



ASX

Listing process

Timetable:

Step 1:	Week 1
Step 2:	Weeks 2 – 10
Step 3:	Weeks 10 – 12
Step 4:	Weeks 11 – 12
Step 5:	Weeks 11 – 16
Step 6:	Weeks 13 – 17
Step 7:	Weeks 18 – 19

Step 1: Appointing advisers

Appointing an experienced team of advisers is essential to the success of an Initial Public Offer (IPO).

Professional advisers typically include:

- A lead manager or corporate adviser;
- An investment bank and/or a stockbroker;
- Lawyer;
- Accountant;
- Advisers required to provide expert reports in relation to the IPO such as Geologists

Step 2: Preparatory work

The preparatory work for an IPO includes drafting the prospectus, listing application and other required documents and undertaking a due diligence process. In some cases, it may also include applying to the ASX for in-principle advice on the suitability of the company for listing on the ASX.

The Australian Corporations Act contains a general disclosure test for prospectuses. It stipulates a prospectus must contain all the information that investors and their professional advisers would reasonably require to make an informed assessment about:

- The rights and liabilities attaching to the shares offered; and
- The assets and liabilities, financial position and performance, profits and losses and prospects of the share issuer.

A prospectus will usually include key information about the company's business model, risks, management, financials, and details of the offer itself.

The due diligence process is guided by a committee, comprised of representatives of the company and other parties potentially liable under the prospectus. This is to help ensure the prospectus meets legal requirements, and that any parties with potential liability can rely on due diligence defences in law.

Step 3: Commence institutional marketing

The Corporations Act strictly limits advertising of an IPO prior to lodgement of the prospectus with the Australian Securities and Investment Commission (ASIC).

However, certain marketing activities can be undertaken to institutional investors, including IPO roadshows. These are a series of meetings between the company, investment bankers and institutional investors used to generate interest in the offer.

Step 4: Lodge prospectus with ASIC

An 'exposure period' of seven days starts from the date of lodgement. During this time the prospectus is made available for public review and comment, and during this period the company cannot accept any applications under the offer.

ASIC can extend the exposure period to up to fourteen days after lodgement if it needs time to review the prospectus in detail.

Applications from investors can be processed after the end of the exposure period. After this period, ASIC has the power to issue an interim and/or final order to stop the offer if ASIC has concerns about the disclosure in the prospectus.

Step 5: Processing of listing application by ASX

The formal listing application must be lodged with ASX within seven days of lodgement of the prospectus with ASIC. Typically, the review and approval of the application by ASX is completed within six weeks.

Step 6: Marketing and offer period

The offer to retail investors starts after the exposure period and usually is open for a period of three to five weeks.

Step 7: Closing the offer

In the final step, the offer closes, shares are allocated and trading commences.

Your listing day

Announce your listing with ASX, ring the bell and be part of a globally recognised market.

Listing requirements:

Supporting early stage and mature companies, ASX Listing Rules set out requirements to list with ASX. These requirements ensure the quality of the market that ASX operates. To list with ASX, a company must satisfy the minimum admission criteria, including structure, size, free float and number of shareholders.

Admission Criteria	General Requirement
Number of shareholders	Minimum 300 non-affiliated investors @ A\$2,000
Free float	20%
Company size	<u>Profit test</u> A\$1m aggregated profit from continuing operations over the past 3 years + A\$500,000 consolidated profit from continuing operations over the last 12 months. OR <u>Assets test</u> A\$4m net tangible assets; or A\$15m market capitalisation
Spread of shareholders	Your company must have at least 300 non-affiliated shareholders with holdings valued at a minimum of A\$2,000 each. You do not need to have the required spread or free float before the listing application is made. The approval for listing is granted subject to the company meeting the shareholder spread requirement through the offer of shares associated with the listing application.
Dual listing	A company that is already listed on a foreign exchange can also list on ASX as an ASX Listing or ASX Foreign Exempt Listing. A company that dual lists on ASX as an ASX Listing must generally comply with all of the ASX Listing Rules. An ASX Foreign Exempt Listing must comply primarily with the rules of its home exchange and is exempt from most of ASX's Listing Rules. Other than for certain New Zealand companies, high financial thresholds apply for a company to be admitted as an ASX Foreign Exempt

Listing. See the Foreign Entity Report for details of these companies, or refer to the details tab on the company information page to find out if a company is an ASX Foreign Exempt Listing.

Working capital

No working capital is required if you are seeking admission under the Profit test (see Table above).

If you are seeking admission under the Assets test, your company must have at least A\$1.5 million of working capital.

If it does not have A\$1.5 million, then the working capital must be at least A\$1.5 million if your company's budgeted revenue for the first full financial year that ends after the listing was included in the working capital.

This amount must be available after allowing for the first full years budgeted administration costs and taking into account the costs of acquiring any assets referred to in its prospectus.

The prospectus, PDS or information memorandum for the offer must also include a statement that your company has sufficient working capital to carry out its stated objectives.

Ongoing reporting

Financial reporting is required on a half-yearly and annual basis in Australia.

Certain companies that are listed without a track record of revenue or profit are required to also file quarterly cash flow statements.

In addition, mining and oil and gas exploration companies are required to file quarterly reports on cash flow, and activities including changes in tenement interests, issued and quoted securities.

Listing fees:

At the time of listing you will be required to pay an initial listing fee and a pro-rata annual fee for the remainder of the financial year. From there on the annual fee will apply.

Fees are calculated on the value of the securities that are quoted. Fees also apply if your company raises additional capital following and IPO.

Below is a guide to the ASX fees that currently apply to listings with a market value of up to A\$500m. Fees do not include GST.

Market capitalisation *	Initial fee	Annual fee**
\$10m	\$73,500	\$26,376
\$50m	\$115,500	\$34,654
\$100m	\$152,250	\$45,001
\$500m	\$330,750	\$61,729

** Calculation based on securities for which quotation is sought.*

*** Annual fees are pro-rated for the first fiscal year of listing.*

Estimated Expenses Of The Offer:

Item of Expenditure	A\$
ASIC Fees	3,000 – 3,500
ASX Listing Fees	73,500
Lead Manager/Corporate Advisory Fees	250,000 – 300,000
Legal Fees	90,000 – 150,000
Investigating Accountant's Fees	10,000 – 30,000
Independent Geologist's Fees	50,000 – 75,000
Printing & Distribution	8,000 – 15,000
Share Registry	2,000 – 5,000
Miscellaneous	5,000 – 10,000
Total	491,500 – 662,000