



Mergers and Acquisitions

Auswest finalises Gunns mill acquisition

01-December-2011 by AAP, Dan Wilkie

Brickworks subsidiary Auswest has bought Gunns' Jarrah saw milling, processing and retail business in Western Australia for \$6 million.

Auswest will buy the Deanmill sawmill, Manjimup processing centre, Welshpool retail operation and stock. The transaction will be completed tomorrow.

Brickworks said the addition of the Jarrah timber species to Auswest Timber's existing hardwood ranges, including Karri and Marri, created a market-leading range of high-quality, Australian hardwood timber.

The sale had been on the cards since August, when Auswest first struck a deal with Gunns to buy the mill.

Uncertainty surrounding a long-term log supply deal delayed the transaction.

Mortgage Gallery merges with Smartline

01-December-2011 by Dan Wilkie

Western Australia-based home financing group The Mortgage Gallery has announced it will merge with national mortgage broking network Smartline.

The combined group will comprise more than 240 franchise owners across the nation, settling more than \$4 billion in loans each year. The Mortgage Gallery brand and management team will remain in place under the merger, which will be effective from April next year. Smartline, which merged in 2009 with WA-based Mortgage Force, was ranked as the MFAA Mortgage Broker of The Year and has been recognised as Australia's best franchise by website Topfranchise.com.au for the past three years.

Mortgage Gallery director and founder John Bignell said Smartline's business model would complement his business strategy, while also adding

significant value to Mortgage Gallery franchisees and loan-writers.

"Merging with Smartline gives us the scale and resources to continue to grow and build our business, despite tougher market conditions," Mr Bignell said.

Chinese group buys stake in Latin Resources

30-November-2011 by Dan Wilkie

Latin Resources shares have rocketed after the company announced China-backed Junefield Holdings had taken a 16.8 per cent stake in the company after executing two agreements worth a combined \$52 million.

At close of trade today Latin's stocks had closed up 27 per cent, to 23.5 cents.

The agreements entail the placement of up to 30 million Latin Resources shares priced at 28 cents to Junefield High Value Metals, to raise \$8.4 million.

Also, Junefield-backed Total Genius Iron Mining will take a 70 per cent earn-in option for Latin's Mariela and Dylan prospects in Peru, by funding all activities leading to the completion of a bankable feasibility study, up to a total of \$35 million.

Funds raised through the placement will be applied to accelerating exploration and drilling activities at the Guadalpito project.

"The capital raising will result in the introduction of a new long-term cornerstone investor, further strengthening the company's share register as it continues to rapidly advance the Guadalpito iron mineral sands project and its other highly prospective assets in the established Ilo mining district," managing director Chris Gale said.

"Attracting a cornerstone investor that is as reputable and experienced as Junefield is a major achievement and a key milestone in the advancement of our Peruvian assets."

Decmil acquires stake in \$150m QLD camp

29-November-2011 by Dan Wilkie

Construction and contracting group Decmil has announced an \$85 million capital raising to fund the acquisition of a 50 per cent interest in the 2,265-room, \$150 million Calliope accommodation village near Gladstone, Queensland.

Decmil said it would raise the funds through a 1 for 3 non-renounceable entitlement offer to existing shareholders, to raise the \$85 million required to purchase a 50 per cent stake in the MGA Gladstone Unit Trust, owner of the camp.

Decmil also said today that the Commonwealth Bank of Australia had provided a credit-approved offer of finance for up to \$80 million to fund construction of the village.

Subject to demand, the build out to 2,265 rooms is expected to be completed in April 2013, and represents more than \$150 million in construction work for Decmil Australia.

Infrastructure consortium Wiggins Island Coal Export Terminal has signed on for 240 rooms in stage 1 and 208 rooms in stage two of the development. WICET has the option to extend for a further two years.

The consortium consists of eight equity participants, including Xstrata Coal, Aquila Resources and Wesfarmers Curragh.

Gindalbie finalises held-up asset purchase

28-November-2011 by AAP

Shares in Gindalbie Metals and Royal Resources rose after the iron ore firms settled a project acquisition deal that had been held up by a legal claim. Gindalbie shares were up 3.5 cents, or 7.22 per cent, at 52 cents at 1321 AEDT while Royal's shares had added half a cent, or 3.7 per cent, to 14 cents. Gindalbie on Monday said it

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had completed the acquisition of Royal's 40 per cent interest in the Warriedar iron ore joint venture in the Mid-West for \$7 million in cash.

Settlement of the deal had been delayed pending an assessment of a claim by Minjar Gold Pty Ltd that it had a pre-emptive right over Royal's stake in the project.

"Gindalbie and Royal have each considered the claim and consider it to be without merit," Gindalbie said in a statement. Gindalbie said the acquisition strengthened its exploration portfolio in the Mid-West, where it operates the Karara mine.

The company could use spare rail and port capacity that it was investing in for its Karara project to export iron ore from Warriedar, Gindalbie said.

Royal sought to sell the asset so it could focus on its flagship Razorback iron ore project in South Australia.