



Nemex Resources

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Nemex Resources in funding discussions for Guinea iron ore project

Nemex Resources (ASX: NXR) has held discussions with potential joint venture partners and financiers in South Africa, the Middle East and Europe to fund development of its Télimélé DSO Iron Project in west Guinea.

One potential option through South African banks involves the fast track development of the project to produce 2.5 million tonnes per annum of DSO iron ore.

Other funding options being considered include a strategic partnership with one or more groups who are capable of financing the pre-development stages of the project and/or the relatively small capital costs of between US\$60 million and US\$130 million required for the project.

The company is also continuing negotiations with Guinea's Mines Ministry regarding access to existing infrastructure for product export.

Access to the Fria-Conakry rail line and use of the Conakry port has the potential to further reduce operating costs.

Nemex has also reduced administration and exploration expenditure to a minimum to conserve funds.

Its directors and several employees have agreed to receive significantly reduced remuneration during this time in recognition of difficult, current market conditions.

Télimélé Project is located in west Guinea, some 110 kilometres from the coast.

It has a maiden Resource of 258 million tonnes at 37.3% iron including 16.8Mt at 55.1% iron as well as regional Exploration Target of 2 billion to 5 billion tonnes at 30% to 40% iron including 50 million to 100 million tonnes at 50% to 60% iron.

The company noted that it still needs to increase the identified high-grade mineralisation to about 40Mt at 50% to 60% iron to trigger a Bankable Feasibility Study and completed the BFS before a development decision can be made.

Nemex estimated that the cost of identifying the mineralisation will be about US\$2 million using its own rig while the BFS will cost about US\$5 million based on the proposals it has received from experienced South African Engineering Procurement Construction companies.

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Price: A\$0.03

Market Cap: A\$1.18M

1 Year Share Price Graph



Share Information

Code: NXR

Listing: ASX

Sector: General Mining

Website: www.nemexres.com.au

Company Synopsis:

Nemex Resources (ASX: NXR) is focused on iron ore projects in Guinea, West Africa, and the Mid West region of Australia.

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