



Quarterly Activities Report - December 2014

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

23 January 2015

Fast Facts

Capital Structure

Shares on issue	197.2M
Options	48.6M
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*

W Australia (Iron)

- *Woodley DSO Project*

Contacts

Mr Patrick Flint

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www.nemexres.com.au

Investment in Security Biometric Technology

- Significant progress made by Wavefront Biometric Technologies Pty Ltd (WBT) during Phase 2 of development program, including:
 - Improvement of design and performance of miniaturised prototype;
 - Completion of two of four planned performance tests; and
 - Production of four prototype units.
- Phase 2 on track for completion in February 2015.
- Development of multi-modal biometric system. Potential for new Intellectual Property (IP) patent applications being assessed.
- \$450,000 advanced in January 2015 to assist WBT continue its development program on schedule.
- Phase 3 of development program to focus on refinement of technology, in conjunction with ramp up in commercialisation activities.

Corporate

- Successful completion of capital raisings in October and November 2014 to raise a total of \$660,000 for working capital.
- Exercise of options by Directors, Mr Flint and Mr Jurman, to assist with working capital.



INVESTMENT IN SECURITY BIOMETRIC TECHNOLOGY

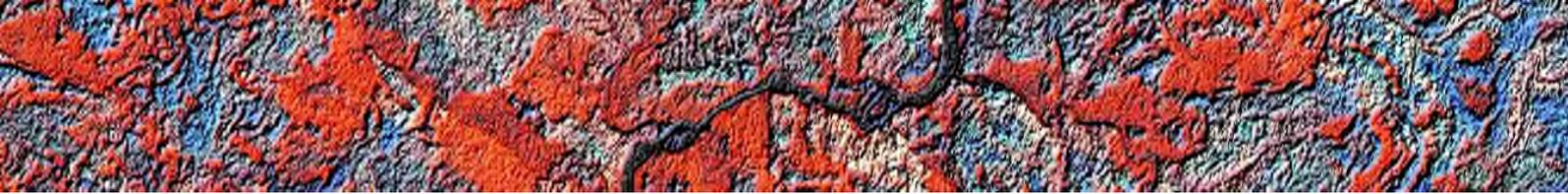
In April 2014 WBT commenced a three phase program with the objective of adapting its unique biometric technology to a mobile platform and commercialising the product. The first phase of the program was completed on time and on budget in August 2014. This “proof of concept” phase involved WBT successfully miniaturising and adapting its technology to a mobile platform (WBT’s prototype unit).

The second phase of the development program is continuing and is on track for completion in February 2015. This work is focussing on improving the design and performance of the prototype unit and includes completing a series of performance tests of the prototype unit. Two of the four planned tests have been completed to date, and the results of these tests demonstrate the development program is on track to deliver performance comparable to the current industry leading biometric modality (the iris modality). WBT has also produced four prototype units for the performance testing. WBT aims to further improve and refine system performance during the third and final development phase.

In addition to the program of work that has been completed to date, the WBT Development Team has also developed and progressed the concept of a multi modal biometric system that incorporates WBT’s unique, patented technology and other biometric modalities. This exciting development has the potential to further improve system performance by combining the strengths of multiple biometric modalities. WBT is consulting with its patent attorney with a view to filing new patent applications.

WBT initiated commercialisation discussions during the quarter. These commercialisation activities are planned to significantly ramp up, and be a key focus of WBT, following completion of Phase 2 of the development program. The technology is considered to have potential applications across global sectors including financial/banking, defence/military, healthcare, aviation and border control.

In January 2015 NXR agreed to lend WBT \$450,000 (as an advance on the next tranche of funding due on completion of the current development phase) to ensure WBT has sufficient funding to continue its aggressive development program on schedule. The development program remains within budget, and the advance reflects timing changes rather than cost increases.



TÉLIMÉLÉ IRON PROJECT, GUINEA

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.

During the quarter and in response to the continuing fall in the iron ore price, NXR reviewed exploration and development plans for the project and the potential to improve project economics. No field work was possible at the project due to the Ebola virus in Guinea.

CORPORATE

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.

In November 2014, NXR issued 6,000,000 shares at an issue price of 5 cents per share, together with 6,000,000 attaching options (exercisable at 5 cents on or before 31 December 2015) to a group of Hong Kong-based professional investors (“Investors”) to raise \$300,000. NXR also issued 5 million options to the Investors (exercisable at 5 cents on or before 31 December 2015) for introducing NXR to their network of institutional and high net worth investors.

During the quarter a total of 3,975,399 options (ASX:NXROA) exercisable at 5 cents were exercised on or before the expiry date of 31 December 2014 and 2,000,000 unlisted options exercisable at 5 cents were exercised before the expiry date of 31 October 2014, raising \$298,770 for additional working capital. NXR Directors, Mr Flint and Mr Jurman exercised 1,994,899 options for \$99,745.

The monies from the placements and option conversions 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

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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 December 2014 Quarterly Report

Nemex Resources Limited (ASX:NXR) provides the following addendum to the December 2014 Quarterly Activities Report lodged with the ASX on 23 January 2015 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

Mining Tenements acquired during the quarter and their location

None

Mining Tenements disposed of during the quarter and their location

Côte d'Ivoire
N° 313
N° 314
N° 324

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")

31 December 2014

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from sales	-	-
1.2 Payments for		
(a) exploration and evaluation	(35)	(110)
(b) development	-	-
(c) production	-	-
(d) administration	(135)	(217)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other revenues –	-	-
Net Operating Cash Flows	(168)	(323)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	(625)
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	200	200
(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	200	(425)
1.13 Total operating and investing cash flows (carried forward)	32	(748)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	32	(748)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	959	1,170
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	(30)	(43)
	Net financing cash flows	929	1,127
	Net increase (decrease) in cash held	961	379
1.20	Cash at beginning of quarter/year to date	180	759
1.21	Exchange rate adjustments to item 1.20	1	4
1.22	Cash at end of quarter	1,142	1,142

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	82
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

No significant expenditure reported by Iron West Resources Pty Ltd currently earning an interest in the Woodley Project.

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	30
4.2 Development	-
4.3 Production	-
4.4 Administration	100
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	1,142	180
5.2 Deposits at call	-	-
5.3 Bank overdraft		
5.4 Other –		
Total: cash at end of quarter (item 1.22)	1,142	180

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	PR N° 313 (Côte d'Ivoire) PR N° 314 (Côte d'Ivoire) PR N° 324 (Côte d'Ivoire)	100% 100% 100%	- - -
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 (description)	-	-	-	-
7.2 Changes during quarter	-	-	-	-
7.3 +Ordinary securities	193,175,399	193,175,399		
7.4 Changes during quarter				
Placement	12,000,000	12,000,000	3 cents	-
Placement	6,000,000	6,000,000	5 cents	-
Conversion of Listed options	3,975,399	3,975,399	5 cents	-
Conversion of unlisted options	2,000,000	2,000,000	5 cents	-
Issue of shares to consultant	1,200,000	1,200,000	Non-cash	-
7.5 +Convertible debt securities (description)		-	-	-
7.6 Changes during quarter	-	-	-	-
7.7 Options and Performance Rights (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
Unlisted Options	52,562,522	-	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	6,000,000	-	5 cents	31/12/2015
Unlisted Options – Placement	6,000,000	-	5 cents	31/12/2015
Unlisted Options – issued to Consultant	5,000,000	-	5 cents	31/12/2015
7.9 Exercised during quarter				
Unlisted Options	2,000,000	-	5 cents	01/11/2014
Listed Options - NXROA	3,975,399	3,975,399	5 cents	31/12/2014
7.10 Cancelled/Expired during quarter				
Listed Options - NXROA	55,930,842	55,930,842	5 cents	31/12/2014
7.11 Debentures (totals only)	-	-		
7.12 Unsecured notes (totals only)	-	-		

+ 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: 23 January 2015
(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.