

15 July 2020

The Manager
NSX Market Announcements

Investment Update – Quarterly Report to 30 June 2020

The Board provides the following unaudited investment update.

Company	% Of Portfolio
NGE Capital Ltd (NGE)	17%
Horizon Oil Ltd (HZN)	16%
Bowen Coking Coal Ltd (BCB)	12%
Consolidated Financial Holdings Ltd (CWL)	10%
Tesseract Ltd (TNT)	9%
Thorn Group Ltd (TGA)	5%
8IP Emerging Companies Ltd (8EC)	4%
Other Securities	5%
Cash	22%
Total	100%

NTA per share rose 13.2% pre-tax in the June quarter.

8EC – we received the 5cps capital return at the end of April.

TGA – On 2 April Thorn Group announced they would be closing their 62 Radio Rentals stores and run-down the \$123m loan book. The share price ran to 17.5c, before closing at 8.4c on 30 June.

RDC – We invested in Redcape Hotel Group, which owns and operates pubs/hotels in NSW and QLD to trade their reopening. We bought 300,000 shares for \$209k and sold them a month later for \$251k resulting in a profit of \$42k (or 20%).

BBOZ – We have been using BBOZ to trade the short side of the ASX. We took one position during the quarter and made a \$13k profit (6.2% in a week).

XJO Options – We spent \$10k (less than 0.5% of our capital) on put option premium during the quarter, which expired worthless.

CWL – Consolidated Financial Holdings Ltd (formerly Chant West) closed the June quarter at 8c per share. On 1 July, it was announced that the company had reached a settlement with CW Bidco for an undisclosed sum and that a return of surplus capital would be forthcoming. The share priced closed at 11c that day.

TNT –Tesseract is a cyber-security firm. In June there was a well-reported cyber attack on both government and private sector computer networks. The TNT share price has responded to the federal government’s announcement to boost spending in the sector. The Board plans to grow the company organically and through strategic acquisitions where they make sense.

BCB – Bowen Coking Coal raised \$2.25m at 5c to acquire the Broadmeadow East Coking Coal project from Peabody. Shareholders also approved a marketing and financing transaction with Matt Latimore/M Resources. The company looks set to transition from explorer to producer in the not too distant future.

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SPPs – the strategy of acquiring small shareholdings to leverage into larger discounted holdings by participating in share purchase plans has so far been thwarted by scaling (eg. we received only \$2.5k in the NAB SPP, having applied for the maximum \$30k).

Cash – We closed the end of the quarter with \$504k in cash. Assuming CWL returns the initially stated amount of 10cps in the coming months, \$283k will be added.

Unaudited Pre-tax NTA per share:	12.08c
Unaudited Post-tax NTA per share:	12.08c*

*this amount does not include \$251k of estimated future income tax benefits (1.32cps)

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