



NEMEX

RESOURCES LIMITED

ACN 146 243 843



NXR to invest in Security Biometric Technology

Nemex Resources Limited (NXR) is pleased to advise it has entered into a conditional agreement to diversify its activities by earning up to a 51% interest in Wavefront Biometric Technologies Pty Ltd (WBT), an emerging security biometric technology company. WBT has developed and patented a biometric technology that has the potential to revolutionise the way a person's identity is authenticated. The technology has potential applications across numerous sectors, and initially WBT plans to focus commercialisation efforts in the mobile-online banking, mobile transactions and data security sectors.

Transaction Highlights

- Biometrics is an **emerging industry with huge market potential**
- WBT has developed a **disruptive technology** that has the **potential to revolutionise the way people are authenticated** in online banking, security and numerous other sectors
- WBT's **patented technology** has unique characteristics that NXR believes gives it a **significant competitive advantage** over all other forms of biometric technologies
- WBT has a **highly qualified and experienced development and management team**
- NXR's investments in WBT will be funding the final stages of product development, and are to be made on a staged basis contingent upon success
- **Firm commitments** for \$1.8 million capital raising

Biometrics and Security

Technology is playing an ever increasing role in the modern world. An increasing number of financial transactions are taking place online, utilisation of social media continues to grow and increasing amounts of information are being stored and accessed digitally. Biometric technology, which is the identification of humans by their characteristics or traits (such as fingerprints, DNA, face recognition, etc), is considered the solution to online security as incidents of hacking increase, online fraud costs escalate and consumers are increasingly burdened with the inconvenience of multiple and diverse password requirements. Biometrics will increase both the security of data and a user's ease of access to their own data.

1 April 2014

Fast Facts

Capital Structure

Shares on issue	65.4M
Options	16.9M
Performance Rights	1.0M
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)

- *~1,200km² of licenses*
- *Geophysical anomalies*
- *Gold anomalies present*
- *Exciting opportunity*
- *Under-explored country*

W Australia (Iron)

- *Woodley DSO Project*

Contacts

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Overview of WBT Technology

WBT considers it has developed and patented the most accurate, secure, cost effective and user friendly biometric solution for identity authentication.

WBT uses the pattern of light reflected back from the contour or topography of the tear film on the corneal surface (in the eye) as it's biometric. Not only is an individual's corneal topography unique to each person, but the tear film differs (ever so slightly) from one moment to the next (essentially because of the moisture content in the eye).

This secondary feature effectively allows for the generation of a one-time-PIN and is critical for security because the WBT technology is able to reject an exact match or copy while still accepting an individual's unique biometric data. Thus, when the technology is applied for online security purposes, the stored (or reference) biometric information is rendered useless in the event it is stolen (because an exact match is rejected) without compromising the integrity of the application.

There are a number of biometric alternates available and each will promote their own virtues. However only WBT delivers the solution required to the financial community by providing a functional application with complete security of the stored biometric data.

Concurrent with WBT developing and patenting its unique technology, the accuracy and reliability of imaging and mobile platforms (PDA devices such as Smart Phones, iPads and Tablet PC's/Android devices) have gone through revolutionary changes. It is now possible to capture images and data on a Smart Phone that rival high quality digital cameras and the processing power of such devices has grown exponentially in recent years.

WBT has developed a desktop device to deliver its identity authentication solution. WBT is now focusing its efforts on developing a hand held platform to offer mobile, accurate, secure, cost - effective and user friendly identity authentication. The development program is expected to take 8 months to complete and the associated costs will be funded by NXR's investment (refer below).

Potential Applications of WBT Technology

The WBT technology has potential applications across numerous sectors, including:

- Banking – client identification, one time PINs for online transactions, bank personnel identification
- Healthcare – patient identification, particularly if they are old or immediately prior to surgery
- Military - personnel identification, controlling access and use of specific equipment
- Security access – for areas requiring high security such as banks, prisons, embassies to lower security such as residential buildings and schools
- Border control – at airports and international borders, confirming identity
- Mobile digital equipment and social media – controlling access to equipment and identifying and screening users

The potential markets for WBT's technology are considered to be very significant. With online fraud estimated to be costing international banking institutions billions of dollars each year, coupled with WBT's unique offering of a one-time-PIN, WBT initially plans to focus its commercialisation efforts on improving security in this area. WBT's model is to develop a security solution for relevant markets / sectors, and then licence the technology to major participants in that market.



WBT's Key Personnel

WBT's development and management team is highly qualified and has a broad range of technical, commercial and financial experience.

Chairperson: Dr Shanny Dyer PhD GAICD

Dr Dyer has a strong history of managing early stage companies from her experience as Head of Commercialisation, University of Technology, Sydney. Dr Dyer is a founder and Director of Seagull Technology Pty Ltd, and is a past Corporate General Manager at the CSIRO. She is currently Deputy Head of the Kinghorn Centre for Clinical Genomics at the Garvan Institute for Medical Research. She has a PhD in Biochemistry and is a Graduate of the Institute of Company Directors.

Chief Technical Officer & Director: Mr Stephen Mason - Inventor

Mr Mason is an experienced Optometrist with many years of experience in the prescribing and design of contact lenses for the seriously vision impaired. His knowledge of corneal mapping drew him to the conclusion that the surface of the cornea can be used as a means of authenticating identity.

Mr Mason has been an educator at the University Of New South Wales School Of Optometry in graduate programmes for eye disease. He has conceived, designed and developed new technologies currently used commercially in Optometry and Optical Dispensing. Mr Mason is the original inventor of technology now owned by WBT.

Director: Mr Ian Tucker NZCD AICD

Mr Tucker has 30 years of experience in the management of companies and has helped establish many from a start-up operation. He has provided consulting services to State and Federal Government agencies in addition to major commercial property and infrastructure groups in Australia and overseas.

Director: Mr Anthony Bertini

Mr Bertini is an entrepreneur specialising in working with early stage companies with technologies that are disruptive and address market failure on a global scale. He has extensive experience in digital communication, development and innovation and has a deep understanding of media and technology convergence.

Research & Development: Dr Ed Sarver – Co Inventor

Dr Sarver is regarded globally as a world leader in developing innovative software and hardware for measuring the corneal signal and corneal modelling. This has proven to be vital and necessary research in the development of laser technology for correcting refractive errors by corneal refractive surgery. Dr Sarver holds 16 patents in the area of corneal imaging and innovative optical solutions for corneal and contact lens modelling. Dr Sarver is leading the final stages of WBT's development strategy.



Transaction Overview

The principal terms of the agreement are as follows:

1. NXR to pay, within seven days of execution, a \$100,000 non-refundable fee to WBT for an exclusive 60 day option period. During this period NXR to complete due diligence and the parties to finalise detailed agreement documentation.
2. NXR can then earn up to a 51% interest in WBT by electing to make the following payments. Each such payment is at NXR's option, and the funds from the payments are paid directly to WBT and are to be predominantly utilised by WBT to complete staged development work (initially on the hand held platform). Each stage has a set of specific milestones to be met before the requirement to make (or let lapse) each payment is triggered:
 - Tranche 1 - \$700,000 investment for 20% interest in WBT.
 - Tranche 2 - \$625,000 investment for further 10% equity (increasing NXR's interest to 30%).
 - Tranche 3 - \$1,000,000 investment for further 10% equity (increasing NXR's interest to 40%).
 - Tranche 4 - \$1,750,000 investment for further 11% equity (increasing NXR's interest to 51%).
3. NXR to appoint a nominee to the board of WBT upon completion of Tranche 1 payment, and NXR to have pro-rata board representation following completion of Tranche 3 payment.
4. If NXR fails to complete any of the payment tranches, the agreement is terminated. NXR will retain any interest in WBT that it has earned, and will have a first right of refusal over any equity raisings by WBT for the 3 months following termination.
5. Notwithstanding that the agreement is binding, formal share subscription and shareholders agreements will be entered into to more fully document the funding arrangements.

Capital Raising

To fund the option fee and tranche 1 payment referred to above, and also to provide funding for NXR's ongoing working capital and exploration activities, NXR proposes to issue 90 million shares at an issue price of 2 cents per share, together with 45 million attaching options (exercisable at 5 cents on or before 31 December 2014). This issue will comprise two tranches:

- 10 million shares (and 5 million attaching options) to be issued immediately pursuant to NXR's placement capacity under the ASX listing rules; and
- 80 million shares (and 40 million attaching options) to be issued subject to shareholder approval. It is proposed the shareholder meeting to approve this issue would be held in May 2014.



The capital raising will be managed by Cicero Advisory Services Pty Ltd (“Cicero”) and NXR has received firm commitments for the full \$1.8 million raising. For managing the capital raising (including obtaining the firm commitments) Cicero will receive a 5% capital raising fee, a \$20,000 management fee and (subject to shareholder approval) 25 million options exercisable at 5 cents on or before 31 December 2015.

It is proposed that, subject to shareholder approval, the Directors will:

- participate in the second tranche of the placement for an amount of up to \$50,000; and
- be issued a total of up to 8 million performance rights, which will convert to ordinary shares in the event the NXR share price is at least 6 cents for a specified period.

Detailed information about Nemex’s projects is available at www.nemexres.com.au

For further information contact:

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Chairman

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