

MARKET RELEASE

Quarterly Activities Report and Appendix 4C Cashflow Statement

23 October 2013

Sydney, NSW – NSX Limited (ASX: NSX) NSX submits the following activities and appendix 4C cashflow statement for the period ended 30 September 2013.

Highlights

- Net Cash inflow (including financing activities) for the quarter ended 30 September 2013 was \$29,000 (previous quarter outflow \$89,000);
- The closing balance for working capital is \$234,000 at the end of quarter;
- A Funding Guarantee Deed announced in the last quarter report did not need to be activated during the period; (more details are provided below);
- There are four applications to list on NSXA;
- There were two new brokers approved on NSXA and one new broker approved on SIMVSE;
- NSX via its SIMVSE Joint Venture made a small equity investment in Financial News Network last quarter. NSX expects to make a further investment tranche in December 2013.

NSX Limited Corporate Activities

- The net cash inflow for the quarter was \$29,000 (previous quarter: outflow \$89,000).
- As advised in the last quarterly report, the Board negotiated additional funding with its major shareholder, Financial and Energy Exchange Limited (FEX) via a Funding Guarantee Deed (“Guarantee”). The Guarantee will provide for the payment of the operating costs of NSX each month as required with a minimum being \$220,000. The agreement can be terminated at any time by either party giving one calendar month’s notice. Repayment of the facility is at the discretion of NSX and can be made in the way of cash or shares subject to ASX listing rules, the Corporations Act and Shareholder approval. As at the date of this report the funding has not been required to be activated. The Board expects to activate the funding in November 2013.

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

During the quarter:

- OceanEthix International Holdings Limited was admitted to the official list and there are four pending listing applications;
- There are two Nominated Adviser applications pending and three applications were approved, FS Capital, Southasia Advisory and Nexia Australia;

- There are three applications pending for Broker Participant status. Phillip Capital and Openmarkets Australia Limited (formerly Cameron Stockbrokers Limited) were approved.

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

During the quarter:

- Openmarkets Australia Limited (formerly Cameron Stockbrokers Limited) was approved to commence trading;
- The Joint Venture partners agreed to an equity investment in Financial News Network (FNN www.finnewsnetwork.com.au). The JV partners expect to pay the second tranche of \$150,000 in December 2013;
- FEX paid \$260,000 towards the JV operating costs during the period. As at the date of this report \$730,000 in funding remains available to be received by the Joint Venture for operating costs (more detail may be found in the attached Quarterly Cash Flow Appendix 4C disclosure).

For further information please contact

Emlyn Scott
Chief Executive Officer
Phone: +61 2 4921 2450,
Email: emlyn.scott@nsxa.com.au

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")

30 September 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (,3.. months) \$A'000
1.1 Receipts from customers	837	837
1.2 Payments for		
(a) staff costs	(441)	(441)
(b) advertising and marketing	(5)	(5)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(641)	(641)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	19	19
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net operating cash flows	(231)	(231)

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (...3.. months) \$A'000
1.8 Net operating cash flows (carried forward)	(231)	(231)
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	-	-
(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	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
	-	-
Net investing cash flows		
1.14 Total operating and investing cash flows	(231)	(231)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	260	260
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Net financing cash flows	260	260
Net increase (decrease) in cash held	29	29
1.21 Cash at beginning of quarter/year to date	2,431	2,431
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	2,460	2,460

Item 1.15 - 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.

During the period FEX contributed \$260,000 as part of the financing arrangements. To date \$730,000 in funding remains available to be received by the Joint Venture.

+ 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	\$47.062
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

-

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

-

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	Minimum \$220 per month	Nil
3.2	Credit standby arrangements	-	-

Item 1.31 - Funding deed with Financial and Energy Exchange Limited (FEX)

As announced on 31 July 2013 in the last quarterly report, the Board has negotiated additional funding with its major shareholder, Financial and Energy exchange Limited (“FEX”) via a Funding Guarantee Deed (“Guarantee”). The Guarantee will provided for the payment of operating costs of NSX each month as required with a minimum being \$220,000. The agreement can be terminated at any time by either party giving one calendar month’s notice. Repayment of the facility is at the discretion of the NSX and can be made in the way of cash or shares subject to ASX listing rules, the Corporations Act and Shareholder approval.

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Item 1.31 - Funding deed with Financial and Energy Exchange Limited (FEX) – Cont'd.

As at the date of this report NSX has not required the activation of the Guarantee. Depending on cash outflows in the future, NSX does expect to activate the Guarantee in the future and an announcement will be made to the market when NSX activates the Guarantee.

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	234	205
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)	2,460	2,431

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.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

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.