



29 January 2016

Fast Facts

Capital Structure

Shares on issue	241.3M
Options	12M
ASX Code	NXR

Project Highlights

WBT Investment

- *Biometric technology*
- *Potential global market*

Guinea (Iron)

- *High-grade iron discovery*
- *Large resource potential*

W Australia (Iron)

- *Woodley DSO Project*

Contacts

Mr Hui Zhang

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Quarterly Activities Report – December 2015

Nemex Resources Limited (ASX: NXR or the Company) reports its activities and corporate developments for the December 2015 Quarter.

INVESTMENT IN SECURITY BIOMETRIC TECHNOLOGY

As part of its technology development programme Wavefront Biometric Technologies Pty Ltd (“Wavefront”) facilitated a review of the technology through the International Centre for Biometric Research at Purdue University (“Purdue ICBR”), a globally recognised leader in biometric technology analysis.

Purdue ICBR completed testing Wavefront’s system (comprising its hardware and testing and analysis software) and Wavefront advised NXR that Purdue ICBR was unable to independently validate and report on the Wavefront system performance metrics (such as False Acceptance Rate, False Rejection Rate and Equal Error Rate) without further in-depth analysis of the Wavefront software. Purdue ICBR noted Wavefront’s system software does not provide data output to calculate performance metrics in a format typically reviewed by Purdue ICBR.

Wavefront is currently examining alternatives to address the issues identified by Purdue ICBR and intends to re-process data from previous testing with a view to undertaking further independent validation at Purdue ICBR.

In December 2015, representatives of NXR and Wavefront completed presentations of the Wavefront technology to potential customers, development partners and investors in China. NXR and Wavefront are expecting feedback from this visit to be received within the March 2016 quarter.

In January 2016, Wavefront advised NXR that it had lodged its taxation return and an application for a cash refund under the Federal Government’s Research and Development (R&D) Tax Incentive Scheme (Scheme) in respect of the year ended 30 June 2015. Under the Scheme, companies are entitled to a cash refund of up to 45 cents per dollar spent on eligible R&D expenditure.



Funds received will assist Wavefront to carry out its technology development plans.

MINERAL INTERESTS

NXR is reviewing its interests in its mineral projects in conjunction with consideration of a potential change in activities.

CORPORATE

Board and Management Changes

Mr Tao Ding was appointed to the NXR Board as a non-executive director on 16 December 2015. Mr Ding is a Chinese national based in Beijing. Mr Ding has extensive experience in the technology sector and will provide technical input at the Board level, as well as assist with introducing Wavefront to potential technology development partners in China. During the quarter, Dr Peter Turner, Mr Patrick Flint and Mr Paul Jurman resigned as Directors of the Company.

Reinstatement to Trading

NXR expects that the suspension to the quotation of its securities will end upon NXR making an announcement in respect of an update on the Company's investment in Wavefront, feedback from the recent visit to China and further appointments of directors with the appropriate skills and qualifications necessary to govern an ASX-listed company.

For further information about Nemex contact:

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About Nemex Resources

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, and has the right to increase this to a 51% interest.

Wavefront's core business is developing innovative biometric solutions for authentication of identity utilising the unique properties of the eye. Wavefront's vision is to become the identity authentication platform provider for all mobile devices and transactions requiring end-user verification, across government and military; enterprise; and consumer markets.

NXR also holds interests in two prospective resources projects, the Telimele DSO Iron project in Guinea and the Woodley Iron project in Western Australia.



Addendum to December 2015 Quarterly Report

NXR provides the following addendum to the December 2015 Quarterly Activities Report lodged with the ASX on 29 January 2016 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

NXR 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. NXR is earning up to 85% interest in this licence.

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 2015

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	(27)	(56)
(b) development	-	-
(c) production	-	-
(d) administration	(310)	(512)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other revenues –	-	-
Net Operating Cash Flows	(336)	(561)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	143
1.10 Loans to other entities - Wavefront	-	(350)
1.11 Loans repaid by other entities	-	-
1.12 Other –	-	-
Net investing cash flows	-	(207)
1.13 Total operating and investing cash flows (carried forward)	(336)	(768)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(336)	(768)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	208
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	-	-
Net financing cash flows		-	208
Net increase (decrease) in cash held		(336)	(560)
1.20	Cash at beginning of quarter/year to date	790	1,014
1.21	Exchange rate adjustments to item 1.20	(6)	(6)
1.22	Cash at end of quarter	448	448

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	87
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 fees and salaries for 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

N/A.

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	448	790
5.2 Deposits at call	-	-
5.3 Bank overdraft		
5.4 Other –		
Total: cash at end of quarter (item 1.22)	448	790

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	241,325,421	241,325,421		
7.4 Changes during quarter	-	-	-	-
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>
7.8 Unlisted Options Issued during quarter	12,000,000	-	<i>10 cents</i>	<i>30/06/2016</i>
7.9 Exercised during quarter	-	-	-	-
7.10 Cancelled/Expired during quarter	-	-	-	-
Unlisted Option	(12,412,500)	-	<i>5 cents</i>	<i>31/12/2015</i>
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 January 2016
(Director)

Print name: Hui Zhang

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.