



Quarterly Activities Report - March 2015

Nemex Resources Limited (ASX: NXR) is pleased to report on its operational activities for the March 2015 Quarter.

29 April 2015

Fast Facts

Capital Structure

Shares on issue	222.4M
Options	31.3M
Performance Rights	0.5M
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

- NXR increased its interest in Wavefront Biometric Technologies Pty Ltd (WBT) to 40% following successful completion of the Phase 2 technology development program.
- Development of a unique multi-biometric system:
 - world's first multi-modal biometric using corneal and iris analysis to provide unique identification with built in Liveness Testing;
 - new method for capturing Iris images using reflected visible light to enable enrollment of all eyes;
 - new benchmark for one sensor efficiency with a single biometric pass securing multiple identifying traits; and
 - related software and algorithms that can measure and record over the span of a lifetime, minute changes in the biometric markers for each eye.
- Filing of patent applications over newly identified intellectual property related to a multi-biometric system.
- Phase 3 of the development program is focussing on further improving performance of the multi-biometric system and will include validation of the technology through Purdue University, a world leader in biometric device analysis.
- Confidential commercialisation activities are underway with international mobile device manufacturers.



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 technology. The first phase of the program was completed in August 2014. This “proof of concept” phase involved WBT successfully miniaturising and adapting its technology to a mobile platform (WBT’s prototype unit).

Completion of Phase 2 of Development Program

In March 2015 WBT completed the second phase of the development program. This work focussed on improving the design and performance of the prototype unit and included completing a series of performance tests of the prototype unit. These performance tests were conducted by WBT and its consultants under laboratory conditions.

The results of the performance tests completed during Phase 2 demonstrate WBT’s technology delivers performance, via a mobile platform, comparable to the current industry leading biometric modality (the iris modality). In addition to its high fidelity (reliability and accuracy), the WBT technology also has a number of competitive advantages including the use of the visible light spectrum (as opposed to near infra-red as used by most iris systems), universal application, fraud resistance and proof of liveness.

Development of Multi-Biometric System and New Intellectual Property

During Phase 2 of the program, the WBT Development Team also developed a multi-biometric system built around WBT’s patented corneal authentication technology. The multi-biometric system uniquely combines the features of the cornea with key features of the iris utilizing a single sensor to capture multiple features of the eye in the visible light spectrum.

This multi-biometric authentication system is unique as it both captures the identifying features of a person’s eye while also ensuring that eye is from a ‘real’ person – effectively a built in ‘Liveness Test’. Commercially available iris systems currently do not possess WBT’s unique method of liveness testing in terms of its robust facility to resist replay attacks or other methods to spoof biometric security systems.



While iris technology is not new to biometric authentication, WBT has developed a new method using reflected light to enable enrollment of all eyes, as opposed to using near infrared (NIR) radiation which cannot be seen by standard laptop or mobile phone cameras. This means that WBT's technology could be more effectively integrated into current devices without modification or decrease in camera performance.

WBT has filed a provisional patent specification entitled "Multi-Biometric Authentication" with an application number 2015901256 in respect of the newly identified intellectual property.

Marketing and Commercialisation

In April 2015 WBT re-launched its website, www.wavefrontbiometric.com.

Confidential commercialisation activities are underway with international mobile device manufacturers. Presentation of WBT's multi-biometric system in North America is scheduled for May 2015. Feedback from these presentations will inform and guide WBT's commercialisation strategy and is expected to lead to licencing agreements and / or development partnerships in key target markets, including financial services, defence, health and security access.

Phase 3 of Development Program

During the third development phase, WBT is focussing on:

- Continuing to improve and refine the performance and usability of the multi-biometric system. WBT has identified a number of technical opportunities that when implemented are expected to see further improvements in system performance;
- Arranging for independent validation of the technology through Purdue University, a world leader in biometric device analysis. Completion of independent testing will be a key step in confirming to commercialisation partners the competitive advantages of the system.

Phase 3 of the development program is scheduled for completion in August 2015.



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.

No field work was possible at the project due to the Ebola virus in Guinea. NXR continues to review options for further exploration and development of the project.

CORPORATE

During the quarter a total of 20,247,522 unlisted options (exercisable at 5 cents and expiring on 31 December 2015) were exercised, raising \$1,012,376 for additional working capital.

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 40% 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 multi-biometric identity authentication technology using live corneal and iris analysis. WBT's technology uniquely identifies a person:

- securely in a way that is very hard to fool
- in a way that incorporates liveness
- that captures multi-modal biometric information in one pass
- simply, quickly, with low user effort
- in close to real time

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 March 2015 Quarterly Report

Nemex Resources Limited (ASX:NXR) provides the following addendum to the March 2015 Quarterly Activities Report lodged with the ASX on 29 April 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

None.

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 March 2015

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from sales	-	-
1.2 Payments for		
(a) exploration and evaluation	(39)	(149)
(b) development	-	-
(c) production	-	-
(d) administration	(143)	(360)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3	7
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other revenues –	-	-
Net Operating Cash Flows	(179)	(502)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(1,000)	(1,625)
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	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	(1,000)	(1,425)
1.13 Total operating and investing cash flows (carried forward)	(1,179)	(1,927)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,179)	(1,927)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	1,012	2,182
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	-	(43)
Net financing cash flows		1,012	2,139
Net increase (decrease) in cash held		(167)	212
1.20	Cash at beginning of quarter/year to date	1,142	759
1.21	Exchange rate adjustments to item 1.20	-	4
1.22	Cash at end of quarter	975	975

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.

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	975	1,142
5.2 Deposits at call	-	-
5.3 Bank overdraft		
5.4 Other –		
Total: cash at end of quarter (item 1.22)	975	1,142

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.

Appendix 5B
Mining exploration entity quarterly report

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	221,422,921	221,422,921		
7.4 Changes during quarter				
Conversion of options	20,247,522	20,247,522	5 cents	-
Shares issued on conversion of Performance Rights	8,000,000	8,000,000	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>
Unlisted Options	32,315,000	-	5 cents	31/12/2015
Performance Rights	500,000	-	-	29/11/2015
7.8 Issued during quarter				
7.9 Exercised during quarter				
Unlisted Options	20,247,522	-	5 cents	31/12/2015
Performance Rights Converted	8,000,000			15/05/2017
7.10 Cancelled/Expired during quarter				
Performance Rights Lapsed	500,000	-	-	29/11/2015
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: 29 April 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.

+ See chapter 19 for defined terms.