



NEMEX

RESOURCES LIMITED

ACN 146 243 843



Quarterly Activities Report

March 2014

Nemex Resources Limited (ASX: NXR) is pleased to report on its operational activities for the March 2014 quarter.

28 April 2014

Fast Facts

Capital Structure

Shares on issue	75.4M
Options	21.9M
Performance Rights	1.0M
ASX Code	NXR

Directors &

Senior Management

Patrick Flint

Chairman

Peter Turner

Technical 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

Mr Patrick Flint

T: +61 8 9388 2277

www.nemexres.com.au

Investment in Security Biometric Technology

- + Conditional agreement to invest in Wavefront Biometrics Technologies Pty Ltd ("WBT"), an emerging biometric technology company
- + WBT has developed and patented a biometric solution that has the potential to revolutionise the way a person's identity is authenticated
- + WBT plans to focus initial commercialisation efforts in the mobile-online banking, mobile transactions and data security sectors
- + WBT has a highly qualified and experienced development and management team
- + Nemex has option to earn 51% of WBT, through staged payments

Guinea: Télimélé DSO Iron

- + Discussions continued with a number of potential funding partners

Côte d'Ivoire: gold projects

- + Infill sampling over five significant gold anomalies at Abengourou was completed and encouraging results were announced in January
- + Abengourou Extension licence lodged

Corporate

- + Firm commitments for \$1.8 million capital raising



INVESTMENT IN SECURITY BIOMETRIC TECHNOLOGY

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. As incidents of hacking increase, online fraud costs escalate and consumers are increasingly burdened with the inconvenience of multiple and diverse password requirements, the market is looking for a solution that will increase both the security of data and a user's ease of access to their own data.

Biometric technology, which is the identification of humans by their characteristics or traits (such as fingerprints, DNA, face recognition, etc), has the potential to offer this solution.

In April 2014, Nemex announced that it had entered into a conditional agreement to diversify its activities by earning up to a 51% interest in WBT and its biometric technology.

WBT's 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.

WBT has developed a desktop device to deliver its identity authentication solution. WBT is now focusing its efforts on developing a hand held platform. 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 Market for WBT's Technology

With advancements in technology, biometric solutions for identity authentication have recently started to attract significant market interest. Nemex believes that WBT's patented technology has unique characteristics that give it a significant competitive advantage over all other forms of biometric technologies. WBT's 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.

Investment Terms

Nemex has paid a \$100,000 non-refundable fee to WBT for an exclusive 60 day option period. Nemex is currently completing its due diligence review and the parties are finalising detailed agreement documentation. Nemex can then earn up to a 51% interest in WBT by electing to make four staged payments for a total of \$4,075,000. For details of the terms of the agreement with WBT, refer the announcement issued by the Company on 1 April 2014.

TÉLIMÉLÉ PROJECT, GUINEA (Iron)

Nemex has identified significant near surface, high-grade T1 mineralisation at the Télimélé DSO iron project. Nemex has previously 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) completing a Bankable Feasibility Study.

During the quarter the Company continued discussions with potential partners interested in assisting to develop the Télimélé DSO iron project into a working mine and export operation. In addition, Dr Turner travelled to Guinea to review additional project opportunities and met with Government officials and Nemex's local joint venture partner.

CÔTE D'IVOIRE (Gold & Base Metals)

During the quarter, Nemex announced results of infill soil sampling at its 100% owned Abengourou Licence. The results suggest the continuation of a gold-in-soil anomaly of approximately 4km with spot soil anomalies returning values of between 100 and 525 ppb Au.



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

It was 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.

Nemex also held discussions with third parties with respect to negotiating a Farm-in arrangement for Nemex’s Dabakala and Alepe Projects. The discussions are on-going.

WOODLEY, WESTERN AUSTRALIA (Iron, gold)

During the quarter, GWR Group Ltd continued to review the RC drilling data at the Woodley DSO iron project, where it had completed 14 RC holes for 1,138m at Targets 2 and 4 (see announcement dated 29 January 2014). This drilling complimented previous RC drilling conducted in 2012.

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



CORPORATE

To fund the initial investment in WBT, and also to provide funding for NXR's ongoing working capital and exploration activities, Nemex 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) to raise \$1.8 million.

A total of 10 million shares (and 5 million attaching options) were issued on 2 April 2014 pursuant to NXR's placement capacity under the ASX listing rules and a further 80 million shares (and 40 million attaching options) will be issued subject to shareholder approval at a general meeting to be held on Tuesday 13 May 2014. The capital raising is being managed by Cicero Advisory Services Pty Ltd and NXR has received firm commitments for the full amount of the raising.

To reflect the diversified activities of the Company, Mr Patrick Flint has taken on the role of Executive Chairman and Dr Turner has moved to Technical Director - Exploration of the Company.

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

For further information contact:

Patrick Flint

Chairman

P: 08 9388 2277

E: pflint@nemexres.com.au



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 100km 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 Technical 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 March 2014 Quarterly Report

Nemex Resources Limited (ASX:NXR) provides the following addendum to the March 2014 Quarterly Activities Report lodged with the ASX on 28 April 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

Western Australia	
Woodley	
E57/632	Granted
E57/634	Granted
Côte d'Ivoire	
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

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

NEMEX RESOURCES LIMITED

ABN

44 146 243 843

Quarter ended ("current quarter")

31 March 2014

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from sales	-	-
1.2 Payments for		
(a) exploration and evaluation	(100)	(472)
(b) development	-	-
(c) production	-	-
(d) administration	(82)	(283)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other revenues – refund of R & D tax rebate	84	84
Net Operating Cash Flows	(97)	(668)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to employees	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – bond refund	30	30
Net investing cash flows	30	30
1.13 Total operating and investing cash flows (carried forward)	(67)	(638)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(67)	(638)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	545
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other - costs of share issues	-	(44)
	Net financing cash flows	-	501
	Net increase (decrease) in cash held	(67)	(137)
1.20	Cash at beginning of quarter/year to date	205	272
1.21	Exchange rate adjustments to item 1.20	(1)	2
1.22	Cash at end of quarter	137	137

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	64
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Relates to Directors fees and salaries for executive and non-executive directors and payments made for company secretarial services and occupancy expenses.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Iron West Resources Pty Ltd earning an interest in the Woodley Project – \$27,886.
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Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	100
4.2	Development	-
4.3	Production	-
4.4	Administration	880*
Total		980**

* Included in Administration expenditure are the \$100,000 non-refundable fee paid to WBT for an exclusive 60 day option period and, subject to satisfactory completion of due diligence, \$700,000 investment for an initial 20% interest in WBT.

** A total of 10 million shares (and 5 million attaching options) were issued on 2 April 2014 raising \$200,000. Nemex has received firm commitments for a further \$1,600,000 via the issue of 80 million shares (and 40 million attaching options) subject to shareholder approval at a general meeting to be held on Tuesday 13 May 2014.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	137	205
5.2	Deposits at call	-	-
5.3	Bank overdraft		
5.4	Other –		
Total: cash at end of quarter (item 1.22)		137	205

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
7.1 Preference securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter	-	-	-	-
7.3 +Ordinary securities	65,437,478	65,437,478		
7.4 Changes during quarter	-	-	-	-
7.5 +Convertible debt securities <i>(description)</i>		-	-	-
7.6 Changes during quarter	-	-	-	-
7.7 Options and Performance Rights <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
Listed Options - NXRO	14,906,241	14,906,241	5 cents	31/12/2014
Unlisted Options	2,000,000	-	5 cents	01/11/2014
Performance Rights	1,000,000	-	-	29/11/2015
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Cancelled/Expired during quarter				
Listed Options - NXRO	(22,812,500)	(22,812,500)	20 cents	31/03/2014
Unlisted Options	(1,166,667)	-	20 cents	31/03/2014
Unlisted Options	(666,667)	-	25 cents	31/03/2014
Unlisted Options	(666,666)	-	30 cents	31/03/2014
Performance Rights cancelled	(500,000)	-	-	
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:
(Company secretary)

Date: 28 April 2014

Print name: Paul Jurman

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.