

NEMEX
RESOURCES LIMITED

INVESTOR PRESENTATION
SECURITY BIOMETRIC TECHNOLOGY

NOVEMBER 2014



DISCLAIMER

- Some of the information contained in this presentation contains “forward – looking statements” which may not directly or exclusively relate to the historical facts. These forward looking statements reflect Nemex Resources Limited and Wavefront Biometric Technologies Pty Ltd’s current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside the control of Nemex Resources Limited or Wavefront Biometric Technologies Pty Ltd.
- Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks. Because actual results could differ materially from Nemex Resources Limited’s and Wavefront Biometric Technologies Pty Ltd’s current intentions, plans, expectations, assumptions and beliefs about the future, you are urged to view all forward-looking statements contained herein with caution.

OVERVIEW

- Nemex Resources Limited (“Nemex”) has invested in Wavefront Biometric Technologies Pty Ltd (“Wavefront”).
- Wavefront has developed and patented a biometric technology that captures the light reflected from the contour of the tear film on the corneal surface, to authenticate a person’s identity.
- Nemex can acquire up to a 51% interest in Wavefront through a series of four option payments - currently owns 30%.
- Competitive advantage over its peers due to a very low error rate and a reliable liveness test (to defeat replay attacks).
- Significant commercialisation potential in banking (cost of online fraud globally is >US\$100bn), defence and asset security.
- Phase 1 development successfully completed in September 2014. Wavefront proved concept, miniaturised technology and adapted to hand-held platform.
- Current Phase 2 development focused on enhancing the technology and commencing commercialisation discussions in late 2014 and early 2015.

COMPANY OVERVIEW

Capital Structure

ASX code	NXR
Share price	6¢
Ordinary shares	183.5m
Listed Options exercisable at 5 cents expiring 31/12/14	58.6m
Options exercisable at 5 cents expiring 31/12/15	41.6m
Performance Rights	9m
Cash at 31 October 2014	\$0.75m
Shares held by top 20	50.13%
Shares held by management	4.9%

1yr Share Price Performance



Board of Directors

Patrick Flint
Executive
Chairman

Paul Jurman
Non-Executive
Director

Dr Peter Turner
Non-Executive
Director

WAVEFRONT EARN-IN STRUCTURE

Conditional agreement with Wavefront allows Nemex to earn up to a 51% interest through a series of four option payments:

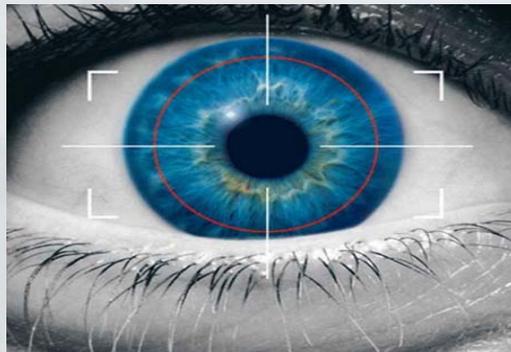
- ◆ Tranche 1 - (completed) - \$0.8m investment for 20%;
- ◆ Tranche 2 – (completed) \$0.625m investment for further 10% (to 30%);
- ◆ Tranche 3 - \$1m investment for further 10% (to 40%); and
- ◆ Tranche 4 - \$1.750m investment for further 11% (to 51%).

Payments triggered when development phases completed. Completion of each phase entails achieving a set of specific milestones.

Phase 1 was completed in September 2014 - Nemex increased its interest to 30%. Upon completion of next phase (scheduled for late February 2015), Nemex can increase interest to 40%.

WHAT IS BIOMETRIC TECHNOLOGY?

- ◆ Biometrics uses a person's physiological or behavioural characteristics to confirm their identity.
- ◆ Other biometric technologies include fingerprint, voice, iris, vein and face authentication.
- ◆ Historically there has been a trade off between the level of security and convenience - use of increasingly complex passwords and the use of tokens.
- ◆ Biometrics increases security and simplifies ease of access/identity authentication.
- ◆ Biometrics renders the need to remember pins and passwords obsolete in many situations.



ADOPTION OF BIOMETRIC TECHNOLOGY

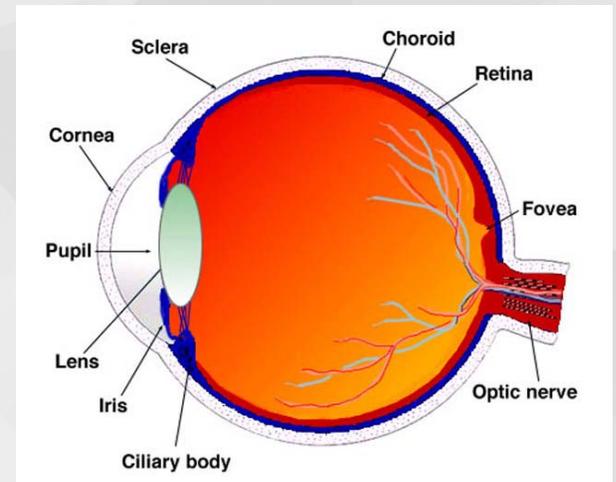
- Online fraud costs global economy +US\$100bn each year, with over 1 million victims claimed daily. Identity theft is fastest growing crime in the USA.
- Apple iPhone 6 and Samsung Galaxy S5 use fingerprint sensors.
- US military using iris scanners for security access.
- St George has activated fingerprint access to mobile banking and Westpac has indicated that it plans to do likewise.
- Biometrics-based national identification system in India has enrolled +700 million people to date.

RECENT BIOMETRIC M&A ACTIVITY

Date	Acquisition	Details	Price
August 2010	3M (NYSE:MMM) acquired Cogent	Cogent provides finger, palms, face and iris biometric systems for governments, law enforcement agencies and commercial enterprises.	US\$943m (US\$430m net of cash acquired)
July 2011	Safran (Paris:SAF.PA) acquired L-1 Identity Solutions	L-1 specializes in developing fingerprint, palm, face, and iris biometric recognition solutions. Its products are deployed by the U.S. military, border patrol agents, local law enforcing agencies, and private companies.	US\$1.09b
July 2012	Apple (NASDAQ:AAPL) acquired AuthenTec	AuthenTec provides mobile security software licenses and fingerprint sensor technology. .	US\$356m
October 2013	Synaptics (NASDAQ:SYNA) acquired Validity Sensors	Validity Sensors provides biometric fingerprint authentication products for smartphones, tablets and laptop computers.	US\$255m (US\$92.5m upfront, remainder on performance)

WAVEFRONT'S TECHNOLOGY

- Most light passes through to the retina and is focused on the back of the eye but some light is reflected from the thin tear film on the surface of the eye. The tear film sits on the corneal contour which is unique to each person.
- Illuminated target is reflected off the front of the user's eye and is captured via a lens mounted on a smart device such as a phone or tablet.
- Pattern of reflected target that is captured in a digital image depends on exact shape of the user's eye.
- Captured image is processed to detect the reflected pattern features.
- Detected features are used to first enrol and thereafter to authenticate the user's eye.
- User enrolment and authentication are quick and simple operations.
- The light reflected from the tear film differs fractionally from one moment to the next due to varying levels of moisture content and in doing so provides a reliable proof of liveness test.

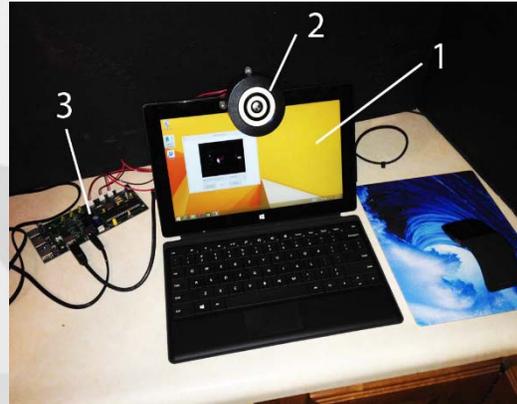


TECHNOLOGY DEVELOPMENT PROGRAM – PHASE 1 COMPLETED SUCCESSFULLY

- ◆ Wavefront has designed a three-phase development program with the objective of adapting its technology to a miniaturised, mobile device and demonstrating high level performance.
- ◆ Phase 1 was completed on time and to budget.
- ◆ Phase 1 achieved initial miniaturisation of the technology and adaptation to a mobile platform.
- ◆ Basic functionality of technology was demonstrated. This included acquiring a live image from the contour of the cornea, enrolling and authenticating the individual and rejecting the incorrect individual.



Original static unit



Mobile lab unit – July 2014
Dimensions: 55mm diameter, 50mm depth
Weight: 162g



Mobile lab unit – late Aug 2014
Dimensions: 55mm diameter, 20mm depth
Weight: 102g

TECHNOLOGY DEVELOPMENT PROGRAM – PHASE 2 PROCEEDING TO PLAN

During this current phase 2 Wavefront is focussing on:

- ◆ Improving the performance of the handheld unit;
- ◆ Enhancing design of the unit; and
- ◆ Commencing initial commercialisation discussions.

Phase 2 is expected to take 6 months and be completed in February 2015.

Testing to confirm the high fidelity (i.e. extremely low error rates) of the technology on the miniaturised prototype has recently commenced.





WAVEFRONT'S COMPETITIVE ADVANTAGE

Wavefront's technology has significant competitive advantages compared to face, iris, fingerprint, voice and vein biometric technologies including:

High Fidelity

Industry leading low false match and false non-match rates (under lab conditions);

Zero enrolment issues (failure to enrol), again under lab conditions; and

Minimal changes to cornea over time.

Proof of Liveness

Reliable liveness testing is required to defeat fraudulent replay attacks

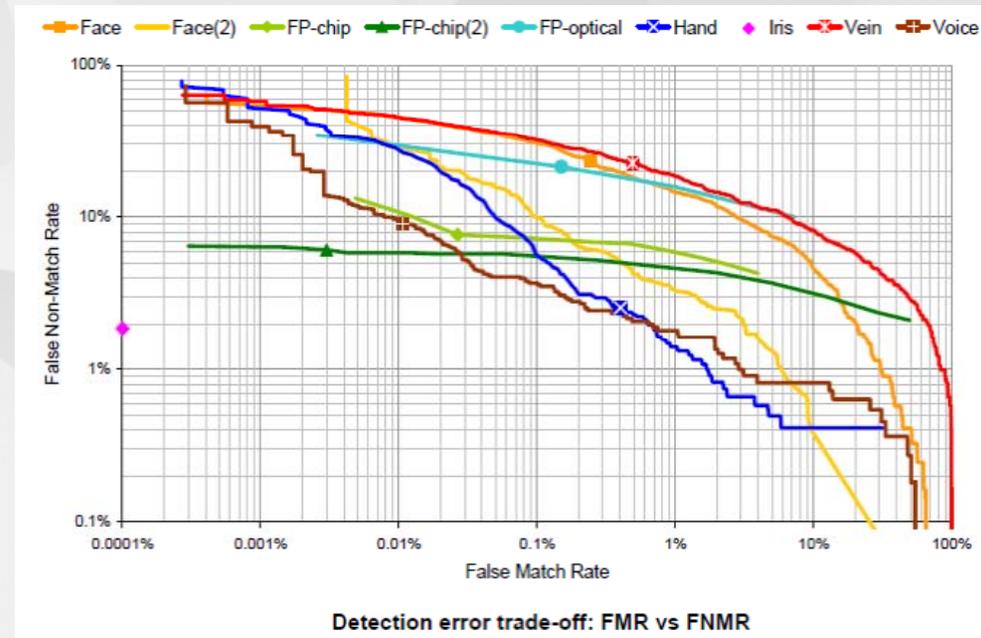
As the pattern of light reflected from the cornea differs fractionally in each moment – this allows for a reliable proof of liveness;

A captured image which produces an exact match with a previous image is rejected by the Wavefront technology as a probable imposter;

This means that the biometric data is rendered useless in the event that it is stolen since it will always be rejected if an imposter attempts to resubmit a previously captured image.

COMPETING BIOMETRIC TECHNOLOGIES

- **Face** – easy to use; low accuracy / reliability.
- **Vein** – emerging technology; variable results (poor in this study); body hair, tattoos present challenges.
- **Fingerprint** – easy to use; consumer technologies susceptible to fraud, prints can wear out, skin conditions can yield unreliable results.
- **Voice** – reliable but subject to a number of factors including anxiety, health, stress, speech rate and volume and background noise.
- **Iris** – high level of accuracy; enrolment failure with people with dark irides, issues for users affected by drugs / alcohol, operates in near infra-red range / uses infra red illuminators – existing camera systems only operate on visible light wavelength.



PATHWAYS TO COMMERCIALISATION

- ◆ Phase 2 objective is to enhance technology to commence commercialisation discussions.
- ◆ WBT's commercialisation strategy recognises 2 inter-related market segments:
 - ◆ Primary (OEM/systems integrator) market segment including Platform/device vendors, Mobile device management vendors, Defence and physical security contractors.
 - ◆ Secondary (end user) market segment including Banking, Telecommunications, Electricity, gas, water and waste services, Manufacturing (chemicals, pharmaceuticals, petroleum), Mining, Defence, Law enforcement, Corrective services, Border protection, Health, Transport, postal and warehousing.
- ✓ Two product offerings/deployment modes:
 - ◆ Static mode for medium/high security, low traffic facilities, aircraft, vessels, plant, weapons systems.
 - ◆ Mobile mode for dedicated use by individuals to authenticate their identities for banking, B2B and B2C commerce, law enforcement, border control, patient/doctor interactions

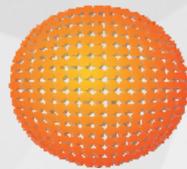
WAVEFRONT'S MANAGEMENT

Dr Shanny Dyer Wavefront Chairperson	Extensive experience of technology commercialisation.
Mr Gary Blair Consultant	Extensive experience with technology risk and security management. Previously EGM – Cyber, Identity & Privacy at CBA and CTO at NAB.
Dr Ed Sarver Co-Inventor	World leader in developing innovative software and hardware for measuring the corneal signal and corneal modelling. Leading the final stages of Wavefront's development strategy.
Mr Stephen Mason Inventor	Experienced Optometrist, extensive knowledge of corneal mapping.



SUMMARY

- Identity security is major global issue
- Identity theft and online fraud costs global economy billions each year
- Biometrics is emerging as the solution
- WBT technology has competitive advantages over other biometric offerings
- WBT patented technology offers accurate / secure / cost effective / user friendly solution
- Commercialisation discussions to commence in late 2014 and early 2015.



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