



31 July 2015

Fast Facts

Capital Structure

Shares on issue	237.4M
Options	28.4M
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*

W Australia (Iron)

- *Woodley DSO Project*

Contacts

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Quarterly Activities Report - June 2015

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

Investment in Security Biometric Technology

- NXR entered into an agreement to increase its interest in Wavefront Biometric Technologies Pty Ltd (Wavefront) from 40% to 100% by acquiring all Wavefront shares not currently held by NXR.

- As part of the Acquisition NXR's Board will be strengthened to reflect focus on commercialisation of the biometric technology. Wavefront's Chair Dr Shanny Dyer is to be appointed Managing Director of NXR. It is also proposed that experienced and well respected businessmen Anthony Bertini, Leigh Clapham and Steven Ezzes will join the NXR Board.

- Wavefront's executive management completed successful visits to North America with focus on technology commercialisation. Strong interest generated in the technology across multiple sectors and discussions are continuing.

- Research and development program ongoing with focus on identification of new intellectual property and continuing to improving performance of the multi-biometric system.



INVESTMENT IN SECURITY BIOMETRIC TECHNOLOGY

Wavefront's core business is developing innovative biometric solutions for authentication of identity utilising the unique properties of the eye.

In April 2014 Wavefront 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). The second phase of the program, completed in March 2015, focussed on improving the design and performance of the prototype unit and included Wavefront's consultants completing a series of performance tests of the prototype unit. Wavefront also developed a multi-biometric system that 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.

The results of the performance tests completed during Phase 2 demonstrate Wavefront'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.

Phase 3 of Development Program

During the third development phase, WBT is working to further improve and refine the performance and usability of the multi-biometric system.

Independent validation of the technology through Purdue University, a world leader in biometric device analysis, is scheduled for completion in the September 2015 quarter. This independent testing will be a key step in confirming to commercialisation partners the competitive advantages of the system.

Marketing and Commercialisation

Wavefront's management team has completed a number of visits to North America to introduce and demonstrate the technology to potential licensing and development partners.



Strong interest has been generated in the technology across multiple sectors including financial services, defence, health and security access, and discussions are continuing.

Wavefront Board of Directors

Wavefront's Board of Directors has recently been strengthened by the appointment of two experienced and well respected businessman, Mr Leigh Clapham and Mr Steven Ezzes.

Mr Clapham has more than 40 years experience in advertising, marketing and financial services including senior positions for MasterCard Worldwide as Group Executive Australia and New Zealand and Group Executive Europe.

New York based Mr Steven Ezzes is currently Managing Director of a US investment advisory group with US\$13 billion in assets under management. Steven has a long history with Australian technology companies. Steven was also previously the USA based director for Ozemail and was instrumental in taking that company to a Nasdaq listing. Steven was also a member of the board of BMC Media and Tenzing. He has served in similar positions with U.S. companies

AGREEMENT TO INCREASE INTEREST IN WAVEFRONT TO 100%

In June 2015 NXR signed a binding heads of agreement under which it has a conditional right to acquire 100% of the issued capital in Wavefront that it does not already own. The key terms of the transaction are set out in NXR's announcement dated 10 June 2015. Since that announcement the following has occurred:

- The parties have agreed to set the consideration for the vendors transferring their Wavefront Shares to NXR at 228,018,540 shares.
- The parties have agreed the number of incentive options to be issued to certain members of the incoming board and management team will be set at:
 - 11,529,412 Options exercisable at 10 cents on or before 30 June 2016
 - 30,773,438 Options exercisable at 20 cents on or before 3 years from issue
- In July 2015 the parties satisfactorily concluded their due diligence investigations.
- As previously announced, upon completion of the Acquisition it is intended that the current directors of NXR will resign from the board and will be replaced by four new



members. It is proposed that the new directors of NXR will be Dr Shanny Dyer and Anthony Bertini (both foundation directors of Wavefront) and new directors Leigh Clapham and Steven Ezzes.

Completion of detailed documentation in respect of the transaction, including the notice of meeting, detailed share purchase agreement and prospectus, is proceeding. This process is taking longer than originally anticipated as the parties ensure all regulatory requirements are satisfactorily addressed. It is now expected the notice of meeting and prospectus will be issued in August.

MINERAL INTERESTS

NXR has an interest in two mineral projects:

- The Téliimélé DSO iron project in Guinea, where NXR has identified significant near-surface, high-grade T1 mineralisation.
- The Woodley iron project in Western Australia. GWR withdrew from the Woodley farm-in agreement during the quarter.

NXR will review its interests in these projects following the upcoming shareholder meeting to consider a change in the Company's activities to focus on the Wavefront technology.

CORPORATE – EXERCISE OF OPTIONS

During the quarter, a total of 15,740,000 unlisted options (exercisable at 5 cents each and expiring 31 December 2015) were converted to shares, raising \$787,000 for additional working capital.

For further information about Nemex and Wavefront contact:

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Dr Shanny Dyer
Managing Director
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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 entered into a conditional agreement to increase this to a 100% interest.

Wavefront is in the process of developing and commercialising a multi-biometric identity authentication technology using live corneal and iris analysis. Wavefront'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 financial services, healthcare, defence, 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.



Addendum to June 2015 Quarterly Report

NXR provides the following addendum to the June 2015 Quarterly Activities Report lodged with the ASX on 31 July 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

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.

Farm-out Agreements

During the June 2015 quarter, GWR Group Limited (GWR) withdrew from the joint venture over licences E57/632 and E57/634 (Woodley Project) not having earned any 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")

30 June 2015

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from sales	-	-
1.2 Payments for		
(a) exploration and evaluation	(17)	(166)
(b) development	-	-
(c) production	-	-
(d) administration	(140)	(500)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	9
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other revenues –	5	5
Net Operating Cash Flows	(150)	(652)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	(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 other entities - Wavefront	(600)	(600)
1.11 Loans repaid by other entities	-	-
1.12 Other –	-	-
Net investing cash flows	(600)	(2,025)
1.13 Total operating and investing cash flows (carried forward)	(750)	(2,677)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(750)	(2,677)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	787	2,969
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		787	2,926
Net increase (decrease) in cash held		37	249
1.20	Cash at beginning of quarter/year to date	975	759
1.21	Exchange rate adjustments to item 1.20	2	6
1.22	Cash at end of quarter	1,014	1,014

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	98
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	150
Total		180

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	1,014	975
5.2 Deposits at call	-	-
5.3 Bank overdraft		
5.4 Other –		
Total: cash at end of quarter (item 1.22)	1,014	975

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	237,162,921	237,162,921		
7.4 Changes during quarter				
Conversion of options	15,740,000	15,740,000	5 cents	-
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	16,575,000	-	5 cents	31/12/2015
Unlisted Options	12,000,000	-	10 cents	30/06/2016
7.8 Issued during quarter				
Options issued to Consultants	12,000,000	12,000,000	10 cents	30/06/2016
7.9 Exercised during quarter				
Unlisted Options	(15,740,000)	-	5 cents	31/12/2015
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: 31 July 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.