



NEMEX

RESOURCES LIMITED

ACN 146 243 843



Quarterly Activities Report

June 2014

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

30 July 2014

Fast Facts

Capital Structure

Shares on issue	157.4M
Options	86.9M
Performance Rights	9.0M
ASX Code	NXR

Directors &

Senior Management

Patrick Flint

Chairman

Peter Turner

Technical Director

Paul Jurman

Non-Exec Director &
Company Secretary

Project Highlights

WBT Investment

- *Biometric technology*
- *Potential global market*
- *Strong management*

Guinea (Iron)

- *High-grade iron discovery*
- *Large resource potential*
- *Targeting DSO production*

Côte d'Ivoire (Gold)

- *Geophysical anomalies*
- *Exciting opportunity*
- *Under-explored country*

Contacts

Mr Patrick Flint

T: +61 8 9388 2277

www.nemexres.com.au

Investment in Security Biometric Technology

- **Completed acquisition of initial 20% interest** in Wavefront Biometric Technologies Pty Ltd (WBT).
- WBT has **developed and patented a biometric technology** for reliable and secure authentication of a person's identity.
- **Technology has potential applications across numerous global sectors**, and initial commercialisation efforts to be focussed on mobile-online banking and mobile transactions.
- **Significant progress** made by WBT towards implementing the technology on a hand held / mobile platform.

Guinea & Côte d'Ivoire Mineral Exploration

- Discussions continued with a number of potential funding partners.

Corporate

- Completion of \$1.8 million capital raising.



INVESTMENT IN SECURITY BIOMETRIC TECHNOLOGY

During the quarter, Nemex concluded its due diligence review of Sydney-based Wavefront Biometric Technologies Pty Ltd (WBT), and completed the initial investment of \$700,000 to acquire a 20% in WBT.

WBT has developed and patented a biometric technology for reliable and secure authentication of a person's identity. The technology authenticates a person's identity based on the pattern of light reflected back from the tear film on the corneal surface of the eye. WBT has developed a desktop device to deliver its identity authentication solution. WBT's objective is to implement the technology on a hand held platform and then commercialise the technology (initially) in the mobile banking sector. The technology has potential applications across global sectors including banking, healthcare, military, aviation and border control.

The principal terms of the Agreement pursuant to which NXR can acquire up to a 51% in WBT were set out in the Company's ASX announcement dated 1 April 2014 and in the notice of meeting sent to shareholders on 15 April 2014.

In April 2014 WBT commenced the process of implementing the technology on a hand held platform. The product development program comprises three stages, is expected to take 14 - 18 months in total to complete and the associated costs are proposed to be funded by NXR's staged investments.

The development work is primarily being undertaken by an experienced team in the United States, led by Dr Ed Sarver, with review and input as required by WBT personnel in Australia, including the technology's original inventor, Mr Stephen Mason, a Sydney based clinical Optometrist and researcher. Dr Sarver is regarded globally as a world leader in developing innovative software and hardware for measuring the corneal contour and corneal modelling.



The first phase of the development program is to adapt the WBT technology onto a hand-held platform and, more specifically, be able to demonstrate that the hand-held platform will:

- Acquire a live image for authentication
- Automatically process the image for features used for authentication
- Enroll an individual
- Demonstrate authentication of the enrolled individual

In July 2014 the WBT product development team in the USA advised that the first phase deliverables (as noted above) had been met (via a hand held attachment to a mobile device). WBT personnel in Australia, including Mr Stephen Mason, are now in the process of completing their review of the product development, following which NXR will conduct its own investigations and decide on whether to exercise its option and invest a further \$625,000 to fund the second phase of WBT's product development, and thereby acquire an additional 10% in WBT, bringing its interest in WBT to 30%.

The second phase of the development plan, which is budgeted to take 4 to 6 months to complete, is to port the technology to a second mobile device, improve industrial design and user interface and improve software and system performance. WBT's objective is to present the enhanced product to potential users in early 2015, and commence the commercialisation process.

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) to complete a Bankable Feasibility Study.



During the quarter the Company continued discussions with potential partners interested in assisting develop the Téliimélé DSO iron project into a working mine and export operation. The decline in the iron price in recent months has further negatively impacted NXR's ability to secure funding for future development at the project.

Field work at the project was restricted during the quarter due to the spread of the Ebola virus in Guinea and the onset of the wet season.

CÔTE D'IVOIRE (Gold & Base Metals)

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

CORPORATE

During the quarter, NXR issued 90 million shares (and 45 million free attaching options) to sophisticated and professional investors who are clients of Cicero Advisory Services Pty Ltd at an issue price of 2 cents per share to raise \$1.8 million.

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 Ltd (ASX: NXR) boasts a diversified asset portfolio comprising interests in both the minerals and technology sectors.

Nemex has recently acquired a 20% interest in Australian-based biometric technology developer Wavefront Biometric Technologies (WBT), and has the right to increase this to a 51% interest.

WBT is in the process of developing and commercialising a unique identity authentication technology. The technology authenticates a person's identity based on the pattern of light reflected back from the tear film on the corneal surface of the eye. The technology has potential applications across numerous sectors around the world, including banking, healthcare, military, aviation and border control.

Nemex also holds interests in a number of highly prospective resources projects, including the Télimélé DSO Iron project in Guinea, early stage gold exploration prospects in Cote d'Ivoire and the Woodley Iron project in Western Australia.

Competent Person's Statement

The information reported above 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 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 and the supporting information are presented in this report.

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")

30 June 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from sales	-	-
1.2 Payments for		
(a) exploration and evaluation	(80)	(552)
(b) development	-	-
(c) production	-	-
(d) administration	(173)	(456)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	5
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
Net Operating Cash Flows	(251)	(919)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(800)	(800)
(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
Net investing cash flows	(800)	(770)
1.13 Total operating and investing cash flows (carried forward)	(1,051)	(1,689)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(1,051)	(1,689)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,800	2,345
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	(126)	(170)
	Net financing cash flows	1,674	2,175
	Net increase (decrease) in cash held	623	486
1.20	Cash at beginning of quarter/year to date	137	272
1.21	Exchange rate adjustments to item 1.20	(1)	1
1.22	Cash at end of quarter	759	759

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	79
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 – \$12,677.

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	50
4.2	Development	-
4.3	Production	-
4.4	Administration	700*
Total		750

* Included in Administration expenditure is a further \$625,000 investment in WBT, assuming the WBT / Phase 1 hurdle is met and NXR exercises its option to acquire an additional 10% interest in WBT.

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	759	137
5.2	Deposits at call	-	-
5.3	Bank overdraft		
5.4	Other –		
Total: cash at end of quarter (item 1.22)		759	137

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	157,437,478	157,437,478		
7.4 Changes during quarter				
Placement	90,000,000	90,000,000	2 cents	-
Introduction fee	1,500,000	1,500,000	Non-cash	-
Issued as Remuneration	500,000	500,000	Non-cash	-
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 – NXROA	59,906,241	59,906,241	5 cents	31/12/2014
Unlisted Options	2,000,000	-	5 cents	01/11/2014
Unlisted Options	25,000,000	-	5 cents	31/12/2015
Performance Rights	1,000,000	-	-	29/11/2015
Performance Rights	8,000,000	-	-	15/05/2017
7.8 Issued during quarter				
Listed Options – NXROA - Placement	45,000,000	45,000,000	5 cents	31/12/2014
Unlisted Options	25,000,000	25,000,000	5 cents	31/12/2015
Performance Rights	8,000,000	-	-	15/05/2017
7.9 Exercised during quarter	-	-	-	-
7.10 Cancelled/Expired during quarter				
			-	
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: Date: 30 July 2014
(Company secretary)

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.