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Footsie miners in £20bn tie-up talk



MARKET REPORT

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MINING mega-merger talk returned to centre stage yesterday as investors digested news of a potential £20billion tie-up between **Kazakhmys** and **Eurasian Natural Resources**.

Ferrochrome and iron ore group Eurasian only floated in London last December but yesterday's quarterly index reshuffle meeting confirmed its imminent promotion to the UK's elite 100 quoted companies.

Eurasian said it was considering a possible tie-up with UK blue-chip copper producer Kazakhmys, which would create a Kazakhstan national mining champion.

Shares in Kazakhmys, which has already netted a huge paper profit from its 14 per cent holding in its fellow miner, hit a 1780p high, up 245p. Eurasian lost 31p to 949p.

Another copper producer, **Antofagasta**, rose 36p to 760p, while **Vedanta Resources** and **Lonmin** gained 94p to 2226p and 153p to 3445p respectively.

Buyers switched on to nuclear generator **British Energy**, 15½p brighter at 587½p, as talk of predatory interest from German giant RWE did the rounds.

Credit information firm **Experian** fell 12½p to 400p as broker Credit Suisse told clients to sell.

"The climate for Experian's core business... in our view remains very poor," it added.

The FTSE 100 index closed 86 points ahead at 5776.4.

Bingo and casinos operator **Rank Group** suffered a 5½p reverse to 91½p as the bingo industry reacted with dismay to the Chancellor's decision not to remove VAT from bingo charges in the Budget.

Strong annual figures and a confident outlook boosted electronics firm **Laird Group** 30p to 505½p, while ongoing bid chatter sent property outfit **Capital & Regional** as high as 594½p before fizzling out. C&R closed down ½p at 552½p.

Buy support with an 885p price target from broker Landsbanki strengthened construction firm **Keller** 23½p to 705p, while a reassuring trading update lifted security services outfit **SectorGuard** 0.88p to 2.63p. **Thor Mining** struck it 2.38p richer at 8.38p after securing a deal with CITIC Australia to take all the molybdenum and tungsten concentrates to be produced from its Northern Territory Molyhill project.

Medical technology company **Tissue Science Laboratories** soared 46½p to 101½p on the back of a recommended cash offer of 103½p a share from Covidien UK, valuing the company at £38 million.

Allergy Therapeutics firmed 6¼p to 40¼p as dealers reckoned a big seller had been cleared. There was also talk of positive regulatory news. Drug company **Goldshield** perked up 11¼p to 300¼p as the High Court found price fixing did not amount to conspiracy to defraud. Allegations had been made against Goldshield and others by the Serious Fraud Office.

Digital screen specialist **Avanti Screenmedia** brightened 0.38p to 4.13p as it extended a contract with Spar stores. Medical diagnostic company **Omega Diagnostics** firmed 4p to 35p as recent boardroom buying continued, with non-executive Mike Gurner picking up 10,000 shares at 33p. Recent director buying also supported internet media and advertising group **Media Corporation**, up ¼p to 3.88p.

Contamination control products provider **Tristel** weakened 1p to 42½p as the company announced a £1 million fundraising placing at 41p.

Buyers tucked into food and drink company **Conival**, 0.05p tastier at 0.85p, as it announced the launch of celebrity chef Marco Pierre White's Glorious range of desserts at 300 Sainsbury's stores.