

Nemex Resources Ltd



Increases Biometric Focus

Overview: Nemex Resources Ltd (“Nemex”, “the Company”) is an Australian company focused on biometric security through a strategic investment in Wavefront Biometrics Technologies Pty Ltd (“WBT”). WBT has developed a single sensor multi-biometric system built around a patented cornea based technology and incorporating other unique aspects of the eye (“the technology”). Patents have been granted in the US, Japan, and Australia. The market for biometric recognition technologies is estimated to be worth US\$7billion. Nemex has secured earn in rights for up to 51 per cent of WBT.

CONCEPT

COMMERCIAL TRIALS

SALES

Catalysts: Internal validation of the biometric technology within a mobile setting has concluded on schedule, illustrating comparable performance to industry leading iris technologies and advantages including universal application and proof of liveness. Results have prompted Nemex to increase its WBT interest to 40 per cent, proceeds from which are expected to fund independent testing and initial marketing to licensing candidates during H2 2015.

Hurdles: WBT’s technology has yet to be independently appraised and there is no guarantee lab performance can be replicated in a commercial setting. Further development and commercialisation of the technology requires additional capital. Partial nature of Nemex’s equity in the technology may impede its capacity to attract fair value in its share price.

Investment View: Nemex offers speculative exposure to global biometric security markets. Independent appraisal of the technology over coming months is a major value determinant, providing impetus for subsequent industry engagement. We retain our valuation of \$0.09/share.

Asset	Benchmark Range	Valuation Applied	NXR Interest	NXR Valuation
WBT	\$24-\$60m	US\$45m	51%	A\$25m
Mineral Licenses	N/A	-	-	-
Summary			<i>Total Valuation</i>	A\$25m
			<i>Share base</i>	284m
			<i>per Share</i>	\$0.09

8th April 2015

Update

Last Price: \$0.067

CORPORATE SUMMARY

TICKER	NXR.ASX
SHARES ON ISSUE	221.4m
OTHER SECURITIES	32m Options (5c, Dec '15) 0.5m performance rights
MARKET CAP	\$14.8m
FUNDING	\$1m

ASSET OVERVIEW

TITLE	Eye Based Biometric Technology
RIGHTS	Global
STATUS	Concept
MARKET SIZE	\$7billion
PATENT EXPIRY	2034

MANAGEMENT

CHAIRMAN	Patrick Flint
DIRECTOR	Peter Turner
DIRECTOR	Paul Jurman

SHARE HOLDERS

ROBERT LIU	17%
HUANG MENGLONG	6%
ZHAO QING DAI	6%
DIRECTORS	8%
TOP 20	49%

SHARE PRICE



8th April 2015

THE BULLS AND THE BEARS



THE BULLS SAY

- Application of biometric technologies is broadening, particularly at the consumer device level
- Laboratory testing indicates WBT technology could deliver superior performances to existing commercial benchmarks
- Completion of internal performance appraisals in early 2015 provides a platform to commence licensing discussions
- Staged investment schedule with WBT provides a lower risk acquisition for Nemex shareholders
- Our valuation represents a significant premium to recent trading in Nemex's shares



THE BEARS SAY

- Many competing biometric technologies are already commercially available or vying for development funds
- Laboratory performance of WBT's technology may not be replicated in a commercial setting
- Technology and hardware associated with prototypes currently under development have yet to be independently validated
- Partial nature of current holding in WBT may impede valuations attracted by Nemex shares

8th April 2015

GLOSSARY

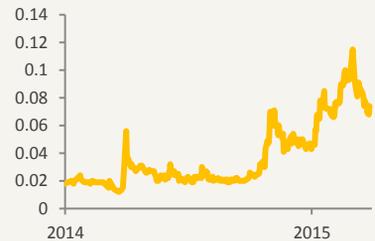
Buy	Increasing value of established business operations is likely to yield share price appreciation
Spec Buy	Increasing value of a new or developing business operation is likely to yield share price appreciation.
Hold	There exists an even balance of risks.
Sell	There is elevated risk of share price depreciation.
Stop	Our recommended, pre determined sell price, to be executed if the share price fails to appreciate
Concept	An early stage of technological development characterised by design, controlled tests and prototyping
Commercial Trials	An intermediate stage of technological development characterised by testing with end users and prospective customers
Sales	An advanced stage of technological development where regulatory approvals have been secured and a commercial rollout has commenced

ARCHIVES

Nemex Resources (NXR.ASX)

Dec-14

Spec Buy



ANALYST

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