



29 July 2016

## Fast Facts

### Capital Structure

Shares on issue 241.3M  
ASX Code NXR

### Directors

**Hui Zhang**  
Chairman

**Tao Ding**  
Non-Exec Director

**Yongjin Li**  
Non-Exec Director

### Contacts

**Mr Hui Zhang**  
T: +61 8 9388 2277  
[www.nemexres.com.au](http://www.nemexres.com.au)

## Quarterly Activities Report – June 2016

Nemex Resources Limited (ASX: NXR, Nemex or the Company) reports its activities and corporate developments for the June 2016 Quarter.

### INVESTMENT IN SECURITY BIOMETRIC TECHNOLOGY

Wavefront Biometric Technologies Pty Ltd (“Wavefront”) advised Nemex that it has engaged the services of a software development group based in Australia to upgrade Wavefront’s system software to provide data output to calculate performance metrics in a format typically reviewed by Purdue ICBR.

The initial program, which is ongoing, has allowed image data to be captured and entered into the Wavefront algorithm and the resulting output data to be read in a format that is compatible with many commercial biometric readers.

Wavefront has advised that the initial work conducted has revealed that further refinements of the Wavefront technology should be undertaken before undertaking further independent validation at Purdue ICBR.

The further enhancements are expected to include:

- Development of the front end image capture capability;
- Refine the algorithm in terms of accuracy and possibly speed; and
- Optimization of the multi-modal aspects of the technology by creating an intelligent fusion methodology which could aid in the improvement of performance.

Wavefront is targeting completion of the next phase of this work by September 2016 with a view to undertaking further independent validation at Purdue ICBR and reporting on its results by December 2016.

### CORPORATE

Nemex welcomes Mr Yongjin Li as a Non-Executive Director of the Company. Mr. Li has extensive experience working with Chinese State-owned companies and will assist with introducing Wavefront to potential technology development partners in China.



## **MINERAL INTERESTS**

No field activities were undertaken on the Téliimélé DSO iron project in Guinea during the period. The Board has determined to relinquish this interest as the results to date and the current depressed iron ore price make the likelihood of an economic deposit being defined unlikely.

Nemex is reviewing its interests in its remaining mineral project in conjunction with consideration of a potential change in activities.

### **Reinstatement to Trading**

ASX has advised the company that it will need to provide submissions to determine whether the Company's shares can be reinstated to trading on ASX. The timeframe provided by ASX for this determination is approximately 2-3 weeks.

### **For further information about Nemex contact:**

Hui Zhang (Director)  
Nemex Resources Limited  
P: 08 9388 2277



## Addendum to June 2016 Quarterly Report

NXR provides the following addendum to the June 2016 Quarterly Activities Report lodged with the ASX in relation to additional information required by Listing Rule 5.3.3.

### Mining Tenements held at the end of the quarter and their location

<b>Western Australia</b>	
<b>Woodley</b>	
E57/632	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). The Board has determined to relinquish this interest as the results to date and the current depressed iron ore price make the likelihood of an economic deposit being defined unlikely.

### 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
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ABN

44 146 243 843
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Quarter ended ("current quarter")

30 June 2016
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### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from sales	-	-
1.2 Payments for		
(a) exploration and evaluation	-	(67)
(b) development	-	-
(c) production	-	-
(d) administration	(60)	(647)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other revenues – Rental Bond refund	10	14
<b>Net Operating Cash Flows</b>	<b>(49)</b>	<b>(696)</b>
<b>Cash flows related to investing activities</b>		
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 –	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>(207)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(49)</b>	<b>(903)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(49)	(903)
<b>Cash flows related to financing activities</b>			
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	-	-
<b>Net financing cash flows</b>		-	208
<b>Net increase (decrease) in cash held</b>		(49)	(695)
1.20	Cash at beginning of quarter/year to date	354	1,014
1.21	Exchange rate adjustments to item 1.20	4	(10)
1.22	<b>Cash at end of quarter</b>	309	309

**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	7
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.

**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	20
4.2	Development	-
4.3	Production	-
4.4	Administration	100
<b>Total</b>		<b>120</b>

**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	309	354
5.2 Deposits at call	-	-
5.3 Bank overdraft		
5.4 Other –		
<b>Total: cash at end of quarter</b> (item 1.22)	<b>309</b>	<b>354</b>

**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**

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**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 <b>Preference +securities</b> <i>(description)</i>	-	-	-	-
7.2 Changes during quarter	-	-	-	-
7.3 <b>+Ordinary securities</b>	241,325,421	241,325,421		
7.4 Changes during quarter	-	-	-	-
7.5 <b>+Convertible debt securities</b> <i>(description)</i>		-	-	-
7.6 Changes during quarter	-	-	-	-
7.7 <b>Options and Performance Rights</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
7.8 Issued during quarter				
7.9 Exercised during quarter	-	-	-	-
7.10 Cancelled/Expired during quarter	(12,000,000)	-	<i>10 cents</i>	<i>30/06/2016</i>
7.11 <b>Debentures</b> <i>(totals only)</i>	-	-		
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	-	-		

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+ 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 July 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.

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+ See chapter 19 for defined terms.