NSX may be the new path for explorers

The Newcastle Stock Exchange's (NSX) pre-conference presentation to investor groups and the presentation during the Australian Nickel Conference showed clearly that many aspiring resource floats may have an alternative to today's daunting market sentiment for listing on the Australian Stock Exchange.

This foundling exchange is an example of the New South Wales industrial city of Newcastle getting back on its feet after breadwinner BHP Billiton pulled the plug on the bulk of its steelmaking business there.

The NSX started out with a strong dependence on providing what may be considered a futures market for wine vintages, and some impressive emerging vintages too!

Established in 1937, NSX general manager Scott Evans told his audience that the NSX in February 2000 was a recognised Stock Exchange under the Corporations Law.

Posing the question as to why any company should chose the NSX, Evans said the exchange created a market for the securities of national or regionally focused enterprises, including traditional manufacturing, mining and services sectors.

He said the benefits of an NSX listing included providing access to capital, all securities are CHESS approved, there was no stamp duty on share transfers and required less sell down of equity by founders.

However, its handful of industrial and mining board type listings is starting to grow and Evans told the conference he hoped for at least 20 new listings in the coming year.

What makes the NSX attractive to aspiring resource floats is that the current appalling market sentiment has already killed off the listing hopes on the Australian Stock Exchange (ASX) where hurdles like the amount being sought or the spread of 500 shareholders have created insurmountable brick walls.

Attending the conference provided Newcastle Stock Exchange representatives from left, listings officer Ben Seymour and general manager Scott Evans. Seen here with them is one of the new exchange's first clients, Pegmont Mines NL's managing director Malcolm Mayger

The NSX is linked into the same trading system as the ASX and clearly it can be a stepping stone for explorers to get started, and graduate to the ASX should there be discovery success.

Some of the conditions for listing outlined by Evans were 50 shareholders or more, market capitalisation of $500,000 or more, 25% of issued shares or capital in the hands of the public, two-year adequate trading track record, on IPO 31 underwritten by an appropriate underwriter, appointment of a nominated adviser, and the appointment of a sponsoring broker.