

MARKET RELEASE

Quarterly Activities Report and Appendix 4C Cashflow Statement

24 April 2013

Sydney, NSW – NSX Limited (ASX: NSX) NSX submits the following activities and appendix 4C cashflow statement for the period ended 31 March 2013.

Highlights

- Net Cash outflow (including financing activities) for the quarter ended 31 March 2013 was \$351,000 (previous quarter outflow \$709,000);
- The closing balance for working capital is \$294,000 at the end of quarter;
- A 1 for 8 entitlement offer at 20 cents to raise up to \$2.5million was announced;
- A funding loan from Financial and Energy Exchange Limited (FEX) was entered into;
- Enquiry levels from companies wishing to list and brokers wishing to join have increased from the previous period;
- The market for raising capital by companies seeking to list still appears to be very difficult.
- NSX welcomes ASIC's Regulatory Guide 246 on *Conflicted Remuneration* which outlines that brokerage is generally excluded from being conflicted remuneration if it is given to a trading participant of a prescribed financial market or their representative. This sets a level playing field with respect to each prescribed financial market such as NSXA and SIMVSE. However, it should be noted that AFSL holders should not join a financial market just to take advantage of the carve out in the legislation.

NSX Limited Corporate Activities

- The net cash outflow for the quarter was \$351,000 (previous quarter: outflow \$709,000).
- As announced on 19 February 2013 NSX opened a non-renounceable entitlement offer where shareholders could subscribe for 1 share for every 8 shares that they owned at a price of 20 cents per share which would raise \$2.5million before costs to help the continued operations of the NSX. The entitlement offer booklet sent to shareholders on 28 February contained disclosures relevant to the offer and investors decisions to subscribe to the offer or not. The closing date for the offer is 30 April. Once the Board closes the offer the results will be announced to the market and the Board will offer any shortfall to eligible investors.
- As announced on 27 March 2013, NSX entered into a funding agreement with FEX where FEX would fund the operating expenses of NSX for April and May 2013. Additional notes and the effect of this funding on NSX's cash balances are disclosed in the attached Appendix 4C.

National Stock Exchange of Australia (“NSXA”) Business Activities

During the quarter:

- There was one pending listing application pending and two applications approved being Stacpoole Investments Limited and Enprise Limited;
- There were two nominated adviser applications is pending and one application approved Connell Lawyers;
- There are five applications pending for Broker Participant status and one broker application was approved being Dolphin Partners Pty Ltd;
- NSX's pipeline of potential listings, broker applications and adviser applications remains extremely strong despite the difficult market.

SIM Venture Securities Exchange (“SIM VSE”) Business Activities

During the quarter:

- There is one listing application pending;
- There is one broker application was approved being Dolphin Partners Pty Ltd.
- The remaining funding available from Financial and Energy Exchange Limited for the SIM VSE joint venture is \$1,090,000 (more detail may be found in the attached Quarterly Cash Flow Appendix 4C disclosure).

For further information please contact

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

NSX Limited

ABN

33 089 447 058

Quarter ended ("current quarter")

31 March 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9... months) \$A'000
1.1 Receipts from customers	129	1,095
1.2 Payments for		
(a) staff costs	(315)	(997)
(b) advertising and marketing	(29)	(35)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(434)	(1,294)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	18	76
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	(1)
Net operating cash flows	(631)	(1,156)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
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	Current quarter \$A'000	Year to date (...9.. months) \$A'000
1.8 Net operating cash flows (carried forward)	(631)	(1,156)
Cash flows related to investing activities		
1.9 Payment for acquisition of:	-	-
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	(2)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:	-	-
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	10	10
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
	10	8
Net investing cash flows		
1.14 Total operating and investing cash flows	(621)	(1,148)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	270	270
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
	270	270
Net financing cash flows		
	(351)	(878)
Net increase (decrease) in cash held		
1.21 Cash at beginning of quarter/year to date	2,871	3,398
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	2,520	2,520

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	\$46.954
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Director fees.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	410	270
3.2	Credit standby arrangements	-	-

Funding agreement with Financial and Energy Exchange Limited (FEX)

As announced on 27 March 2013, NSX has entered into a funding agreement with FEX where FEX would fund the operating expenses of NSX for April and May 2013 while the Entitlement Offer is open. On 28 March FEX contributed \$270,000 towards NSX's April expenses. NSX expects an additional payment will be made for May expenses toward the end of April if the entitlement offer has not closed.

+ See chapter 19 for defined terms.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	294	645
4.2 Deposits at call	2,226	2,226
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	2,520	2,871

Other disclosures required by AASB 107: Cash available for use by the Group.

Compensation Funds

As part of the National Stock Exchange of Australia Limited's Australian Financial Markets Licence, NSX operates investor Compensation Arrangements in accordance with Part 7.5 Division 3 of the Corporations Act 2001. National Stock Exchange of Australia Limited has provided a cash deposit of \$700,000 as part of its compensation arrangements for its Equity Market.

As part of the SIM Venture Securities Exchange Limited's (SIM VSE) Australian Financial Markets Licence, SIM VSE operates investor Compensation Arrangements in accordance with Part 7.5 Division 3 of the Corporations Act 2001. NSX Limited has provided a cash deposit of \$1,000,000 on behalf of SIM VSE as part of SIM VSE's compensation arrangements for the SIM VSE Equity Market.

Therefore \$1,700,000 is not available cash for use by the NSX Group as working capital.

Settlement Bond

As part of the requirements for the National Stock Exchange of Australia (NSXA) to be registered as a General Settlement Participant for the purposes of ASX Settlement Pty Ltd Operating Rules (ASXOR 4.3.13) NSX has to lodge a Settlement Bond with ASX Settlement. The amount of the bond is \$500,000 and is used to compensate ASX Settlement if a Settlement Participant breaches any rule that causes ASX Settlement to suffer or incur any losses or damages as a result of that breach. The bond was established in May 2012.

Rental Bonds

NSX limited has in place a bank guarantee for the rental of premises in Newcastle and also a bank guarantee for credit card facilities totaling \$25,329.

+ See chapter 19 for defined terms.

SIM Venture Securities Exchange Joint Venture Funding

A Joint Venture partnership exists between SIM VSE Group Holdings Ltd and Financial and Energy Exchange Limited (FEX) for the purpose of funding the activities of the SIM Venture Securities Exchange Ltd. The funding amounts to \$3million to be paid by FEX in return for 50% of the issued capital of SIM VSE Group Holdings Ltd the parent of SIM Venture Securities Exchange Ltd. To date \$1.09 million in funding remains available to be received by the Joint Venture.

The following table details the impact of the bank guarantee arrangements on NSX Limited's current cash balances available for use.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Total cash at end of quarter (item 1.23)	2,520	2,871
5.3 Deposits held for Equity Markets Compensation Arrangements.	(1,700)	(1,700)
5.3 Deposits held while National Stock Exchange of Australia is registered as a General Settlement Participant of ASX Settlement Pty Ltd (activated May 2012)	(500)	(500)
5.4 Other Bank Guarantees (as detailed above)	(26)	(26)
Total: cash available for use by the Group	294	645

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:Michael Cox..... Date: ...24 April 2013.....
(Director)

Print name:Michael Cox.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

+ See chapter 19 for defined terms.

Appendix 4C
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2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.