



# NEMEX

## RESOURCES LIMITED

ACN 146 243 843



### Quarterly Activities Report

December 2013

Nemex Resources Limited (ASX: NXR) is pleased to report on its operational activities for the December 2013 quarter.

#### CÔTE D'IVOIRE: GOLD AND BASE METALS

- + **Reconnaissance and infill soil sampling** completed at 100%-owned Abengourou Licence in Côte d'Ivoire
- + Encouraging results were announced in January
- + New licence application lodged to secure extension of **Abengourou gold structure**, 3 other licence applications still pending
- + Reconnaissance soil sampling was completed at 100%-owned **Dabakala Licence** – discussions held with potential JV partners to farm-in to Dabakala and Alepe Projects

#### GUINEA: TÉLIMÉLÉ DSO IRON

- + Discussions continue with a number of potential funding partners
- + Encouraging early discussions with neighbouring bauxite companies for collaboration on multi-user port and rail

#### W. AUSTRALIA: WOODLEY DSO IRON

- + 14 RC drill holes completed for 1,138m by JV partner GWR Group Ltd (ASX:GWR)
- + Woodley is adjacent to GWR's transport corridor to the Geraldton port, where GWR is at an advanced stage of securing port access

31 January 2014

#### Fast Facts

##### Capital Structure

Shares on issue	65.4M
Options	42.2M
Performance Rights	1.5M
ASX Code	NXR

##### Directors &

##### Senior Management

**Patrick Flint**

Chairman

**Peter Turner**

Managing Director

**Paul Jurman**

Non-Exec Director &  
Company Secretary

##### Project Highlights

##### Guinea (Iron)

- *High-grade iron discovery*
- *Close to coast*
- *Large resource potential*
- *Targeting DSO production*
- *Modern, multi-user rail*

##### Côte d'Ivoire (Gold)

- *~1,200km<sup>2</sup> of licenses*
- *Geophysical anomalies*
- *Gold anomalies present*
- *Exciting opportunity*
- *Under-explored country*

##### W Australia (Iron)

- *Woodley DSO Project*

##### Contacts

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## CÔTE D'IVOIRE (Gold & Base Metals)

### Abengourou Licence

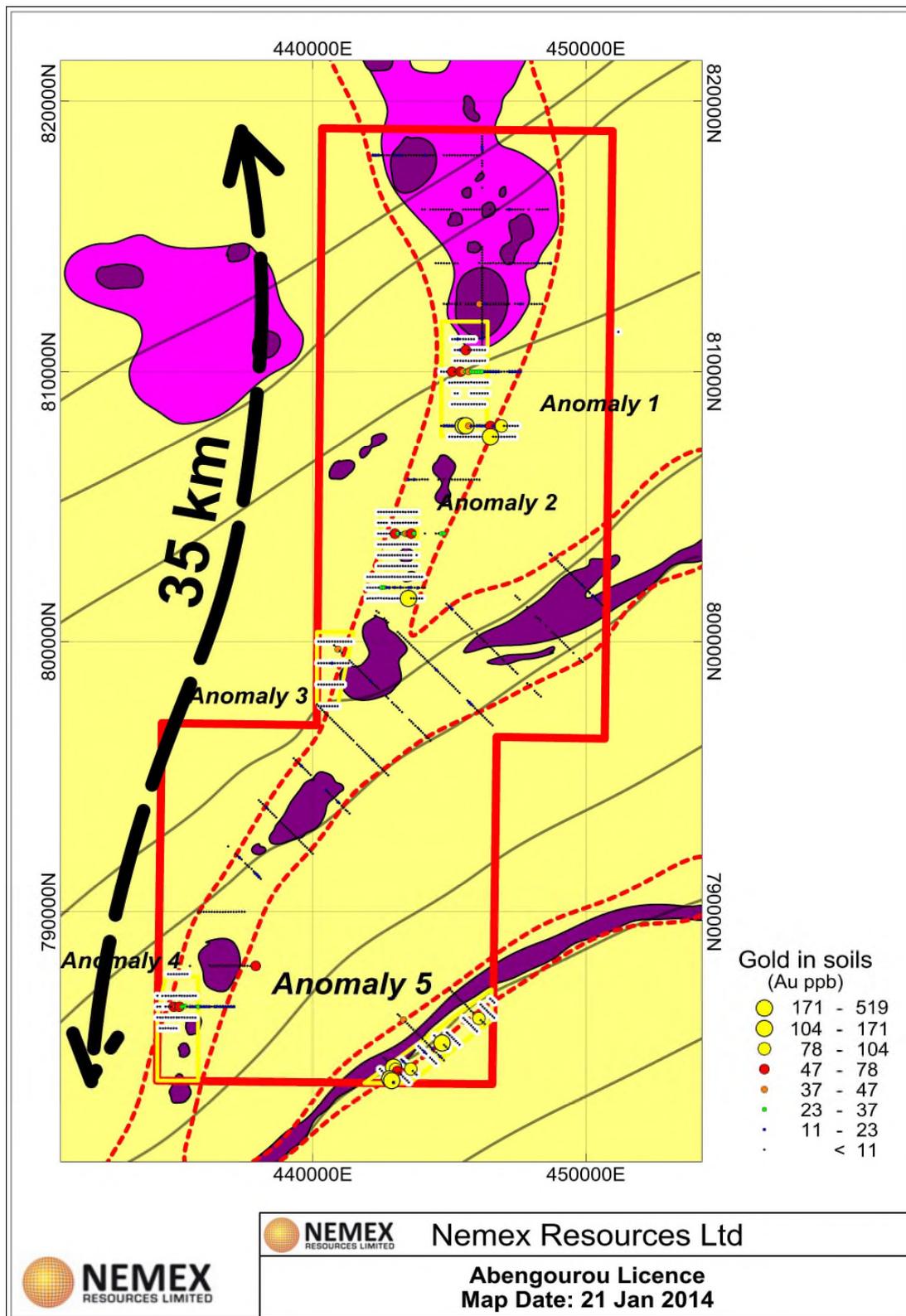
The results of 683 reconnaissance soil samples that were collected from high-priority structural targets at Nemex's 100%-owned Abengourou Licence (**Figure 1**) in the previous quarter, were announced to the ASX on 27 November 2013. Five new gold-in-soil anomalies were reported and a further 392 infill samples were collected over these anomalies on a closer spaced grid (**Figure 2**). The results of the infill samples were announced to the ASX on 23 January 2014.

The reconnaissance sample results show five significant gold-in-soil anomalies occurring within a 35km long, fault-controlled corridor where a series of magnetic bodies have been intruded (**Figure 2**). Despite the large spacing on the geochemical grid lines (2,000m) the anomalies are considered significant as they occur over the sites of shadow zones of intrusive bodies where gold deposits can often occur.

It was noted that the gold shows low correlation to pathfinder elements that were tested (i.e., low correlation coefficients between gold and other elements are reported).



**Figure 1. Location of Nemex's Côte d'Ivoire gold and base metal licences (blue) and Nemex's iron ore licences (red).**



**Figure 2. Soil geochemistry overlain on a geological interpretation of the Abengourou Licence. Key:** Foreground: coloured dots = Sample sites and gold grade (refer to gold values in legend). The infill sample results have a white background. Background: **Geology** = Felsic granitoids (pink areas), magnetic intrusives (purple areas), sedimentary rocks (yellow areas). Black lines are interpreted faults. Red hatching indicates structural corridor and target areas. Yellow polygons are areas of follow-up soil samples. For Abengourou Licence location, see **Figure 1**.



Infill sampling was conducted over each of the five anomalies on a closer spaced grid (800m x 100m or 400m x 100m) to test the integrity (geometric size and grade) of the five anomalies.

All 440 infill samples were sent to SGS's preparation laboratory in Yamoussoukro, Côte d'Ivoire for preparation and the pulps samples flown to Ouagadougou in neighbouring Burkina Faso for low-level gold analysis by AAS (Atomic Absorbtion Spectrometer) finish from an Aqua Regia digest.

The results at Anomaly 5 show a semi-consistent gold anomaly of values generally between 100 and 525 ppb Au over a 4 km distance (**Figure 2**). It is recognised that this anomaly may well extend along an interpreted mineralised geological contact or structure and Nemex made an application for an extension to the Abengourou Licence to the southwest in January.

### **Dabakala Licence**

1,154 soil samples were collected from the Dabakala Licence in the quarter, to test the region for buried gold deposits, especially the altered and sheared volcanic and sedimentary assemblages that border a large and prominent intrusive granite at the northwest corner of the licence (**Figure 3**).

These samples have been composited (two samples combined to form one sample) to reduce sample costs without reducing the integrity of the sample. All 648 composite samples (including 32 certified reference standards) were sent to SGS's preparation laboratory in Yamoussoukro, Côte d'Ivoire for preparation in the quarter.

No work was completed this quarter on mapping and sampling of the 17km long manganese ridge at Dabakala due to heavy rains and high vegetation. The exploration of direct shipping ore manganese is still considered a priority for the project.

### **Potential Joint Venture**

During the quarter, Nemex held discussions with third parties with respect to negotiating a Farm-in arrangement for Nemex's Dabakala and Alepe Projects.

No further work is planned at either licence until discussions are finalised or terminated.

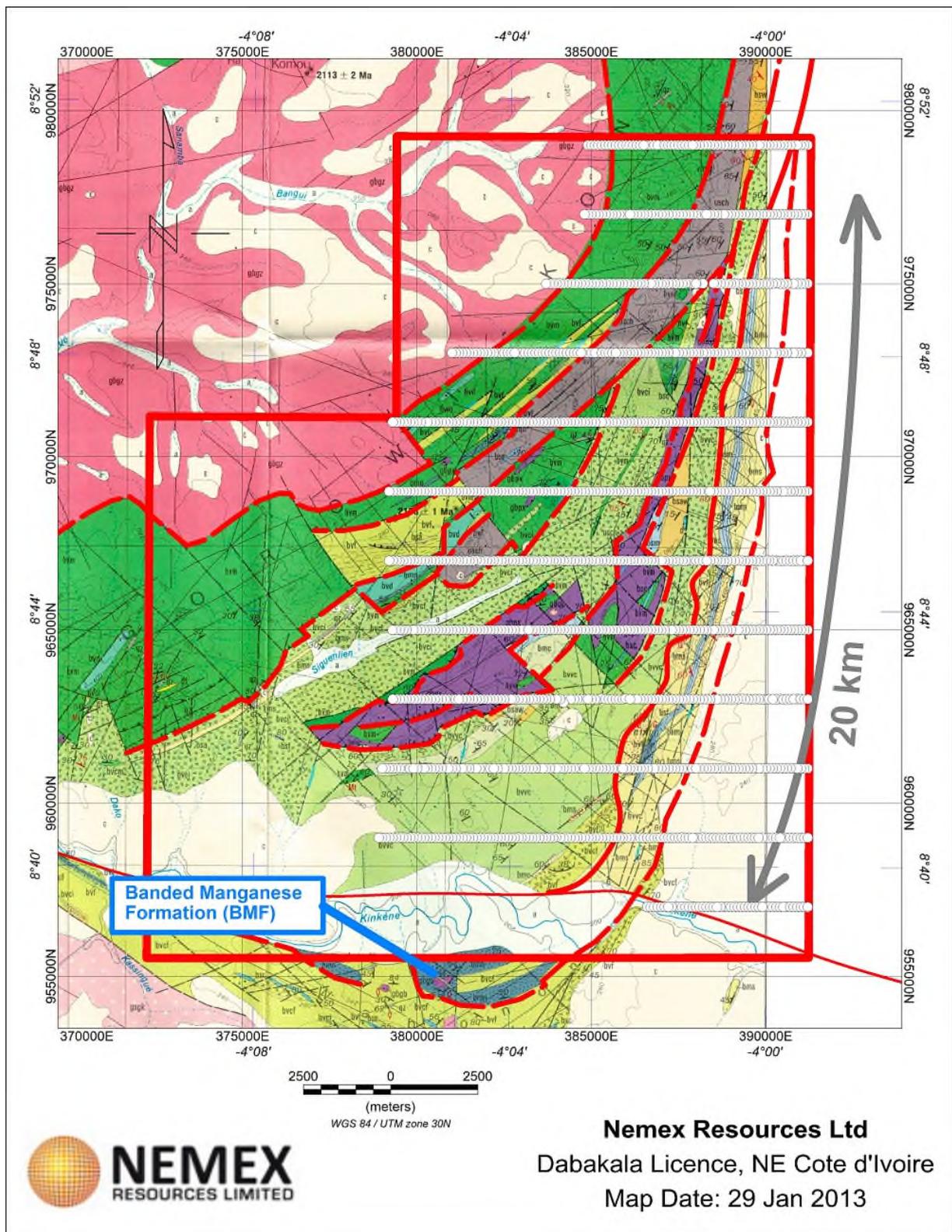


Figure 3. Soil samples (white dots totalling 1,154 samples) collected over the Dabakala Licence. The background image shows the geology (pink – granite, green – volcanics & volcanoclastics, grey – schist with carbonate and hematite, purple – gabbros, blue – banded manganese formation [BMF]). Red lines are structural targets for gold mineralisation. Red perimeter is the Dabakala Licence boundary. For location see Figure 1.



## TÉLIMÉLÉ PROJECT, GUINEA (Iron)

### Joint Venture and Financing Update

Nemex's aim is to develop the Télimélé DSO iron project by mining the surface, high-grade T1 mineralisation and to export the product through a quay terminal located on the coast. Importantly, Nemex has outlined a fully-costed, two-stage pre-development plan that involves (i) drilling additional T1 mineralisation (where it is known to occur from previous scout drilling) to lift high-grade resources and (ii) to complete a BFS.

A peer comparison study conducted by Nemex in the quarter has shown that the Nemex Télimélé DSO iron project is the only DSO iron project that occurs within 110km of the coast line (**Figure 4**) with very low anticipated capital cost.

Sourcing funding for the next stage of development of the Télimélé Project continues to be challenging. Discussions with a number of groups in the Middle East, Europe and Asia have been held and field visits to the Télimélé site have been hosted. Discussions with interested parties are continuing, and the Company is continuing its efforts to identify new groups that may be interested in participating in the development of the project.

### Infrastructure Initiative

A working party funded by the World Bank has been active over the past year in assisting the Government of Guinea to investigate possible infrastructure initiatives to assist mineral exploration companies advance their mineral projects to a mining stage.

One proposal sees a port terminus or jetty being built between Kamsar and Boffa (refer to **Figure 4** for these locations) and a proposed rail road project that could link inland resource projects to the proposed port.

Discussions with a number of parties that have participated in the World Bank infrastructure initiative continues with a view to seeking common ground on developing a fully-costed infrastructure plan to accommodate multi-user port and rail.

Nemex is also in contact with several, nearby bauxite exploration companies with a view at looking at potential synergies with the World Bank’s recommended infrastructure proposal.

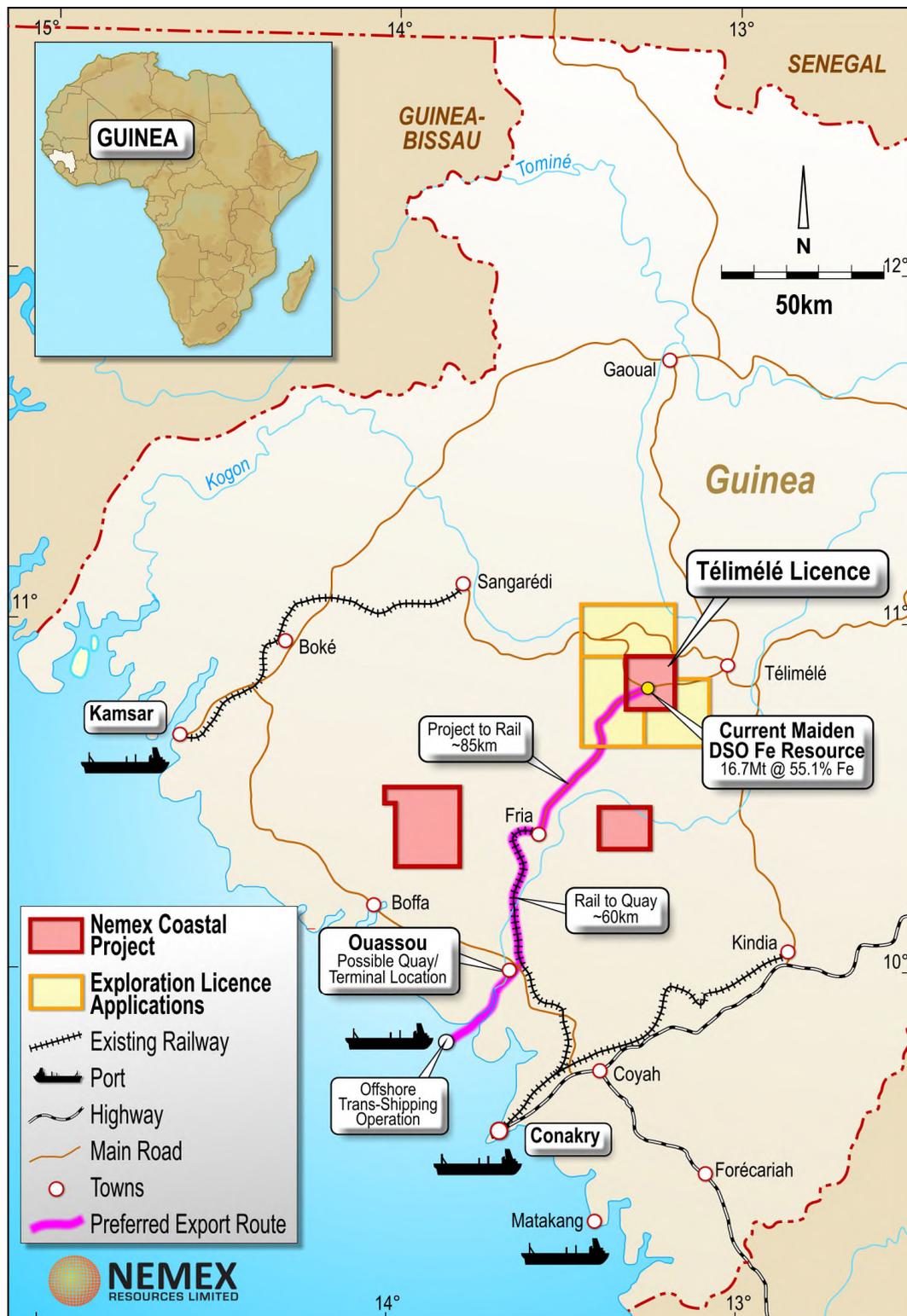


Figure 4. Location of Nemex’s Télimélé DSO iron project. The map shows the preferred export route of DSO should the project be developed.



## **WOODLEY, WESTERN AUSTRALIA (Iron, gold)**

During the quarter, GWR Group Ltd (Golden West Resources Ltd changed its name to GWR Group Limited on December 2, 2013), Nemex's joint venture partner at Woodley, completed 14 RC holes for 1,138m at Targets 2 and 4 at Woodley. This drilling complimented previous RC drilling conducted in 2012. The results were released on 29 January 2014.

GWR has previously stated, based on previous RC results where DSO-grade iron mineralisation over significant downhole widths were reported, that it views the Woodley Project as a potential satellite deposit to the Wiluna West Iron Project located 110km to the north east of Woodley. Importantly, GWR is in advanced discussions concerning port and infrastructure access at the Port of Geraldton.

GWR is earning 85% interest in Nemex's 100%-owned Woodley Licences under a farm-in agreement signed in March 2012.

Detailed information about Nemex's projects is available at [www.nemexres.com.au](http://www.nemexres.com.au)

### **For further information contact:**

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### **About Nemex Resources**

Nemex Resources is a mineral exploration company focused on developing its DSO iron projects in Guinea, West Africa and the Mid-West of Western Australia and gold and base metal projects in Côte d'Ivoire, West Africa. Nemex is earning an 85% interest in the Coastal Iron Project in Guinea, West Africa where an extensive high-grade ironstone formation has been discovered over a large area that is only 110km to the coast.

In Côte d'Ivoire, West Africa, Nemex has secured 100% exploration rights over three licences prospective for gold and base metals. Nemex has also lodged a further four exploration licence applications over very prospective areas.

In Western Australia, Nemex has signed an agreement with ASX-listed GWR Group Limited ('GWR') whereby GWR can earn up to an 85% interest in Nemex's Woodley Iron Project.



## Competent Person's Statement

The information in this report that relates to the Abengourou Licence was first reported by the Company in compliance with JORC 2012 in market releases dated 27 November 2013 and 23 January 2014. The Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcements dated 27 November 2013 and 23 January 2014.

The information reported above (other than in respect of the Abengourou Project) relating to Exploration Results and Mineral Resources was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The information in this report that relates to Exploration Results (other than in respect of the Abengourou Project) and Mineral Resources is based on, and fairly represents, information and supporting documentation compiled by Dr Peter Turner, who is a member of the Australian Institute of Geoscientists (AIG). Dr Turner is the Managing Director of the Company. Dr Turner has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Turner consents to the form and context in which the Exploration Results, Mineral Resources and the supporting information are presented in this report.

Results referenced to GWR Group Ltd in relation to the Woodley Project are extracts from publicly released information by GWR Group Ltd.



## Addendum to December 2013 Quarterly Report

Nemex Resources Limited (ASX:NXR) provides the following addendum to the December 2013 Quarterly Activities Report lodged with the ASX on January 31, 2014 in relation to additional information required by Listing Rule 5.3.3.

### Mining Tenements held at the end of the quarter and their location

<b>Western Australia</b>	
<b>Woodley</b>	
E57/632	Granted
E57/634	Granted
<b>Côte d'Ivoire</b>	
N° 313	Granted
N° 314	Granted
N° 324	Granted

### Mining Tenements acquired during the quarter and their location

None

### Mining Tenements disposed of during the quarter and their location

None

### Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter

#### *Farm-in Agreements*

Nemex has a 70% interest in licence number No A2010/578/PR/MMEH/SGG in Guinea, West Africa under the Coastal Iron Project Joint Venture Agreement signed December 15, 2010 with Africaine de Developpement Minier Sarl (ADEM). This interest did not change during the quarter. Nemex is earning up to 85% interest in this licence.

#### *Farm-out Agreements*

Nemex is in joint venture with GWR Group Limited (GWR) over licences E57/632 and E57/634 whereby GWR can earn up to 85% interest in these licences by spending A\$1,000,000 in exploration. As at the end of the quarter, GWR had not earned an interest in the licences.

### Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter

None