

# Scook, Braysich guilty on phoney share trading

NEALE PRIOR and RYAN PEDLER

Northbridge businessman Dean Scook faces up to five years in jail after being convicted in the District Court on Saturday over a market deception scheme involving shares in junior explorer Intrepid Mining.

After a three-week trial, a jury could not reach a verdict on Friday and deliberated well into Saturday on what is probably the biggest suite of charges ever laid by the Australian Securities & Investments Commission.

Judge John Wisbey remanded Scook in custody after he was convicted of 158 out of 159 charges of creating a false impression or misleading impression of actively trading Intrepid shares in the first two months of 1998.

But Scook's friend and co-accused, former high-flying stockbroker Jeff Braysich, was released on bail after being convicted on 25 out of 26 of the same charges, which related to trading in Intrepid while it was morphing into Cobra Resources.

The case followed a long investigation by ASIC into various aspects of Intrepid-cum-Cobra that culminated in Scook and Braysich being charged in January 2003.

Separately, Braysich was the focus of a major investigation into the activities of his former Sydney-based investment advisory operation, Saxby Bridge.

Federal prosecutors alleged in the trial that Scook became keen to increase substantially his ownership of Intrepid shares in October 1997



Sentence wait: Jeff Braysich, left, and Dean Scook during a break in their trial.

when Intrepid announced it was going to take over Cobra Resources.

Mr Hall said Intrepid issued seven million shares at 50¢ each to help fund the Cobra takeover.

Scook bought two million shares in

that placement through his private company, Challiston Pty Ltd, and with finance from lender Walthamstow.

Mr Hall said those 50¢ shares were allotted to him on February 23, 1998,

and were quoted on the stock exchange at \$1.33 on February 27, representing a profit to Scook of about \$1.7 million.

In the meantime, Mr Hall said Scook had also borrowed several hundred thousand dollars from Walthamstow and various business associates and acquaintances of his to buy a big number of Intrepid shares.

Mr Hall said it was these shares that Scook then traded illegally on an almost daily basis in January and February 1998, in trades worth up to \$800,000 at a time, to ensure Intrepid's share price remained well above \$1.

The prosecution alleged Braysich knowingly facilitated 26 of these trades and received substantial broking fees. The trades were illegal because Scook was both the buyer and seller, the prosecution claimed.

It was alleged Scook made it appear that trades were being done between independent parties when he was actually transferring to Challiston shares that he owned and that were being held by Walthamstow as security.

Scook had argued that he was being forced by the financier to sell Intrepid shares and legitimately wanted to maintain his position in the group.

The trial had originally been expected to last up to three months but was cut short after lawyers agreed to the use of undisputed evidence and based the trial around disputed facts and interpretations.

It is believed to be likely the pair will appeal. Judge Wisbey will hold a sentencing hearing on Friday.

## Panel vets Murchison ore forecast

PETER KLINGER

Takeover target Midwest Corp has vented its frustration at what it claims is suitor Murchison Metals' unreasonable production forecasts by taking its case to the Takeovers Panel.

The panel is yet to decide whether to agree with Midwest's claim and label Murchison's hostile bid unacceptable because of a deficient bidder's statement.

The regulator has the power to force Murchison to qualify its much-vaunted aim to be producing 25 million tonnes of iron ore a year over a 15-year period from its Jack Hills project, despite having a stated resource base of only 97 million tonnes. Murchison's forecasts assume a resource target of at least 375 million tonnes.

Neither Midwest nor Murchison would comment on Midwest's panel application. In a brief statement confirming its actions, Midwest said it decided to take the step because it believed Murchison's bidder's statement was "materially misleading".

Murchison has made clear in the past it is confident its Jack Hills tenements will contain the necessary iron ore resources.

Investors have also backed Murchison's claim, and the fact that its operations are more advanced than Midwest, by valuing the company at a substantially higher multiple than Midwest.

Both Murchison and Midwest have been aggressively drilling their respective Mid-West properties although Midwest has already warned it would take six months before it could update its resource base.

Murchison's unconditional one-for-1.08 takeover offer for Midwest opened last week.

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## Giant Reefs gold ground to get a work over

**Emmerson's strategy is to build a world-class resource base through both brownfields and greenfields exploration.**

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geological database and a gold treatment plant, from what was once known as Giants Reef Mining (later renamed Centralian Minerals).

Giants Reef was forced to close its flagship Chariot mine two years ago after discovering it contained less gold than expected.

With the help of Stark Investments, the US hedge fund which has backed Harvey Beef, contractor NRW Holdings and failed animal drugs group Chemeq, Emmerson picked up the Giants Reef licences and now plans to spend at least \$10 million of the IPO proceeds to further explore the area.

Emmerson is chaired by former

Lafayette Mining managing director Andrew McIlwain while former senior WMC geologist Rob Bills is managing director.

Mr Bills said Emmerson's focus would be to re-evaluate the entire Tennant Creek field using more modern exploration techniques in the hope of adding to the area's historic production of 5.5 million ounces of gold and 470,000 tonnes of copper.

Despite having picked up the Warrego treatment plant off Giants Reef, Mr Bills said Emmerson would not be rushing into production, instead sticking to its strategy of building a "world-class resource base through both brownfields and greenfields exploration".

Mr Bills said only 7 per cent of all drill holes completed in the Tennant Creek region penetrated deeper than 151m, which gave him hope of making new discoveries at depth.

Emmerson's board also includes former stockbroker Tim Kestell and Singapore-based merchant banker Simon Andrew.

Stark's dominant shareholding in Emmerson should be diluted from 70 per cent to about 41 per cent following the IPO, which is being led by stockbroker Bell Potter.

The IPO shares, to be issued at 20¢ each, are due to begin sharemarket trading on December 17, by when Emmerson will have a listed value of \$40 million.



WEST AUSTRALIAN NEWSPAPERS HOLDINGS LIMITED  
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### Results of Poll

The Chairman has declared the outcome of the poll taken at the annual general meeting of West Australian Newspapers Holdings Limited, held on 9 November 2007, as follows.

1. The resolution to re-elect Mr P J Mansell as a director was carried.
2. The resolution to elect Mr S Mayne as a director was defeated.
3. The resolution to approve the remuneration report was carried.

Bernard Yates  
Company Secretary  
9 November 2007

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## Airport buy

Hastings Funds Management's Australian Infrastructure Fund has lifted its stake in Perth Airport by 4.4 per cent to 29.3 per cent after buying out BAA. The additional equity is worth \$64 million. It also paid \$10 million for 15 per cent of airport convertible notes.

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