



NEMEX

RESOURCES LIMITED

ACN 146 243 843



30 October 2014

Fast Facts

Capital Structure

| | |
|--------------------|--------|
| Shares on issue | 180.2M |
| Options | 103.5M |
| Performance Rights | 9.0M |
| ASX Code | NXR |

Directors &

Senior Management

Patrick Flint

Chairman

Paul Jurman

Non-Exec Director &

Company Secretary

Peter Turner

Non-Exec Director

Project Highlights

WBT investment

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

Guinea (Iron)

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

Contacts

Mr Patrick Flint

T: +61 8 9388 2277

www.nemexres.com.au

Quarterly Activities Report

September 2014

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

Investment in Security Biometric Technology

- Wavefront Biometric Technologies Pty Ltd (WBT) completed the initial “proof of concept” phase of its technology development program, on time and on budget.
- WBT successfully miniaturised and adapted its patented biometric technology for reliable and secure authentication of a person’s identity to a mobile platform.
- Phase 2 of development program commenced, with focus on:
 - improving design and performance of miniaturised prototype.
 - commencing commercialisation discussions with participants in the military / security and financial services sectors.
- NXR increased its interest in WBT to 30%.

Mineral Exploration Projects

- Sale of mineral interests in Côte d’Ivoire for \$200,000 cash.

Corporate

- Successful completion of capital raisings in September and October 2014 to raise a total of \$571,250 for working capital.



INVESTMENT IN SECURITY BIOMETRIC TECHNOLOGY

In April 2014, NXR entered into a conditional agreement to earn up to a 51% interest in WBT and its unique biometric technology. WBT has developed and patented a biometric technology for reliable and secure authentication of a person's identity, based on capturing light reflected from the tear film on the corneal surface of the eye.

With NXR's funding, in April 2014 WBT commenced a phased program with the objective of adapting its technology to a mobile platform and commercialising the product.

In August 2014 WBT completed the "proof of concept" phase of its technology development program, on time and on budget. This involved WBT successfully miniaturising and adapting its technology to a mobile platform. The basic functionality of the technology on the miniaturised unit was demonstrated, and this included acquiring a live image from the contour of the cornea, automatically processing the image for features used for authentication, enrolling and authenticating the individual, and rejecting an incorrect individual.

Completion of the initial development phase was a major achievement for WBT as:

- Successful miniaturisation confirmed the potential for WBT's unique technology to offer a security solution in multiple sectors.
- It established the foundations for WBT to commence commercialisation discussions with potential users of the technology (such as mobile device manufacturers).
- It demonstrated the strength of WBT's development team.

The next phase of the development program is planned to take 6 months to complete, with an estimated completion date of February 2015. This work is focussing on improving the design and performance of the prototype unit and will include completing a series of performance reviews of the prototype unit using test groups. WBT will produce four prototype units for parallel testing.

In the second half of the next development phase, WBT will also commence commercialisation discussions with participants in the financial services and military /



security sectors. The technology is considered to have potential applications across global sectors including banking, healthcare, defence/military, aviation and border control.

In September 2014 following completion of the first phase of the development program NXR exercised its option and invested \$625,000 to acquire a further 10% interest in WBT. NXR currently holds a 30% interest in WBT, and has the right to increase this to a 51% interest. The monies invested by NXR into WBT are utilised to fund the agreed technology development and commercialisation program.

TÉLIMÉLÉ PROJECT, GUINEA (Iron)

NXR has identified significant near surface, high-grade T1 mineralisation at the Télimélé DSO iron project. NXR 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) and (ii) to complete a Bankable Feasibility Study.

No field work was undertaken at the project during the quarter due to the spread of the Ebola virus in Guinea. NXR continued discussions with potential partners interested in assisting develop the Télimélé DSO iron project into a working mine and export operation.

CÔTE D'IVOIRE (Gold & Base Metals)

In September 2014 NXR entered into an agreement to dispose of its mineral interests in Côte d'Ivoire for cash consideration of A\$200,000 (which was received in October 2014).

CORPORATE

In September 2014, NXR issued 10,562,522 shares at an issue price of 2 cents per share, together with 10,562,522 attaching options (exercisable at 5 cents on or before 31 December 2015) to raise \$211,250.

In October 2014, NXR issued 12,000,000 shares at an issue price of 3 cents per share, together with 6,000,000 attaching options (exercisable at 5 cents on or before 31 December 2015) to raise \$360,000.

The monies from the placements will provide funding for NXR's ongoing working capital requirements.



Detailed information about NXR's projects and investments 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.

NXR has acquired a 30% 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.

NXR also holds interests in a number of highly prospective resources projects, including the Telimele DSO Iron project in Guinea and the Woodley Iron project in Western Australia.

Competent Person's Statement

The information reported above relating to Exploration Results 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.



Addendum to September 2014 Quarterly Report

Nemex Resources Limited (ASX:NXR) provides the following addendum to the September 2014 Quarterly Activities Report lodged with the ASX on 30 October 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.

In September 2014 NXR entered into an agreement to dispose of its mineral interests in Côte d'Ivoire for cash consideration of A\$200,000 (completion occurred in October 2014).

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")

30 September 2014

Consolidated statement of cash flows

| Cash flows related to operating activities | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 1.1 Receipts from sales | - | - |
| 1.2 Payments for | | |
| (a) exploration and evaluation | (75) | (75) |
| (b) development | - | - |
| (c) production | - | - |
| (d) administration | (82) | (82) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 2 | 2 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Other revenues – | - | - |
| Net Operating Cash Flows | (155) | (155) |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: | | |
| (a) prospects | - | - |
| (b) equity investments | (625) | (625) |
| (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 – | - | - |
| Net investing cash flows | (625) | (625) |
| 1.13 Total operating and investing cash flows (carried forward) | (780) | (780) |

+ See chapter 19 for defined terms.

| | | | |
|------|--|-------|-------|
| 1.13 | Total operating and investing cash flows (brought forward) | (780) | (780) |
| | Cash flows related to financing activities | | |
| 1.14 | Proceeds from issues of shares, options, etc. | 211 | 211 |
| 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 | (13) | (13) |
| | Net financing cash flows | 198 | 198 |
| | Net increase (decrease) in cash held | (582) | (582) |
| 1.20 | Cash at beginning of quarter/year to date | 759 | 759 |
| 1.21 | Exchange rate adjustments to item 1.20 | 3 | 3 |
| 1.22 | Cash at end of quarter | 180 | 180 |

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 | 106 |
| 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 – \$19,155. |
|--|

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 | 80 |
| Total | | 130 |

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 | 180 | 759 |
| 5.2 | Deposits at call | - | - |
| 5.3 | Bank overdraft | | |
| 5.4 | Other – | | |
| Total: cash at end of quarter (item 1.22) | | 180 | 759 |

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 | 168,000,000 | 168,000,000 | | |
| 7.4 Changes during quarter | | | | |
| Placement | 10,562,522 | 10,562,522 | 2 cents | - |
| 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 | 35,562,522 | - | 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 | | | | |
| Unlisted Options - Placement | 10,562,522 | - | 5 cents | 31/12/2015 |
| 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 October 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.