

## EXCHANGES VIE FOR POTENTIAL LISTINGS

By Deborah Spicer

The Mining Indaba in Cape Town included presentations by the Johannesburg, London and Australian stock exchanges – each one suggesting why it would be the best location for a listing.

They each focused on their strengths, including the market capitalization of the exchange, the number of mining companies listed on them and the type of investor base they attracted, etc.

However, Ernst & Young global mining and metals sector leader Mike Elliot's presentation was most useful in that it concluded with a summary of the relative strengths of the various exchanges:-

- a) the Hong Kong Exchange was described as giving the best access to Chinese investors, having high liquidity and offering a good market understanding of Mongolia;
- b) the Johannesburg Securities Exchange was noted as offering a good understanding of African political risk and having an emphasis on platinum group metals, gold and ferrochrome;
- c) the London exchanges were described as having the largest pool of capital for the sector, having good access to institutional funding, a good understanding of Africa and Eastern Europe and having an appetite and understanding for early pre-production miners through AIM;
- d) the New York Stock Exchange was described as providing access to US investors which represent the largest capital market in the world;
- e) the Toronto Stock Exchange was noted as having an appetite and understanding of early stage explorers as well as an understanding of the Americas market, but emphasizing gold and base metals; and
- f) the Australian Stock Exchange was identified as representing a large number of iron ore, coal, uranium and gold companies, having a good understanding and access to the Asia and Pacific markets, and having an appetite and understanding of early stage explorers.

Elliot noted that it was important to match the attributes of clients with exchanges. He said that each client and client's mines were unique and would be best served by a particular exchange or through a dual listing on several exchanges.

Venmyn agrees with this sentiment and continues to assist exploration and mining companies to decide the most appropriate exchanges to list on, depending on their needs. We can advise on the subtly-different requirements, and sometimes markedly different requirements, that individual exchanges place on those requiring a listing.

Venmyn can also recommend what documentation is required for a listing, anticipate likely problems with this documentation, liaise with exchanges, and seek solutions to discrepancies between an exchange's listing requirements and the codes that it purports to accept. It has been active in more than twenty countries and its work has been presented to eight stock exchanges, including the Johannesburg, London, Australia, Toronto, Vancouver, Namibia, New York and the Hong Kong stock exchanges.

For more information on the exchanges which Venmyn has compiled reports for, please contact Venmyn MD Andy Clay.