

**NEMEX**  
RESOURCES LIMITED

ACN 146 243 843

**AGREEMENTS SIGNED FOR ACQUISITION OF INTERESTS  
IN PROJECTS PROSPECTIVE FOR GOLD IN WESTERN  
AUSTRALIA AND CAPITAL RAISING PLANS**

15 April 2019

**KEY POINTS**

- Conditional acquisition of four mineral exploration projects located in Western Australia.
- The projects are located within Archean greenstone sequences prospective for shear-hosted gold, and Kambalda style nickel sulphide mineralisation.
- Proposed capital raising via a prospectus of up to 25 million shares at 20 cents (post consolidation of capital) to raise up to \$5 million.
- Mr Patrick Flint and Mr Paul Jurman to be appointed as Directors.
- Nemex targeting to list on the ASX in late Q2 2019.

Nemex Resource Limited (Nemex or Company) is pleased to announce the Company has executed:

- the Legendre Acquisition Agreement under which it has a conditional right to acquire an 80% interest in the Leonora South East Project, the Ballard Project and the Pavarotti Project (**Legendre Acquisition**); and
- the Lake Roe North Sale Agreement under which it has a conditional right to acquire 100% of the Lake Roe North Project (**Lake Roe North Acquisition**).

(together, the **Proposed Acquisitions**).

Details of the key terms of the acquisition agreements are summarised below. The Proposed Acquisitions are conditional on the Company obtaining all necessary regulatory approvals to effect the Proposed Acquisitions and satisfying all other requirements of ASX for admission to the Official List on terms and conditions acceptable to the Company (among other things).

In connection with the Proposed Acquisitions, the Company also plans to complete a \$5 million capital raising by the issue of up to 25,000,000 Shares at an issue price of \$0.20 per Share (**Capital Raising**).

## Projects

The **Leonora South East Project** is located within 30 kilometres of the Leonora- Kookynie area, which has a history of gold mining and exploration over the past 100 years. The district hosts several large gold mines as well as a number of medium to smaller deposits that have been successfully exploited by open cut and underground mining. The project comprises two granted tenements, Sunset Well (P37/8759) and Melita (E40/379) and covers an area of 109 km<sup>2</sup>.

At Sunset Well the defined two areas of interest that have not been previously tested by drilling have been identified:

- The 1,000m striking structure on which historic workings and auger gold anomalies in the central part of the tenement are located.
- The contact on the western side of the tenement between mafic volcanics and sediments includes a linear 300-metre-long gold anomaly and a series of smaller gold auger anomalies.

The **Ballard Project** is located 150km northwest of Kalgoorlie and straddles the terrane boundary (Mt Ida Fault) between the Barlee Domain of the Youanmi Terrane and the Coolgardie and Ora Banda Domains of the Eastern Goldfields. The project comprises two granted exploration licences totalling 201 km<sup>2</sup> that cover approximately 40km of strike of the Ullaring Greenstone Belt to the south of ALT Resources Limited's Mt Ida Gold Project.

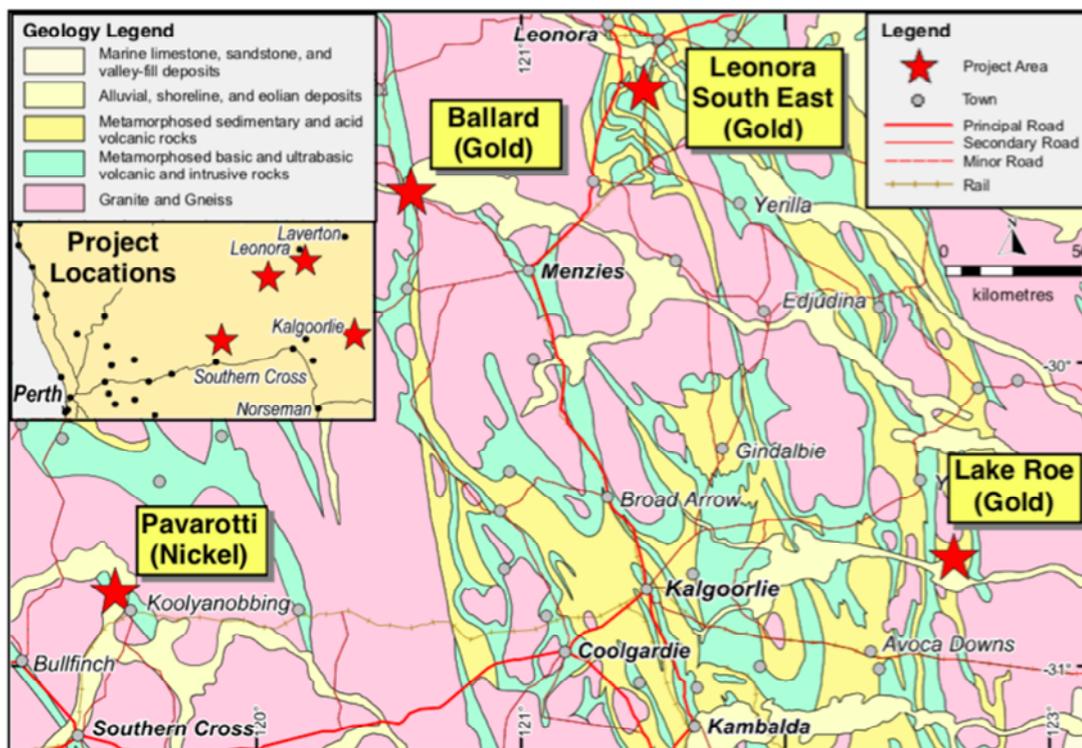
The Company is focused on exploring for large scale gold systems associated with structural offsets associated with the Ballard Shear and Ida Lineament. A review of historic aeromagnetic data has identified two such settings within the project area that the Company believes has the potential to host substantial gold mineralisation. In the central part of the project a series of en-echelon shears between the Ida and Ballard structures is regarded as a priority area of interest. Coincidentally a number of untested target areas prospective for gold mineralisation identified from previous soil and auger sampling and geological and geophysical reviews are located in the general area. The magnetics also identify a major flexure in the Ida Lineament in the southern part of the project area where several old workings are located.

The **Pavarotti Project** is immediately north of Koolyanobbing. The project is prospective for nickel sulphide mineralisation associated with ultramafic rock units. Work completed to date within the ultramafic sequences of the project show strong indications that the ultramafic units are prospective for nickel sulphide mineralisation however little effective work has been undertaken in the area for 20 years. The project comprises two granted exploration licences E77/2208 and E7/2478 covering a combined area of 17.7 km<sup>2</sup>.

The most advanced prospect in the project is the Pavarotti Prospect where work by previous explorers has returned indications of nickel sulphide mineralisation. There has been no drill testing of the area since the early 1970s. Drilling has not followed up ground electromagnetic anomalies identified over the project.

The **Lake Roe North Project** is located 120 km east north east of Kalgoorlie. The area is largely under cover which has hampered previous explorers. The Project is located in the Southern Laverton Tectonic Zone and is along strike from Breaker Resources NL's Lake Roe Project where they recently discovered the 1.1M oz Bombora Deposit. Regional work and limited exploration completed on the project to date indicate the project has a favourable geological setting and is intersected by a number of regional scale shear structures which provide a favourable setting for shear hosted gold mineralisation. The project comprises one granted Exploration Licence (E28/2748) and a tenement application (E28/2817) covering a total area of 39 km<sup>2</sup>.

Previous work on the project area identified two anomalous zones, the Stag Prospect and the Triumph Trend. Potential for shear hosted gold mineralisation exists within the untested southern trend at the Stag Prospect and the untested Triumph Trend. Analysis of aeromagnetic images has also identified two structural targets for follow up exploration.



Source: Nemex Resources Ltd; Competent Person: James Guy; Date: April 2019

Figure 1: Eastern Goldfields area with Project areas

### Acquisition Agreements

The principal terms of the Legendre Acquisition, between Nemex and Bruce Legendre (the Vendor) are:

- The Company to acquire an 80% interest in P37/8759, E40/379, E30/472, E29/991, E77/2208-1 and E77/2478 (**Tenements**). Nemex will be responsible for funding expenditure to completion of a definitive feasibility study and a decision to mine.
- Agreement is conditional upon satisfaction or waiver of certain conditions precedent on or before 31 July 2019 including:
  - completion of due diligence by the Company;
  - the Company completing a capital raising of not less than \$4,500,000 to allow the Company's securities to be admitted to the Official List on ASX following settlement; and
  - the Company obtaining all necessary regulatory, government, shareholder and third party approvals.
- As consideration for the Acquisition, the Company will:
  - pay an aggregate of \$50,000 in cash to the Vendor to be paid in two tranches, (A) \$20,000 to be paid within 3 business days of the date of signing the Agreement; and (B) \$30,000 to be paid at Settlement;
  - issue 500,000 Shares at Settlement (which will be subject to any escrow imposed by the ASX); and
  - in the event the Vendor converts their 20% project interest, pay a 1.5% net smelter return royalty (**Royalty**).
- Nemex can relinquish its interest in the Tenements at any time (with no further obligations) after spending \$200,000.

- The Company has received warranties in respect of the Tenements that are generally expected in a transaction of this nature.
- The Vendor is not a related party of Nemex.

The principal terms of the Lake Roe North Acquisition, between Nemex and Gold Geological Consulting Pty Ltd (the Vendor) are:

- The Company to acquire a 100% interest in mining tenement exploration licence E28/2748 and mining tenement applications E28/2817 (Tenements).
- Agreement is conditional upon satisfaction or waiver of certain conditions precedent on or before 31 July 2019 including:
  - completion of due diligence by the Company;
  - the Company completing a capital raising of not less than \$4,500,000 to allow the Company's securities to be reinstated to trading on ASX following settlement; and
  - the Company obtaining all necessary regulatory, government, shareholder and third party approvals.
- As consideration for the Acquisition, the Company will:
  - pay \$5,000 within 3 business days of the date of signing the Agreement; and
  - issue 350,000 Shares at Settlement (which will be subject to any escrow imposed by the ASX).
- The Company has received warranties in respect of the Tenement that are generally expected in a transaction of this nature.
- The Vendor is not presently a related party of the Company.

### Capital Raising

In order to fund the proposed acquisition and planned work programs, the Company intends to complete a placement to retail and sophisticated investors of up to 25,000,000 shares at an issue price of 20 cents per share to raise \$5,000,000.

The shares will be issued pursuant to a prospectus. The Company proposes to allocate up to \$500,000 as a priority allocation for existing shareholders.

Upon the issue of the prospectus for the capital raising the Company intends to apply to ASX for admission to the Official List on ASX.

### Indicative Capital Structure

The proposed capital structure of the Company (assuming the issued capital of the Company is consolidated on the basis that every 10 Shares be consolidated into 1 Share – shareholder meeting scheduled for 17 April 2019) following completion of the Proposed Acquisition and the Capital Raising is set out below.

	Full Subscription
Current (post consolidation)	25,742,542
Legendre Acquisition	500,000
Lake Roe North Acquisition	350,000
Capital Raising	25,000,000
<b>Total Shares on issue after completion of the offers</b>	<b>51,592,542</b>

The Company does not have any classes of securities on issue other than Shares

## **Composition of the Board of Directors**

It is intended that the Board, following Settlement of the Proposed Acquisitions and the Capital Raising, will comprise:

### **Patrick Flint – Proposed Non-Executive Chairman**

Patrick Flint has been involved in the resources sector as a director or company secretary of ASX and Toronto Stock Exchange listed companies with mineral projects in Australia, Africa and Asia for the last 25 years. He is a Chartered Accountant and has significant experience with project acquisitions, joint venture negotiations and management, fund raisings and corporate matters.

### **Paul Jurman – Proposed Director**

Mr Jurman is a Certified Practising Accountant with over 15 years' experience across a diverse range of Australian public listed companies (predominantly in the mineral resources sector) acting in director, company secretarial and financial roles. He is currently company secretary of ASX listed Platina Resources Limited, Carnavale Resources Limited and Kangaroo Resources Limited.

### **Victor Liu – Non-Executive Director**

Mr. Liu has more than 20 years' experience in corporate management and business and customer development in Australia and Asia.

### **Lijun Yang – Proposed Exploration Manager**

Mr Yang is a geologist with more than 10 years working experience at various Chinese and Australian gold operations. He received his Master's Degree in Exploration Mineralogy from the China University of Geosciences in 2012 and developed new methodologies to explore for gold mineralisation using the typomorphic properties of minerals. He commenced working for KalNorth Gold Mines Limited (KalNorth) as a Project Evaluation Geologist in August 2013 and was appointed to the Board in November 2013 as an Executive Director, with primary responsibility for the development and implementation of KalNorth's exploration activities. His role at KalNorth also included investor relations with shareholders and potential shareholders in China and other Asian countries. He resigned from the KalNorth Board in January 2017 but continues to consult to KalNorth in the role of Exploration Manager. He also owns the consultancy company Gold Geological Consulting Pty Ltd, which provides geological consultancy services and identifies new exploration project opportunities.

Mr Yang is multi-lingual (Chinese & English). He is a member of the Australian Institute of Geoscientists ("AIG") and the Society of Economic Geologists ("SEG").

## **Indicative Timing**

The Company expects to lodge a Prospectus for the Capital Raising with ASIC in the first week of May 2019 and is aiming for re-instatement to quotation of Shares (including Shares issued under the Capital Raising) on ASX in late June 2019.

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

Paul Jurman (Proposed Director)  
Nemex Resources Limited  
P: 08 9388 2277

## **Competent person's statement**

### ***Legendre Acquisition Projects***

The information in this report that relates to Exploration Results in respect of the Legendre Acquisition Projects are based on information compiled by James Guy, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy. James Guy is a consultant to the Company. James Guy has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. James Guy consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

### ***Lake Roe North Project***

The information in this report that relates to Exploration Results in respect of the Lake Roe North Project is based on information compiled by Lijun Yang, a Competent Person who is a Member of the Australian Institute of Geoscientists. Lijun Yang is a consultant to the Company and following settlement of the Lake Roe North Acquisition it is proposed he will be appointed as a Director of the Company. Lijun Yang has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Lijun Yang consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.