

21 March 2014
Upcoming Company Events
24 March

 Ex-Div: CAB, CWN, FBU, FLT, SKE, SVW,
Interim Results: KMD, TPM

25 March

Ex-Div: AQG

26 March

 Ex-Div: WSA
Interim Results: NUF

27 March

 Ex-Div: ORL, SGN
Interim Results: SIP
FY Results: BDR

28 March

 Ex-Div: ARP, CWP
AGM: TCR

Upcoming Economic Events
24 March

 CH: HSBC flash mfg PMI, Mar
EZ: Flash mfg PMI, Mar
US: Flash mfg PMI, Mar

25 March

 UK: CPI, Feb
US: Case-Shiller house price index, Jan
US: Conference Board consumer confidence, Mar
US: New home sales, Feb
US: Personal income & spending, Feb
US: Richmond Fed mfg index, Mar

26 March

 UK: GDP, Q4 (revision)
US: Durable goods, Feb
US: Flash services PMI, Mar

27 March

 AU: Stock options expiry
CH: Industrial profits, Feb
UK: Retail sales, Feb
US: GDP, Q4 (revision)
US: Pending home sales, Feb

28 March

 JP: CPI, Mar
EZ: Consumer confidence, Mar
US: UMich consumer sentiment, Mar (final)

SELL DOWN ON UKRAINE AND US INTEREST RATE OUTLOOK

Markets outside of the US were sold down this week due to events in Ukraine and the latest Fed policy meeting which highlighted a reduced stimulus outlook and a faster than expected increase in interest rates. Tensions continued to escalate between the West and Russia as more than 90% of voters in Crimea voted to leave Ukraine and again become part of Russia. Ukraine, Europe and the US consider the referendum illegal which increased fears that Russia would make a play for other parts of Ukraine. In addition, sanctions have been imposed on several officials from Russia and Ukraine accused of involvement in Moscow's actions with the EU and the US considering further sanctions. In the US, Fed Chair Janet Yellen, said policy makers dropped a linkage between interest rates and an employment threshold signaling that interest rates could start to increase six months after quantitative easing ends. Quarterly Fed forecasts also showed more officials predicting the benchmark rate, now close to zero, would rise at least to 1 percent at the end of 2015 and 2.25 percent by the end of the following year. On the local front, the RBA reiterated its neutral stance on interest rates while also highlighting it would still like to see a weaker Australian dollar although with lower conviction compared to previous meetings. The RBA said "the decline in the exchange rate seen to date would assist in achieving balanced growth in the economy". The RBA added that "the exchange rate remained high by historical standards".

ADMIN MATTERS
UPDATED PRIVACY POLICY

DJ Carmichael Pty Limited (DJC) maintains information about its clients in order to assist in servicing their needs. This information falls under the Privacy Act and the new Australian Privacy Principles (APP) and will therefore be accessible for clients to review.

DJC has made changes to its Privacy Policy and Statement to comply with changes to the Privacy Act. If clients wish to review the Privacy Policy they may contact our office or visit our website.

Contents:
Resources: Inca Minerals Ltd (ICG)
Energy: Central Petroleum Ltd (CTP)

Local Markets		Close		
Index	13/03/2014	20/03/2014	% Chg	
All Ords (XAO)	5,429	5,313	-2.14%	
ASX 20 (XTL)	3,391	3,317	-2.19%	
ASX 200 (XJI)	8,331	8,179	-1.82%	
ASX 200 (XJR)	4,130	3,978	-3.68%	

World Markets		Close		
Index	13/03/2014	20/03/2014	% Chg	
Dow Jones	16,109	16,331	1.38%	
S&P 500	1846.34	1872.01	1.39%	
FTSE 100	6,554	6,542	-0.17%	
Nikkei 225	14,816	14,224	-3.99%	
Hang Seng	21,756	21,182	-2.64%	
Shanghai Comp	2019	1993	-1.27%	

Commodities		Close		
Index	13/03/2014	20/03/2014	% Chg	
Gold US\$/oz	1372.4	1330.5	-3.05%	
Platinum \$/oz	1,479	1,435	-3.01%	
WTI Spot Oil	98.22	98.56	0.35%	
Aluminium	1,717	1,672	-2.59%	
Copper	6,498	6,446	-0.80%	
Lead	2,022	2,036	0.67%	
Nickel	15,670	16,115	2.84%	
Zinc	2,015	1,958	-2.85%	
AUDUSD	0.902765	0.9043	0.17%	
Wheat	6.738	7.038	4.45%	

Resources Brief

Inca Minerals Ltd (ICG)

Speculative Buy

12 Month Performance



Source: IRESS

Next jigsaw piece slotted

On 12 March ICG released details from its third deep hole into the Chanape Project, Peru. Chanape is a potentially large mineralised system consisting of multiple breccia pipes hosting relatively high grade gold and silver mineralisation overlying a porphyry system hosting lower grade copper, silver and molybdenum mineralisation. The hole contained a number of potentially economic copper intersections at intervals down the hole within a broader 283m envelope averaging 0.41% Copper equivalent. Whilst not the Eureka hole, it adds significantly to the belief that the higher level, and potentially more central parts of the system lie to the NE in the centre of a large SP anomaly.

Key Points

- Encouraging signs from deep hole No. 3:** ICG has released details of its third diamond drill hole into the Chanape Porphyry in Peru. Chanape lies 30m from the massive Toromocho deposit (Resource of 2.15Bt at 0.5% copper equivalent) owned by Chinalco and currently in development. A broad mineralised envelope of 283m at 0.32% Cu, 6.7g/t Ag and 83ppm Mo [0.41% Cu eq.] was punctuated by four broad zones of higher grade mineralisation averaging between 0.41% Cu eq. and 0.58% Cu eq. Although some individual results contained copper grades well in excess of 1% Cu, it is the discovery of a large zone of copper eq. grades around 0.5% Cu eq. or greater that is the focus.
- Complexity in the system:** From the limited drilling results so far, it seems to us that Chanape is relatively complex and could have multiple 'centres'. Although this can be frustrating in the early part of an exploration program, complexity provides potential to find a big system as deposits are more likely to host multiple ore zone characteristics. Three different hosts have been identified – breccia hosted Au-Ag-Cu mineralisation and vein-hosted Au-Ag-Cu±Pb mineralisation at surface and a porphyry style Cu-Mo-Ag±Au system at depth. Similar characteristics are seen at Toromocho.
- Everything points to the SP anomaly:** The drilling so far keeps pointing towards the large SP anomaly centred to the north-east of the completed drilling. This lies up slope of the latest drill holes and it would appear that the porphyry may lie at shallower levels in this location. There are a number of 'centres' to this anomaly. There are also two additional SP anomalies.
- Majors seeking data:** For these reasons, ICG has been approached by a number of larger companies seeking access to data under Confidentiality Agreement (CA) conditions. Chanape is displaying the essential ingredients of mineralised systems that can produce large deposits.
- Infrastructure not too far away:** Chanape lies relatively close to existing rail, power and road infrastructure and is approximately 90 kms from the nearest copper smelter, outside Lima.
- Drilling approval for major program anticipated Q2:** ICG anticipate receiving drilling approvals for a large 20,000m program in Q2 2014. In the meantime, clay alteration mapping and detailed logging will help tighten up drill target for the forthcoming program.
- Buy recommendation maintained:** We maintain our Speculative Buy recommendation for high risk investors

Disclosure**WBCAN0650**

This Research report, accurately expresses the personal view of the Author. All the information utilised in this report is accurate and current at the date stated on this report.

DJ Carmichael Pty Limited, members of the Research Team; including authors of this report, its Directors and employees advise that they may hold securities, may have an interest in and/or earn brokerage and the other benefits or advantages, either directly or indirectly from client transactions in stocks mentioned in this report. DJ Carmichael Pty Limited was lead manager in a placement for **Central Petroleum Ltd** and was paid a fee for this service. DJ Carmichael Pty Limited acts as a Corporate Adviser to **Central Petroleum Ltd** and is paid a fee for this service. DJ Carmichael Pty Limited participated in a placement and Share Purchase Plan for **Inca Minerals Ltd** and was paid a fee for these services.

DJ Carmichael Pty Limited is a wholly owned subsidiary of DJ Carmichael Group Pty Limited ACN 114 921 247.

In accordance with Section 949A of the Corporations Act 2001 DJ Carmichael Pty Limited advise this email contains general financial advice only. In preparing this document DJ Carmichael Pty Limited did not take into account the investment objectives, financial situation and particular needs ('financial circumstances') of any particular person. Accordingly, before acting on any advice contained in this document, you should assess whether the advice is appropriate in light of your own financial circumstances or contact your DJ Carmichael Pty Limited adviser. DJ Carmichael Pty Limited, its Directors, employees and advisers may earn brokerage or commission from any transactions undertaken on your behalf as a result of acting upon this information. DJ Carmichael Pty Limited, its Directors and employees advise that they may hold securities, may have an interest in and/or earn brokerage and other benefits or advantages, either directly or indirectly, from client transactions. DJ Carmichael Pty Limited believe that the advice herein is accurate however no warranty of accuracy or reliability is given in relation to any advice or information contained in this publication and no responsibility for any loss or damage whatsoever arising in any way for any representation, act or omission, whether express or implied (including responsibility to any persons by reason of negligence), is accepted by DJ Carmichael Pty Limited or any officer, agent or employee of DJ Carmichael Pty Limited. This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If you are not the intended recipient or employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication and its attachments is strictly prohibited.

The Author of this report made contact with **Central Petroleum Ltd** and **Inca Minerals Ltd** for assistance with verification of facts, admittance to business sites, access to industry/company information. No inducements have been offered or accepted by the company.

Recommendation Definitions

SPECULATIVE BUY – 10% out-performance, but high risk

BUY – 10% or more out-performance

ACCUMULATE – 10% or more out-performance, buy on share price weakness

HOLD – 10% underperformance to 10% over performance

SELL – 10% or more underperformance

Period: During the forthcoming 12 months, at any time during that period and not necessarily just at the end of those 12 months.

Stocks included in this report have their expected performance measured relative to the ASX All Ordinaries Index. DJ Carmichael Pty Limited's recommendation is made on the basis of absolute performance. Recommendations are adjusted accordingly as and when the index changes.

To elect not to receive any further direct marketing communications from us, please reply to this email and type 'opt out' in the subject line. Please allow two weeks for requests to be processed.

© 2014 No part of this report may be reproduced or distributed in any manner without permission of DJ Carmichael Pty Limited.

RESEARCH CONTACT DETAILS

Paul Adams
Head of Research
+61 8 9263 5234
padams@djcar michael.com.au

Edwin Bulseco
Oil & Gas Analyst
+61 8 9263 5311
ebulseco@djcar michael.com.au