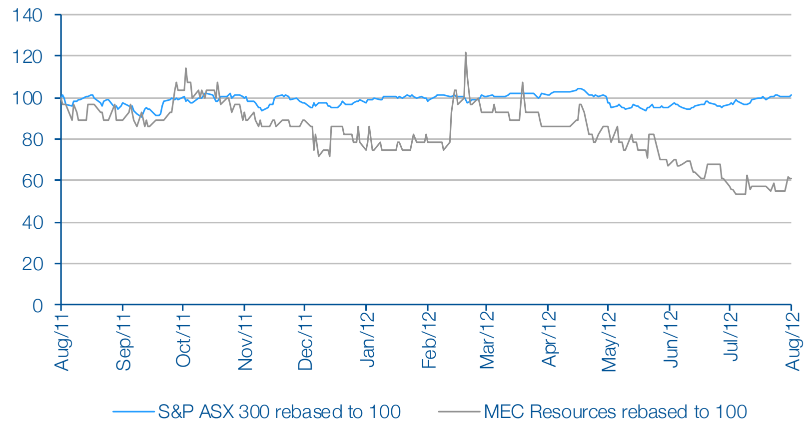
Management team	
Chairman: Hock Goh	Managing director: David Breeze
Former president of Schlumberger Asia and then a global divisional president of Schlumberger during a 25-year career in the oil and gas industry.	Mr Breeze has a corporate advisory and investment banking background with extensive experience in transaction structuring, corporate advisory and funding for listed and unlisted companies.
CFO: Deborah Ambrosini	
Ms Ambrosini is a chartered accountant with a background in accounting and business development spanning the biotechnology, mining, IT communications and financial services sectors.	

Share data and price performance

Market data			
Ticker			MMR
Listing			ASX
Net debt (A$m) (as at 31 Dec 2011)			8.7
EV (A$m)			35
Free float (%)			73
Shares in issue (m)			155.8
Price performance	1m	3m	12m
Absolute	1.6	(29.0)	(38.7)
Relative	6.3	(29.2	(39.3)
		High	Low
12 month range (A$)		0.32	0.13

Share price performance relative to ASX 300



Shareholders, reporting dates and summary financial history

Top shareholder	%
David Breeze	8.5
Grandbridge Ltd	6.3
Robert Healy	5.9
Citicorp Nominees	3.8
Merrill Lynch	3.6
Lim Tong	2.0
Sensitivities evaluation	
Litigation/regulatory	○
Commodity price	●
Currency	○
Stock overhang	○
Interest rates	○
Reporting calendar	**Date**
FY12 reporting	August

P&L (A$'000s)	Jun 09A	Jun 10A	Jun 11A
Turnover	0	0	0
Adj. EBITDA	(5,695)	(3,690)	(5,332)
Adj. PBT	(5,595)	(3,439)	(4,973)
Tax rate	0	0	0
Adj. EPS (c)	(4.8)	(2.4)	(0.7)
Adj. fully diluted EPS (c)	(2.7)	(1.5)	(0.5)
Balance sheet (A$'000s)	**Jun 09A**	**Jun 10A**	**Jun 11A**
Non-current assets	3,462	7,395	39,683
Current assets	1,702	19,911	12,752
Current liabilities	1,023	3,396	6,298
Non-current liabilities	0	0	0
Net assets	4,141	23,912	46,134
Cash flow (A$'000s)	**Jun 09A**	**Jun 10A**	**Jun 11A**
Operating cash flow	(1,935)	(1,158)	(5,142)
Capex	(24)	(6,055)	(30,077)
Equity issued	1,741	23,083	25,605
Net cash flow	(486)	15,880	(4,946)

Source: Company accounts, Thomson Reuters

Nyota Minerals

Asia-Pacific resources quarterly

Edison investment research

Developing Tulu Kapi

Mining

The coming year will see Nyota do much of the work required to make the transition from explorer to producer. The reshuffling of the management team in the past year brings renewed vigour and determination in the effort to see Tulu Kapi to production. Following our recent site visit, we believe Nyota is employing a measured strategy to develop its assets in stages to limit the risk of being a early mover in a new mining province. The successful development of the Tulu Kapi mine will open the door to the development of Nyota's other promising assets in Ethiopia.

Tulu Kapi – flagship project

Nyota's principle asset is the Tulu Kapi project in Ethiopia, 500km west of Addis Ababa on the Arabian-Nubian Shield. Tulu Kapi currently holds a JORC compliant resource estimate of 1.67Moz of contained gold at an average grade of 2.9g/t, of this 831koz fell into the indicated category and 841koz in the inferred category. The company is finalising the details of its definitive feasibility study (DFS) which is expected to demonstrate the economic viability of a 100,000oz/year production rate with a life of mine (LOM) of approximately seven years (given the size of the current indicated resource). We expect the LOM to get pushed out to approximately 10 years as the company completes its infill drilling programme and converts the inferred ounces to indicated status, thus making them viable for conversion to minable reserves.

Exploration assets

Recently the company's focus has moved away from the exploration assets as it looks to fast-track the development of Tulu Kapi. With the completion of the DFS infill drilling programme in June 2012, we expect a shift in drilling activity. Work is now focusing on the proximal targets, which should be able to add to the Tulu Kapi plant feed, then the regional targets, which may offer an opportunity to establish further standalone mines.

The company has the immediate goal of outlining resource ounces near to the proposed Tulu Kapi pit, which may offer future feed to the plant. Management has guided that there is potential for another million ounces of contained gold around the proposed pit, which if realised and converted successfully to reserves, would nearly double the proposed LOM of Tulu Kapi. The primary targets that have been identified and drilled are the UNDP, Dina and Guji prospects. Beyond this the ongoing trenching, geochemistry and geophysics work at the Chalti, Kobera and Soyoma targets continue to identify mineralised zones.

Sensitivities and risks

The primary risks to the shareholder centre around the typical risks associated with mining projects. Nyota must execute to plan to time, to avoid significant delay to the production timeline that would arise from a delay to the groundwork and road preparation before the rainy season. To meet the proposed timeline, the company must secure mining licences and the necessary funding by Q1/Q213.

Price	Market cap
A$0.088	A$58m

Share price performance

Business description

Nyota is a gold explorer looking to develop its Tulu Kapi project in Ethiopia. First production is expected at the end of 2014 with a potential production rate of 100,000oz/year.

Catalyst: DFS (Q312)

The announcement of the results of the DFS in Q3 12 should be a major catalyst and is expected to prove the economic viability of the proposed mine at Tulu Kapi.

Catalyst: Mining licence (Sept 12)

With the technical elements of the DFS submitted to the minister of mines in July, we expect the mining licence approval to be granted in September 12. This is the final significant legislative hurdle in the path to production.

Catalyst: Financing (H113)

If the mining licence is granted after the completion of the DFS in Q3, we would expect the company to close the debt and equity financing of the project early to mid H113 to fund the mine development and meet the stated production timeline.

Analyst

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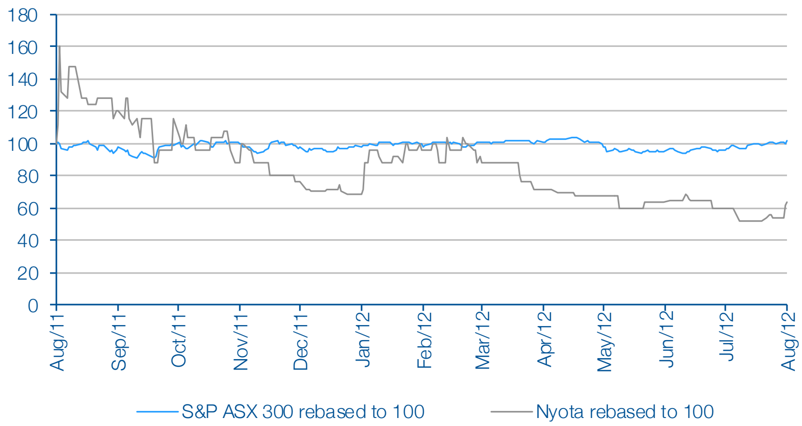
Nyota Minerals is a research client of Edison Investment Research Limited

Management team	
Chairman: Neil Maclachlan	**CEO: Richard Chase**
Neil Maclachlan has been executive director since 2012. He has experience in both the City and mining industry.	Richard Chase has been executive director since 2011. He has a geology and financial background.
CFO: Mike Langoulant	**Technical director: Martyn Churchouse**
Mike Langoulant has been executive director since 2005. He has 20 years' experience as a chartered accountant.	Martyn Churchouse is technical director. He has a background in exploration and mining in Africa and Eastern Europe.

Share data and price performance

Market data			
Ticker			NYO
Listing			ASX
Net cash (A$m) (at 30 June 2012)			14.4
EV (A$m)			43.6
Free float (%)			73
Shares in issue (m)			639
Price performance	**1m**	**3m**	**12m**
Absolute	12.5	3.9	(42.6)
Relative	9.1	(3.1)	(46.4)
		High	**Low**
12 month range (A$)		0.19	0.07

Share price performance relative to ASX 300



Shareholders, reporting dates and summary financial history

Top shareholder	%	P&L (A$'000s)	Jun 09A	Jun 10A	Jun 11A
Centamin	14	Turnover	0	0	0
IFC	10	Adj. EBITDA	(3,114)	(4,241)	(12,080)
RCF	9	Adj. PBT	(24,987)	(11,015)	(14,558)
JP Morgan	6	Tax rate	1%	0	0
		Adj. EPS	(0.139)	(0.076)	(0.036)
		Adj. fully diluted EPS	(0.139)	(0.042)	(0.035)
Sensitivities evaluation		**Balance sheet (A$'000s)**	**Jun 09A**	**Jun 10A**	**Jun 11A**
Litigation/regulatory	○	Non-current assets	13,265	15,021	27,984
Commodity price	●	Current assets	14,182	12,658	27,155
Currency	◖	Current liabilities	(937)	(1,309)	(5,185)
Stock overhang	○	Non-current liabilities	(384)	0	0
Interest rates	◖	Net assets	26,126	26,370	49,954
Reporting calendar	**Date**	**Cash flow (A$'000s)**	**Jun 09A**	**Jun 10A**	**Jun 11A**
Final results	Sep 2012	Operating cash flow	(2,272))	(3,582)	(6,954)
		Capex	(4,515)	(7,480)	(15,025)
		Equity issued	20,638	9,762	39,134
		Net cash flow	12,548	(1,158)	13,771

Source: Company accounts, Thomson Reuters

Po Valley Energy

Asia-Pacific resources quarterly

Edison investment research

Moving offshore

Oil & gas

Po Valley Energy (PVE) has taken a major step forward in expanding its asset portfolio with the approval of its first offshore exploration permit in the Adriatic Sea. The permit, AR94PY, includes the Carola and Irma discoveries that, if developed, could add 25bcf of gas to its production and development assets, an increase of 164%. The company remains profitable and is fully funded for its current work programme. We expect this to be supplemented through debt and farm-outs as PVE continues to execute its growth strategy.

Full cycle E&P with clear geographic focus

Despite its modest size, PVE can claim to be a full cycle E&P company with an active exploration, appraisal, development and production portfolio of assets focused on the Po Valley region of northern Italy. Gas production and near-term development projects are expected to generate much of the cashflow over the next three to four years, although a portfolio of larger exploration oil and gas assets, both offshore and onshore, offer a range of longer-term options.

Carola/Irma significantly expand resource base

AR94PY offers PVE a step change in resource potential with 25bcf of contingent resources having been identified from studies and drilling of three wells over the permit's Carola and Irma targets. Securing a partner to fund what would be PVE's largest development project to date has required securing the exploration permit. The company will now be looking to move this forward rapidly to a development concession and to find a partner to develop the field with drilling expected in 2013 and first production in 2015.

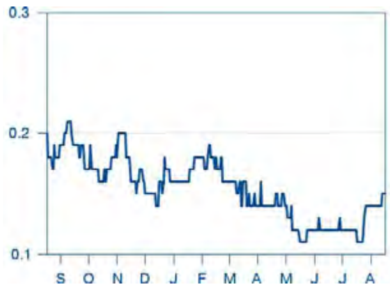
Valuation: Low EV/resource but liquidity required

PVE trades at an attractive $1.1/boe on an EV/2P +2C reserves and contingent resources basis. This compares favourably with its closest onshore Po Valley peer, Canadian listed BRS Resources, which trades at $2.1/boe, and demonstrates the value that exists within the company's extensive portfolio of assets.

However, despite these low multiples, for PVE to achieve share price gains it is likely to require more liquidity in the trading of its stock. Without this we expect the company's share price to continue to remain depressed against both the market and the compelling fundamentals offered by its asset base.

Price	Market cap
A$0.15	A$17m

Share price performance



Business description

Po Valley Energy is an ASX-listed oil and gas company with an operational focus on Italy and in particular the Po Valley region in the north of the country.

Catalyst: Permit awards

Po Valley Energy is seeking to convert its AR94PY exploration permit into a development concession that will make its asset more attractive for potential farm-in deals. Meanwhile the company is looking to also secure a production concession for Bezzecca.

Catalyst: Canolo/ Zini drilling

The most likely near-term drill catalysts are two wells on Canolo and Zini towards the end of 2012. This has been derisked with the recent farm-out of a 15% interest to PETROREP. The company may also drill its 9bcf P50 Gradizza prospect for which regulatory approval is expected.

Catalyst: AR94PY farm-out

The most significant upside to our core NAV will be progress on AR94PY for which the company is seeking a farm-in partner during H212. Timing of this may be affected if there are delays in securing a development concession for the permit.

Analyst

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Edison profile page

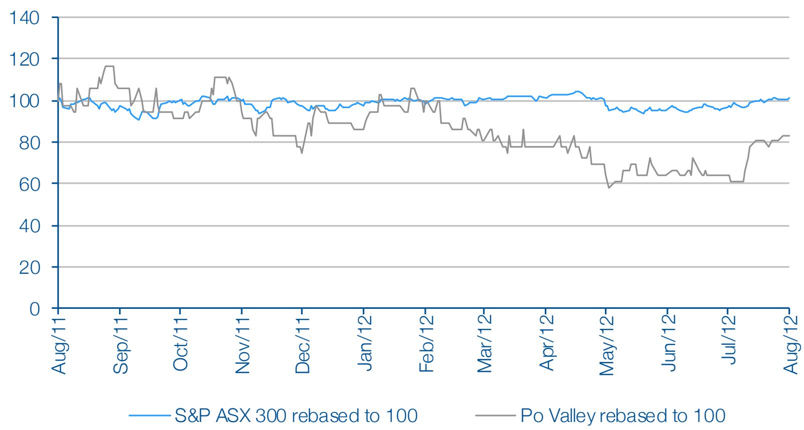
Po Valley Energy is a research client of Edison Investment Research Limited

Management team	
Chairman: Graham Bradley	**CEO: Giovanni Catalano**
Mr Bradley joined PVE as a director and chairman in September 2004 and is based in Sydney. He is a director of Singapore Telecommunications and is chairman of Stockland Corporation, HSBC Bank Australia and Anglo American Australia.	Mr Catalano holds a degree in geology and has spent almost 30 years working in the upstream oil and gas industry. His last position was CEO with Mediterranean Oil & Gas in the UK and Italy. Before that he was with Woodside Energy Pty, AGIP and LASMO.
CFO: Sara Edmonson	
Ms Edmonson joined the company in July 2010. She is fluent in Italian and for the past five years worked both in Italy and internationally for Ernst & Young Transaction Advisory Services. She holds an MBA from the St John's University in New York.	

Share data and price performance

Market data			
Ticker			PVE
Listing			ASX
Net debt (A$m) (June 2012)			3.8
E V (A$m)			21
Free float (%)			53
Shares in issue (m)			111.1
Price performance	**1m**	**3m**	**12m**
Absolute	23.2	30.4	(16.7)
Relative	24.7	30.7	(15.9)
		High	**Low**
12 month range (A$)		0.21	0.11

Share price performance relative to ASX 300



Shareholders, reporting dates and summary financial history

Top shareholder	%
Michael Masterman and family	25.0
Hunter Hall	18.4
Beronia Investment Pty Ltd	6.4
Joan Masterman	4.3

P&L (A$'000s)	Dec 09A	Dec 10A	Dec 11A
Turnover	0	7,157	9,115
Adj. EBITDA	(2,855)	2,178	4,406
Adj. PBT	(2,094)	(1,182)	1,040
Tax rate	0	(67)	(179)
Adj. EPS	(6.8)	(1.1)	0.8
Adj. fully diluted EPS	(6.8)	(1.1)	0.8

Sensitivities evaluation	
Litigation/regulatory	○
Commodity price	●
Currency	◖
Stock overhang	○
Interest rates	◖

Balance sheet (A$'000s)	Dec 09A	Dec 10A	Dec 11A
Non-current assets	36,720	34,529	31,516
Current assets	9,781	4,310	5,924
Current liabilities	(4,116)	(2,282)	(5,705)
Non-current liabilities	(11,999)	(8,366)	(8,520)
Net assets	30,386	28,192	23,215

Reporting calendar	Date
Q3 Quarterly Report	Oct 2012

Cash flow (A$'000s)	Dec 09A	Dec 10A	Dec 11A
Operating cash flow	(2,292)	1,278	3,265
Capex	(12,044)	(2,679)	(2,328)
Equity issued	12,903	(213)	(16)
Net cash flow	(1,433)	(1,613)	921

Source: Company accounts, Thomson Reuters

Edison investment research

Trinidad focus

Oil & gas

Range is evolving from an entrepreneurial to a more development focused play based on its Trinidad operations and its recently acquired interests in Colombia's Putumayo Basin. The drilling programme in Trinidad has proved highly successful over the past year, while the prolific Putumayo Basin offers relatively low-risk exploration and development upside. Range has inevitably been hit of late by failing to make an unambiguous discovery in Puntland. However, the current valuation is well underpinned by the Trinidad and Texas assets.

Trinidad: Production trending strongly upward

The 100% owned Trinidad operations comprise three onshore oilfields on the south of the island and a drilling subsidiary (six rigs) complete with workshops and a pipe yard. The resource base is very significant for a junior. Reserves from the relatively shallow Pliocene Cruse Forest formations stand at 17.6mm and 19.6mm barrels for 2P and 3P respectively. There are also prospective resources of another 60mm barrels with 20mm in the Pliocene and 40mm in the deeper Miocene Herrera formation. Over the year to late July 2012 production has increased more than 120% to 1,052b/d reflecting an intensive 16 well drilling programme in the shallow formations. A further 45 wells are planned in the shallow formations in the 12 months to June 2013 with the objective of boosting production to 4,000b/d by end June 2013. A planned water flood programme is expected by the company to provide a further gain of 1,000-1,500b/d by H214. Two Herrera wells are planned for H212.

Colombia: Interesting Putumayo play

Range announced a 65% farm-in agreement with a private Colombian company in June for two blocks in the Putumayo Basin next to the Ecuador border. This is an established oil producing zone that has been attracting growing exploration interest from the likes of Amerisur, Gran Tierra and Pacific Rubiales. Discoveries to date have been 365mm barrels and production in 2011 was 35,000-40,000b/d. The key clauses of the agreement are 350 km^2 of 3D seismic and the drilling of one well in each block. We believe the seismic programme could cost about $10m while well costs could be around $7m. The timing on the work commitment is three years. Additionally, there is a re-entry opportunity relating to a well drilled in the mid-1980s but abandoned due to poor economics and infrastructure constraints. Estimated recoverable reserves at the time were 7.9mm barrels. Typical well productivity for the Putumayo is 1,500-4,000b/d. Finance for its development could be provided by the disposal of the Texas assets. Debt finance is also under consideration.

Valuation: Unrecognised exploration/development potential

Based on a sum-of-the-parts calculation, our assessment of Range's valuation for the producing and development assets in Trinidad and Texas plus cash and the Tangiers Petroleum stake is A$256m or 10.9c/share. This is down from 15c/share earlier in the year, reflecting a reassessment of valuations/boe in the light of downward market pressure in recent months, a stronger Australian dollar and a lower cash position. Nevertheless, the imputed valuation is significantly above the late July market capitalisation of 8.0c/share. The exploration upside potential is clearly unrecognised.

Price	Market cap
A$0.072	A$170m

Share price performance

Business description

Range is a dual ASX and AIM-listed E&P junior. There are exploration projects in Puntland-Somalia, RO Georgia and Colombia. In Trinidad and Texas there are production and development interests.

Catalyst: Puntland drilling

Total depth of approximately 3,400m is expected to be reached at Shabeel-North by the third week of August. Earlier testing of the Upper Cretaceous Jesomma sands yielded fresh water but there remains the possibility that the Jurassic carbonate and anhydrite sections will yield interesting results. A spin-off of Puntland is planned.

Catalyst: NCR Texas disposal

Range has indicated that it is contemplating the disposal of its NCR producing interests on the prolific Frio producing trend in south-west Texas during Q3. The property has net 3P reserves of 9.0boe net (71% 2P) split 47% gas, 27% crude and 26% NGLs. We believe a valuation basis of $4-4.5/boe is possible.

Catalyst: Trinidad reserves/production

Reflecting the success of the drilling programme Range has indicated that significant upward revisions are expected to the 1P and 2P reserves in Q3. Production data for Trinidad are also expected to trend significantly higher over the balance of 2012. Data are reported quarterly or as key milestones are achieved.

Analyst

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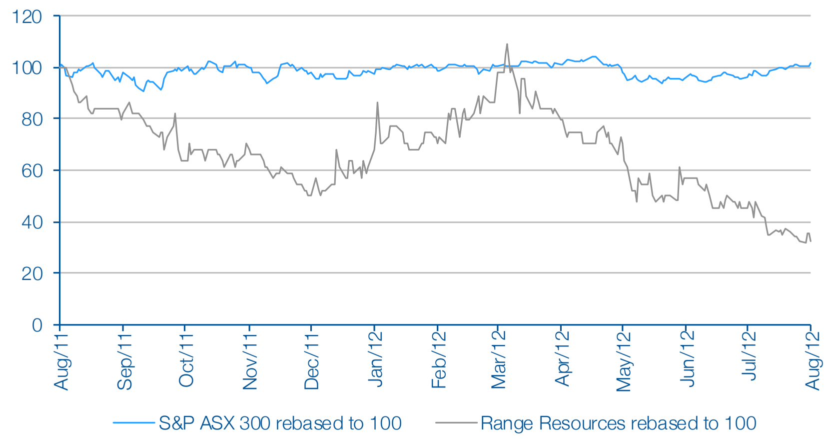
Edison profile page

Management team	
Chairman: Sir Samuel Jonah	**CEO: Peter Landau**
Sir Sam Jonah has a background in mining with Ashanti Gold and Anglo American but in recent years has evolved as a highly regarded businessman and advisor to African presidents. He is a director of several companies including Vodafone and Standard Bank.	Peter Landau is a corporate lawyer having previously worked for Grange Consulting, Clayton Utz and as a general counsel at Co-operative Bulk Handling. Peter Landau is also an executive director of Continental Coal and Nkwe Platinum.
Executive director/company secretary: Anthony Eastman	**Technical and operations advisor: Mark Patterson**
Anthony Eastman is a chartered accountant with a background in financial management and corporate advisory. He previously worked with Ernst & Young and CalEnergy Gas. Anthony Eastman is also the Continental Coal company secretary.	Mark Patterson is a seasoned technical executive with over 25 years in the oil and gas industry.

Share data and price performance

Market data			
Ticker			RRS/RRL
Listing			ASX/AIM
Net cash (A$m) (as at 30 June 2012)			10.4
EV (A$m)			160
Free float (%)			100
Shares in issue (m)			2,357
Price performance	**1m**	**3m**	**12m**
Absolute	(28.0)	(53.5)	(67.3)
Relative	(31.2)	(53.4)	(67.0)
		High	**Low**
12 month range (A$)		0.24	0.070

Share price performance relative to ASX 300



Shareholders, reporting dates and summary financial history

Top shareholder	%
Jonah Samuel	1.0
Scanlen David	0.9
Erine International	0.7
Landau Peter	0.7
Compagnie Montres Leader	0.5

Sensitivities evaluation	
Litigation/regulatory	○
Commodity price	●
Currency	○
Stock overhang	○
Interest rates	○

Reporting calendar	Date
Quarterly report	Oct 2012

P&L (A$'000s)	Jun 09A	Jun 10A	Jun 11A
Turnover	182	719	3,475
Adj. EBITDA	(4,731)	(2,367)	(4,310)
Adj. PBT	(4,780)	(2,492)	(4,567)
Tax rate	0	0	0
Adj. EPS (c)	(2.58)	(0.39)	(0.35)
Adj. fully diluted EPS (c)	(1.39)	(0.20)	(0.29)
Balance sheet (A$'000s)	**Jun 09A**	**Jun 10A**	**Jun 11A**
Non-current assets	81,131	101,465	167,323
Current assets	511	9,637	20,671
Current liabilities	(770)	(1,594)	(1,432)
Non-current liabilities	0	0	0
Net assets	80,872	109,508	186,562
Cash flow (A$'000s)	**Jun 09A**	**Jun 10A**	**Jun 11A**
Operating cash flow	(2,412)	(3,713)	(4,937)
Capex	(4,143)	(7,096)	(7,877)
Equity issued	2,781	28,321	87,088
Net cash flow	(3,721)	6,982	9,962

Source: Company accounts, Thomson Reuters

Sumatra Copper & Gold

Asia-Pacific resources quarterly

Edison investment research

Getting closer to development

Metals & mining

Sumatra Copper & Gold (SUM) has provided guidance as to progress in developing its flagship project Tembang. The much anticipated Stage 1 definitive feasibility study (DFS) is scheduled for release in August 2012, a key catalyst to understanding the economic potential of this gold and silver deposit. Stage 1 will only see the extraction of 18% of the project's 0.98Moz gold resource at an envisaged annual production rate of 400kt for 40-45koz Au. While capex requirements to bring Stage1 into production are not yet known, the company states it will deliver a low risk and small scale operation, mining the Belinau and Asmar deposits first. This will be helped in part by SUM's decision to replicate the previous Minproc plant design and use surviving foundations, which will have positive implications as to start-up capex requirements. On an EV/oz basis, SUM trades at c A$18.

Stage 1 shaping up and fast-tracking Stage 2

SUM intends to mine Tembang over two phases, a strategy that allows it to initiate the mining phase with low capital expenditure requirements, which will be outlined within the upcoming DFS. Stage 2 has been fast-tracked, as SUM states that the capex requirement to upgrade to this stage will be only a fraction of the Stage 1 cost. This is partly due to its decision to replicate the previous Minproc plant decision (capable of processing up to 900kt per year). SUM believes that Stage 2 is where the real value lies within the Tembang project, having a projected 80koz per year Au production rate. Along with Stage 1 production, Stage 2 would make Tembang a potential 100kozpa gold mine, an important threshold to Institutional investors.

Completing Tembang project permitting

Only one significant permitting hurdle is yet to be completed, the forestry permit. Adi Sjoekri (SUM exec. director) has successfully obtained all required permits so far, and is finalising arrangements with the Indonesian authorities to have the last two steps of the Forestry permit application approved. The company expects an in-principle forestry permit approval early in Q412 followed by full permitting towards end 2012.

Provident Capital Partners (PCP) – strategic investor

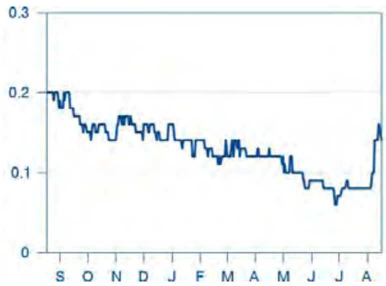
PCP has agreed to subscribe to 28m shares in SUM at A$0.135 (announced 8/8/12). SUM states that this agreement introduces a strategic Indonesian Investor, who will help in protecting its assets in Indonesia and in getting its various permits granted.

Mining law changes – minimal effect (for now)

The Indonesian authorities have suggested that 51% of a foreign mining project will need to be nationalised from 2023, which allows SUM to develop Tembang with no immediate requirement to pass on any ownership. Also, Adi Sjoekri relinquished his minority holdings in each of SUM's projects (under the old IUP framework) for a 2.6% stake in SUM. This is important for SUM as it will not have to undergo further divestment to Indonesian parties under the Indonesian government's direct (PMA) foreign investment legislation (revised March 2011).

Price	Market cap
A$0.15	A$29m

Share price performance



Business description

Sumatra Copper & Gold is an emerging producer and explorer on the island of Sumatra in Indonesia. It owns seven mining business permits (IUPs) covering 3,219 km^2 and has a JV with Newcrest (70% farm-in for US$12m spent over five years) over its Tandai project.

Catalyst: Stage 1 DFS (Q412)

Completion of the Tembang DFS will result in the final cost estimates for bringing SUM's flagship object into production in 2013. Completed elements include geotechnical and hydrological testing, metallurgical testing and comminution modelling. The DFS is now going through internal auditing processes before sign off.

Catalyst: Stage 2 PFS (Q412)

While Stage 1 of Tembang will only see a small portion of its Au-Ag silver resource mined, a far larger portion will be subject to a positive outcome from its Stage 2 PFS. This PFS will focused on the viability of extracting roe from the Berenai, Buluh, Aidit & Bujang deposits, with expansion of the plant funded via Stage 1 cash flows.

Catalyst: Debt funding HoA (Q312)

SUM will pursue indicative heads of agreement (HoA) over financing Tembang. The amount of capex required to develop Tembang will obviously be heavily contingent on the outcome of the Stage 1 DFS and Stage 2 PFS.

Analyst

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Edison profile page

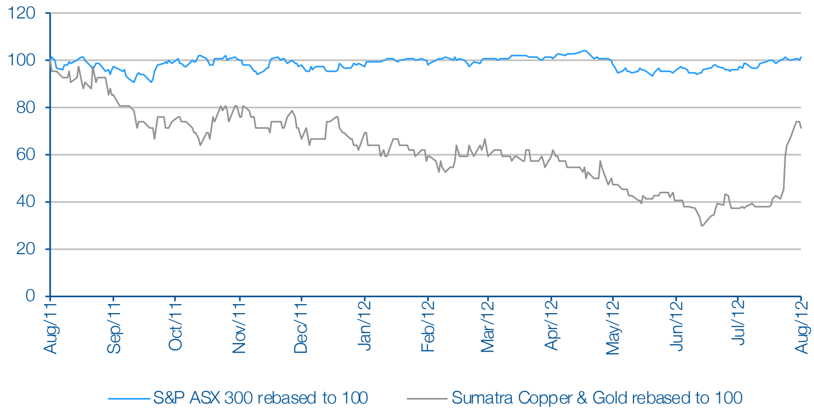
Sumatra Copper & Gold is a research client of Edison Investment Research Limited

Management team	
Chairman: Warwick Morris	**MD & CEO: Julian Ford**
Mr Morris is an Australian national who was appointed to the board of Sumatra Copper & Gold as a non executive director in March 2008.	Mr Ford is an experienced mining professional with a career spanning more than 25 years within the global resources industry.
CFO: Richard Edwards	**Executive director: Adi Sjoekri**
Mr Edwards graduated with a bachelor of commerce degree from the University of New South Wales and is a member of CPA Australia and the Securities Institute of Australia.	Mr Sjoekri is an Indonesian national and graduated with degree and a Master of Science in Geology from the Colorado School of Mines in the USA.

Share data and price performance

Market data			
Ticker			SUM
Listing			ASX
Net cash (£m) (as at end June 2012)			2.1
E V (£m)			15
Free float (%)			N/A
Shares in issue (m)			190.6
Price performance	**1m**	**3m**	**12m**
Absolute	92.3	50.0	(28.6)
Relative	83.9	50.3	(27.9)
		High	**Low**
12 month range (A$)		0.21	0.06

Share price performance relative to ASX 300



Shareholders, reporting dates and summary financial history

Top shareholder	%
Macquarie Group, Ltd.	9.2
Newcrest International	7.0
RMB Resources	3.3
Adi Sjoekri	2.6

Sensitivities evaluation	
Litigation/regulatory	●
Commodity price	●
Currency	◖
Stock overhang	○
Interest rates	○

Reporting calendar	Date
Q3 Qtly cashflow report	Nov 2012
Annual report	Apr 2013

P&L (£'000s)	Jun 09A	Jun 10A	Jun 11A
Turnover	0.0	0.0	0.0
Adj. EBITDA	(1,768)	(1,319)	(1,897)
Adj. PBT	(1,869)	(1,239)	(1,843)
Tax rate	N/A	N/A	N/A
Adj. EPS (c)	(1.4)	(0.7)	(1.1)
Adj. fully diluted EPS (c)	(1.4)	(0.5)	(0.9)
Balance sheet (£'000s)	**Jun 09A**	**Jun 10A**	**Jun 11A**
Non-current assets	7,906	11,881	14,639
Current assets	3,721	4,614	2,023
Current liabilities	(446)	(997)	(1,508)
Non-current liabilities	0.0	0.0	0.0
Net assets	11,161	15,498	15,154
Cash flow (£'000s)	**Jun 09A**	**Jun 10A**	**Jun 11A**
Operating cash flow	(1,195)	(1,017)	(1,127)
Capex	(2,190)	(3,107)	(4,581)
Equity issued	630	437	328
Net cash flow	3,519	848	(2,523)

Source: Company accounts, Thomson Reuters

Universal Coal

Asia-Pacific resources quarterly

Edison investment research

Entering the development stage

Mining

Universal Coal advances five major coal projects in South Africa with an overall JORC compliant resource estimate of 1.9bn tonnes. The company's asset portfolio includes two coking coal projects located in the promising Soutpansberg and Tuli coalfields as well as the three low-cost and a relatively high-margin thermal coal projects in the Witbank coalfield. Having made significant progress on the resource delineation, the company is gradually moving towards the development stage with the Kangala project, which has the completed bankable feasibility study (BFS), off-take and strategic funding agreement in place, to become the company's first producing mine.

From exploration to development

Since its IPO in 2010, Universal Coal has been active in exploration having proved some 1.9bn tonnes of JORC compliant resource at its five thermal and coking coal projects in South Africa. While the drilling activity at some of the projects is still underway, aiming to improve the quality and increase the resource base, the company's focus is gradually shifting towards the development stage. After completing the BFS and signed off-take agreement with Eskom, Kangala is slated to become the company's first producing mine delivering up to 2.1Mtpa of saleable thermal coal in late 2013. To this end, the recently signed strategic funding agreement with Susquehanna, which provided Universal with a US$12m convertible debt facility to be spent on the Kangala project and Berenice-Cygnus drilling, significantly de-risks the project. In addition, the company has recently announced raising c A$10m in private placement with the Hong Kong-based resource investor, which will subsequently obtain a 20% stake in the company. This placement covers up to 50% of the Kangala's funding needs, estimated at A$50m.

Coking coal potential

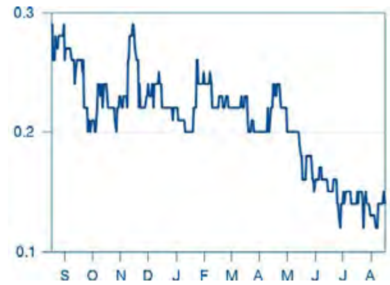
While Universal's two coking coal projects are at a relatively early stage of their development, they could both represent a significant upside to the company's valuation in the medium to long term. According to the recent update, the DRA's concept study conducted on the Berenice-Cygnus project indicated a sustainable 10Mtpa ROM operation with life of mine in excess of 25 years to produce both semi-soft coking coal and secondary thermal coal product. This project is based in the fast-evolving Soutspanberg coalfield, which also hosts a number of similar relatively large-scale thermal/coking coal projects owned by Coal of Africa and other major South African coal producers and developers.

Valuation and risks

Based on the EV/Resource multiple of US$0.01/t, the stock trades at a considerable discount to its major South African peers Coal of Africa and Continental Coal. We expect Universal's value to crystallise as it fully funds the Kangala project and advances it to the production stage. Risk wise, despite the company's predominant domestic market focus, weak international coal pricing represents a risk as it affects the investment proposition of the sector on the whole. Among the company-specific risks are funding/execution and the ownership structure.

Price	Market cap
A$0.15	A$31m

Share price performance



Business description

Universal Coal is a coal development company with advanced thermal and coking coal projects in South Africa. Its most advanced Kangala thermal coal project is expected to deliver its first coal in 2013.

Catalyst: Kangala launch

Kangala is set to become the company's first producing mine delivering up to 2.1Mt of saleable thermal coal by the end of 2013. Successful launch of Kangala would give the company cash flow to advance other projects.

Catalyst: Coking coal potential

Given the importance of coking coal exposure, we would closely watch the progress on the Berenice/Cygnus project. Following the positive Concept study, the company undertakes the second drilling phase, which aims to improve the quality and increase the resource base.

Catalyst: Increasing ownership

Based on the company's earn-in agreements, the ongoing exploration and development activity should eventually lead to crossing the 50% threshold on both Berenice/Cygnus and Somerville/Donkin projects increasing the effective ownership.

Analyst

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Edison profile page

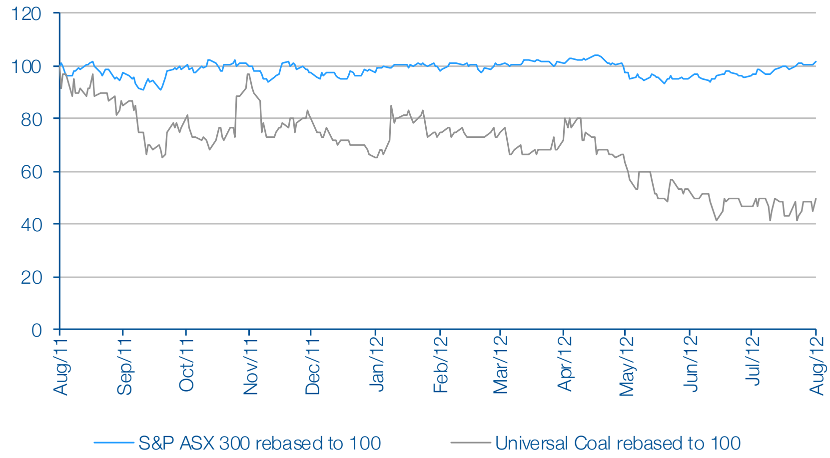
Universal Coal is a research client of Edison Investment Research Limited

Management team	
Chairman: John Hopkins	**CEO: Tony Weber**
Appointed chairman in April 2012, Mr Hopkins is a qualified lawyer and professional company director. He has been on the board as a director or chairman of nearly 20 public-listed companies since 1985s both in Australia and Canada.	Mr Weber is a mining engineer with over 15 years' experience in mining covering project assessment, finance, development and operations.
CFO: Daryl Edwards	
Prior to joining Universal, Mr Edwards held the CFO position with Asenjo Energy, a Botswana-based coal exploration and development company which is a Joint Venture between Aquila Resources, Sentula Mining and Jonah Capital.	

Share data and price performance

Market data			
Ticker			UNV
Listing			ASX
Net cash (A$m) (as at Dec 2011)			7.1
EV (A$m)			24
Free float (%)			N/A
Shares in issue (m)			204
Price performance	**1m**	**3m**	**12m**
Absolute	0.1	7.1	(50.0)
Relative	2.4	(20.9)	(49.5)
		High	**Low**
12 month range (A$)		0.29	0.13

Share price performance relative to ASX 300



Shareholders, Reporting dates and summary financial history

Top shareholder	%
Maple Leaf Intl	12.2
Natasa Mining	10.7
Geoff Tarrant	6.6
Shellbright Ltd	2.9
Anton Weber	2.8

Sensitivities evaluation	
Litigation/regulatory	○
Commodity price	●
Currency	◖
Stock overhang	◖
Interest rates	○

Reporting calendar	Date
Quarterly report	Nov 2012

P&L (A$'000s)	Jun 10A	Jun 11A	Jun 12A
Revenue	0.0	0.0	N/A
EBITDA	(5,054)	(10,642)	N/A
Adj. PBT	(5,160)	(10,192)	N/A
Tax rate	-	-	N/A
Adj. EPS c	(15.6)	(6.8)	N/A
Adj. fully diluted EPS, c	(9.9)	(5.6)	N/A
Balance sheetA$'000s)	**Jun 10A**	**Jun 11A**	**Jun 12A**
Non-current assets	9,996	13,138	N/A
Current assets	1,084	13,269	N/A
Current liabilities	(211)	(857)	N/A
Non-current liabilities	(0.0)	(0.0)	N/A
Net assets	10,869	25,550	N/A
Cash flow A$'000s)	**Jun 10A**	**Jun 11A**	**Jun 12A**
Operating cash flow	(3,580)	(5,871)	N/A
Capex	(7)	(52)	N/A
Equity issued	4,472	21,863	N/A
Net cash flow	(64)	13,020	N/A

Source: Company accounts, Thomson Reuters

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