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Proactive news summary: Golden Saint Resources, Sirius Minerals, Coms, London Mining, Sefton Resources

Share Information

MarketTopic Synopsis:

The End of the Day Wrap provides a summary of the most interesting articles published by Proactive Investors during the day, including all of the main stories and exclusive interviews with executives.

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London's latest resources stock, Golden Saint Resources (LON:GSR), led by the irrepressible Cyril D'Silva, made an sparkling debut on AIM today.

The shares jumped to a handy 2.5p premium to the 10p a share placing price on Friday.

Listed at £42mln and raising £3.5mln, the group will have to run hard to justify that valuation.

However, the company hopes to be cash generative very early in the piece by sourcing artisan mined alluvial diamonds, cutting them and selling them to ultra-high net worth individuals.

"Within 180 days we are going to be on a P/E ratio because we are going to cut and polish our alluvial diamonds," said D'Silva recently.

"We are looking with excitement at the potential of the initial value of the alluvial production of our diamonds. Our polished diamonds will be GIA certified.

"We must also bear in mind that this is a company that is three-and-a-half years in the making and has a huge following in Asia, and we continue to market this company aggressively in Asia."

Sirius Minerals (LON:SXX), a popular share on the junior market, struggled on Friday as it unveiled AMEC's thoughts into its plans to develop the York Potash mine on the North York Moors.

The review concluded that the demand is just not there for polyhalite, adding that economic benefits are "unlikely to occur".

"This is followed with a view that as polyhalite cannot be sold in sufficient volumes, the economic and employment benefits cannot be realised," said Sirius in a statement.

Sirius, which asked for the deferral, said it will address a number of omissions in the report in the extra time it has been given.

However, Friday's announcement of additional sales commitments would tend to contradict AMEC's findings. It has received sales commitments for an additional 700,000 tonnes of polyhalite, on top of its 1mln tonne-a-year Chinese off-take deal and the 310,000 tonne framework sales agreements for the UK and central Europe.

The shares slumped 21% on Friday to 17.8p each, having yo-yoed all week.

Shares in internet phone group Coms (LON:COMS) dialled higher on the last day of the trading week after it told investors that its potential sales pipeline has grown to £8mln.

It also confirmed contracts worth £2.9mln have now been closed. Another £5.1mln of new business could still be converted from the pipeline, it said.

Chief executive Dave Breith said: "I cannot emphasise enough how hard the team has worked over the past few months building all of the back end infrastructure from ground up as well as the support and supply chain for our enlarged product portfolio, which includes considerable automation within our AskMerlin platform to make this business truly scalable."

London Mining (LON:LOND) made up more ground on Friday after Thursday's impressive production figures from the Marampa iron ore mine in Sierra Leone.

Citigroup retained its bullish stance on the company today, saying it is one of the more geared plays on the iron ore price.

Production numbers for the second quarter were strong and ahead of Citi's and consensus expectations by 8% and 14% respectively.

Cash costs of $62/t mean a relatively slim EBITDA margin of $28/t but the company's vulnerability to a downturn in the iron ore price has already been more than reflected in the share price as a result, suggests Citi.

Elsewhere today, Sefton Resources (LON:SER) shares pushed on after it updated on Californian production, saying ongoing cyclical steaming of wells on the Hartje lease on the Tapia field is showing positive first results.

Oil production in the US state averaged more than 180 barrels of oil per day for the first 15 days of this month at Hartje.

Greka Drilling (LON:GDL) shares dipped 9% as it reflected on a slow first half in 2013.

In an operations update, the Chinese unconventional gas driller said the period had been spent on training and maintenance rather than sinking wells.

Lo-Q's (LON:LOQ) founder Leonard Sim, who is an executive director of the virtual queuing specialist, has sold a sizeable chunk of his shareholding in response to "significant institutional demand". He has offloaded shares worth £1.5mln with the selling price £6 a pop, but still owns nearly 10% of the company.