NEMEX
RESOURCES LIMITED

ACN 146 243 843

ANNUAL REPORT 2014

Directors	Patrick Flint Peter Turner Paul Jurman	Non-Executive Chairman Non-Executive Director Non-Executive Director
Company Secretary	Paul Jurman	
Registered and Administrative Office	Level 1, Suite 5 The Business Centre 55 Salvado Road Subiaco Western Australia 6008	
	Telephone: Facsimile:	(61 8) 9388 2277 (61 8) 9380 6761
Auditors	HLB Mann Judd Level 4, 130 Stirling Street Perth Western Australia 6000	
Share Registry	Advanced Share Registry Services 110 Stirling Highway Nedlands Western Australia 6009 Telephone: Facsimile:	 (61 8) 9389 8033 (61 8) 9262 3723

Website: www.nemexres.com.au

Securities trade on the Australian Securities Exchange – NXR, NXROA

Review of Operations

The 2014 financial year was a challenging one for Nemex. Investor interest in junior mineral exploration companies was limited, prices for commodities such as gold and iron ore have been under pressure, and securing funds for early-stage mineral exploration projects proved to be increasingly difficult. To counter these issues, Nemex's Board made the decision at the start of the 2014 calendar year to look at options to diversify the Company's asset portfolio.

The Board assessed a number of opportunities in various sectors, and in April 2014 entered into an agreement to invest in Wavefront Biometric Technology Pty Ltd ("WBT"). WBT is a Sydney-based company that has developed and patented a biometric technology for reliable and secure authentication of a person's identity. The market for the technology is global, with potential applications across numerous sectors. WBT is initially focussing on commercialisation in the financial services (mobile banking) and military / defence sectors.

Nemex also continued exploration activities on its mineral properties in Guinea and Côte d'Ivoire, however these activities were scaled back in the second half of the year due to falling commodity prices and the spread of the Ebola virus in West Africa.

Investment in Wavefront Biometric Technology (WBT)

In April 2014, Nemex announced that it had entered into a conditional agreement to earn up to a 51% interest in WBT and its unique biometric technology.

Biometrics is the use of a person's physiological or behavioural characteristics to confirm their identity. Biometric modalities include DNA, fingerprint, voice, iris, vein and face recognition systems. The objective of commercial applications of biometrics is to increase security whilst simplifying ease of access/identity authentication. The need to remember pins and passwords is rendered obsolete in many situations.

Biometrics is being adopted as a method of identity authentication in a number of areas around the world. New Apple and Samsung phones have fingerprint sensors, the US military uses iris scanners for security access, and various banks are testing fingerprint access to mobile banking.

The technology developed by WBT uses the pattern of light reflected back from the contour or topography of the tear film on the corneal surface of the eye as its biometric. An individual's corneal topography is unique, and processing data associated with reflected light generates a high fidelity biometric. In addition, the tear film over the cornea differs (ever so slightly) from one moment to the next, essentially because of the moisture content in the eye. This secondary feature effectively allows for the generation of a one-time PIN.

How the technology works

WBT's technology is simple to use:

- An illuminated target is reflected off the front of the user's eye and is captured by either a standalone or smart device such as a phone or tablet;
- The pattern of the reflected target that is captured in a digital image depends on the exact shape of the user's eye;
- The captured image is processed to detect the reflected pattern features;
- The detected features are used to enroll or authenticate the user's eye; and
- User enrollment and authentication are quick and simple operations.

Competitive advantages

WBT's technology has significant competitive advantages compared to face, iris, fingerprint, voice and vein biometric technologies, including:

- High fidelity (ie, extremely low error rates). Under laboratory conditions, the technology has demonstrated industry-leading low false match and false non-match rates. The technology also has minimal enrolment issues, in that anyone with an eye can use the technology.
- Ability to generate a one-time PIN, which significantly increases the level of security. The pattern of light reflected from the corneal contour differs fractionally in each moment - thereby generating a one-time PIN. An attempted enrolment which produces an exact match for the reference biometric information registered in the device is rejected, as the pattern must differ ever so slightly. This means that if an individual's biometric record is stolen, that record cannot be used to gain unauthorised access.

Proof of Concept

WBT's technology has demonstrated industry leading-biometric capability when applied via a desk-top device. WBT's objective is to adapt this proven technology to a miniaturised, mobile device. WBT has designed a three-phase development program to achieve this objective.

In August 2014, WBT completed the first phase of its technology development program, on time and on budget. This involved WBT successfully miniaturising and adapting its technology to a mobile platform (see Figures 1 and 2). The basic functionality of the technology on the miniaturised unit was demonstrated, and this included acquiring a live image from the contour of the cornea, enrolling and authenticating the individual,and rejecting an incorrect individual.

Figure 1 – Miniaturised prototype unit
(55mm diameter, 20mm tall, 87 grams weight)

Figure 2 – Prototype unit, attached to and integrated with optics and processing of Surface Pro Tablet

Development Program and Initial Commercialisation Discussions

WBT's current phase (Phase 2) of development, which is planned to take six months to complete (completion date February 2015), is focussing on improving the design and performance of the prototype unit. This work will include completing a series of performance reviews of the prototype unit using test groups. WBT will produce four prototype units for parallel testing.

In the second half of the current development phase, WBT will also commence commercialisation discussions with participants in the financial services and military / defence sectors. This will involve demonstration of the miniaturised prototype in Australia and North America to leading mobile device manufacturers, banks and defence industry groups.

The current prototype is considered appropriate for application in defence and other markets, subject to completion of performance testing. WBT will seek licencing agreements with multi-national companies and State-owned entities in the defence sector. The strategy for commercialisation in the mobile banking sector is to secure a development partner, such as a mobile device manufacturer, for incorporation of the technology directly into a mobile device (software-only solution), or as a further miniaturised attachment similar in size to a bank security token.

Investment terms

Nemex has entered into a conditional agreement with WBT which allows Nemex to earn up to a 51% interest in WBT through a series of option payments. Nemex has made payments totalling $1.425m for a 30% interest in WBT to date. Nemex has the option to make the following further payments:

- $1m investment for further 10% (to 40%); and
- $1.750m investment for further 11% (to 51%).

The option payments are triggered when WBT completes phases of development. The investments are paid to WBT to fund the agreed development program.

Télimélé Iron Project, Guinea

The Télimélé direct shipping ore (DSO) iron project is located in west Guinea, 110km from the Guinea coast. Nemex has identified significant near-surface, high-grade T1 mineralisation at the Télimélé project. Exploration work to date has defined an Inferred Resource of 258 million tonnes at 37.3% Fe at the Boulere Prospect, which includes 16.7Mt at 55.1% Fe of Télimélé ironstone, or 'T1' mineralisation (Figure 3 and Table 1).

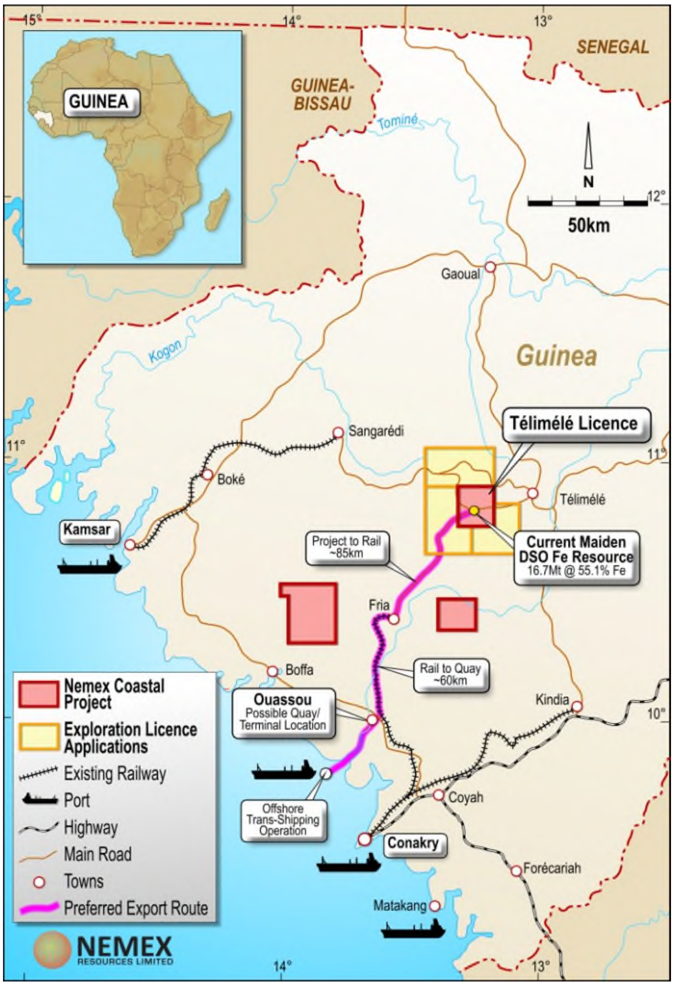

Figure 3 – Location of Nemex's Télimélé DSO iron project

Activities during the year focussed on generating, and securing funding for, a fully-costed, two-stage pre-development plan involving:

(i) Drilling additional T1 mineralisation (where it is known to occur from previous scout drilling) to lift high-grade resources, and

(ii) Completing a Bankable Feasibility Study.

Nemex undertook discussions with a number of potential partners in regards to funding the two-stage pre-development plan and assisting develop the Télimélé DSO iron project into a working mine and export operation. The declining iron ore price in recent months has further impacted NXR's ability to secure funding for future development.

Field work was restricted in the second half of the financial year due to the spread of the Ebola virus in Guinea and (from April) the onset of the wet season.

Côte d'Ivoire Licences

Nemex was granted three exploration licences prospective for gold and base metals and totalling 1,186sq km in Côte d'Ivoire in July 2013. Nemex also subsequently made application for three further licence areas in Côte d'Ivoire.

Nemex completed reconnaissance and infill soil sampling programs at its Abengourou licence and a reconnaissance sampling program at its Dabakala licence during the year. The reconnaissance program results at Abengourou showed five significant gold-in-soil anomalies occurring within a 35km long, fault-controlled corridor where a series of magnetic bodies have been intruded.

Nemex conducted infill sampling over each of the five anomalies on a closer spaced grid (800m x 100m or 400m x 100m) to test the integrity (geometric size and grade) of the five anomalies. The results at Anomaly 5 showed a semi-consistent gold anomaly with values generally between 100 and 525 parts per billion (ppb) Au over a 4km distance.

In September 2014 Nemex entered into an agreement to dispose of its mineral interests in Côte d'Ivoire for cash consideration of A$200,000.

Woodley, Western Australia (Iron)

The Woodley Project is 600km north-east of Perth, Western Australia, and covers an area of 420km². GWR Group Ltd (ASX: GWR, formerly known as "Golden West Resources Ltd") is earning an 85% interest in Nemex's 100%-owned Woodley licences under a farm-in agreement signed in March 2012. Nemex is free carried to completion of a Bankable Feasibility Study for the project.

During the year, GWR completed detailed geological mapping at two targets known as Targets 2 and 3, where it had intersected significant DSO hematite mineralisation in RC drilling completed in 2012. GWR also completed a 14-hole RC program at Targets 2 and 4 following up the 2012 results.

CORPORATE

In August 2013 Nemex issued 21,812,477 shares at 2.5 cents each and 10,906,241 attaching options (exercisable at 5 cents on or before 31 December 2014) pursuant to a non-renounceable rights issue, underwritten by Pareto Capital, to raise $545,312.

In May 2014 Nemex completed a $1.8 million share placement, issuing 90 million shares at a price of 2 cents each and 45 million attaching options exercisable at 5 cents on or before 31 December 2014. The capital raising was managed by Cicero Advisory Services Pty Ltd.

In September 2014 Nemex issued 10,562,522 shares at 2 cents each and 10,562,522 options (exercisable at 5 cents on or before 31 December 2015) to raise $211,250. The capital raising was managed by Cicero Advisory Services Pty Ltd.

Competent Person's Statement

The information in this report that relates to the Abengourou Licence was first reported by the Company in compliance with JORC 2012 in market releases dated 27 November 2013 and 23 January 2014. The Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcements dated 27 November 2013 and 23 January 2014.

Results referenced to GWR Group Ltd in relation to the Woodley Project are extracts from publicly released information by GWR Group Ltd.

Annual Mineral Resource Statement

The Company has reported mineral resources at one of its projects, the Télimélé project. The mineral tenements comprising the Télimélé project are located in west Guinea, 110km from the Guinea coast. There has been no change to mineral resources at the Télimélé project during the year ended 30 June 2014.

The Company's Mineral Resources estimate at the Télimélé project is as follows:

Cut-off Fe %	Tonnes '000 t	Fe %	Al_2O_3 %	SiO_2 %	P %	S %	LOI1000 %	Mineralisation Domain
0.0	381,518	32.76	22.77	13.69	0.23	0.06	13.76	T1, T2, T3
30.0	**257,665**	**37.29**	**21.09**	**9.22**	**0.26**	**0.05**	**13.71**	**T1, T2, T3**
35.0	143,374	41.19	19.16	6.18	0.28	0.05	13.35	T1, T2, T3
40.0	63,835	46.57	15.48	3.65	0.33	0.05	12.04	T1, T2
45.0	34,451	50.86	11.88	3.06	0.39	0.04	10.00	T1, T2
50.0	**16,756**	**55.12**	**9.05**	**2.35**	**0.38**	**0.03**	**7.38**	**T1**
55.0	9,204	57.71	7.24	2.16	0.37	0.02	5.68	T1
56.0	8,501	57.89	7.07	2.19	0.38	0.02	5.54	T1
57.0	6,773	58.23	6.80	2.21	0.39	0.02	5.26	T1
58.0	3,590	58.87	6.51	2.02	0.39	0.02	4.90	T1

Table 1. 'Inferred' Mineral Resource Estimate for the Boulere Prospect

The information reported above 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.

Governance and internal controls

The Company's procedures for the sample techniques and sample preparation for the resource estimate were audited by independent experts. Assays were conducted by independent internationally accredited laboratories with a QAQC program showing acceptable levels of accuracy and precision.

The mineral resource estimate was undertaken independently by CSA Global.

Competent Person Statement

The information in this Annual Mineral Resources Statement is based on information compiled by Mr Dmitry Pertel, a Member of the Australian Institute of Geosciences (AIG). Mr Pertel is an employee of CSA Global that consults to Nemex Resources Ltd. Mr Pertel has sufficient experience which is relevant to the style of mineralization 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'. Mr Pertel consents to the inclusion in this Annual Mineral Resources Statement of the matters based on his information in the form and context in which it appears.

Your Directors present their report together with the financial statements of Nemex Resources Limited and its controlled entities ("the Consolidated Entity" or "Group"), for the year ended 30 June 2014 and the auditor's report thereon. In order to comply with the provisions of the Corporations Act, the Directors report as follows:

DIRECTORS

The names and details of the Directors in office during or since the end of the financial year are as follows. Directors were in office for the entire year unless otherwise stated.

Patrick Flint
CA, B Com, MAICD
Non-Executive Chairman
(Director since 8 September 2010, Chairman since 31 October 2012)

Mr 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 20 years. He is a Chartered Accountant and has significant experience with project acquisitions, joint venture negotiations and management, fundraisings and corporate matters.

Other Current Directorships:

Mount Magnet South NL	appointed 15 April 2011
Explaurum Limited	appointed 27 November 2013
AVZ Limited	appointed 12 May 2014

Former Directorships in the last 3 years:

Explaurum Limited	appointed 23 November 2006 and resigned 17 February 2012

Company Secretary:
Red Metal Limited

Peter Turner
PhD (Geol), AIG
Non-Executive Director
(Appointed 1 February 2011, Managing Director to 3 July 2014)

Dr Turner graduated from the University of Plymouth with an Honors Degree in Applied Geology in 1990, and successfully completed a PhD by modelling the formation and deformation of a greenstone belt in northern Côte d'Ivoire in West Africa at the University of Portsmouth (UK) in 1995.

Dr Turner has more than 20 years' experience working on mineral deposits in Africa, Australia and Asia. Dr Turner's focus has predominantly been on gold and base metals projects in West Africa, including Ghana, Côte d'Ivoire, Mali, Burkina Faso, Guinea and Tanzania with various companies including Golden Star Resources, Placer Dome, Azumah Resources and Goldbelt Resources Ltd. Dr Turner's early experiences were field-based roles (sampling and drilling programs) in challenging environments. Dr Turner also spent two years as a Resource Geologist, modelling gold deposits and estimating their resources and working closely with mining engineers in the completion of feasibility studies. In recent years Dr Turner has been involved in business and project development at a senior level.

Dr Turner holds no other listed company directorships and has held no other listed company directorships in the last 3 years.

Paul Jurman
CPA, B Com
Non-Executive Director / Company Secretary
(Appointed Director 31 October 2012)

Mr Jurman is a CPA with more than 10 years' experience and has been involved in a diverse range of Australian public listed companies in company secretarial and financial roles.

Other Current Directorships:
Explaurum Limited appointed 21 September 2012

Company Secretary:
Explaurum Limited
Carnavale Resources Limited

Mr Jurman has held no other listed company directorships in the last 3 years.

PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity during the course of the financial year was exploration for iron ore and other minerals in West Africa and it also entered into an agreement to diversify its activities by earning up to a 51% interest in Wavefront Biometric Technologies Pty Ltd (WBT), an emerging security biometric technology company.

RESULTS AND DIVIDENDS

The consolidated loss after tax for the year ended 30 June 2014 was $2,974,396 (2013: $793,899). No dividends were paid during the year and the Directors do not recommend payment of a dividend.

EARNINGS PER SHARE

Basic loss per share for the year was 3.98 cents (2013: 1.86 cents).

REVIEW OF OPERATIONS / OPERATING AND FINANCIAL REVIEW

The Group is engaged in exploration for iron ore and other minerals in West Africa and Australia and has entered into a conditional agreement to diversify its activities by earning up to a 51% interest in WBT. A review of the Group's operations, including information on exploration activity results and the investment in WBT, financial position, strategies and projects of the consolidated entity during the year ended 30 June 2014 is provided in this Financial Report and, in particular, in the "Review of Operations" section immediately preceding this Directors' Report. The Group's financial position, financial performance and use of funds information for the financial year is provided in the financial statements that follow this Directors' Report.

As an exploration and investment entity, the Group has no operating revenue or earnings and consequently the Group's performance cannot be gauged by reference to those measures. Instead, the Directors consider the Group's performance based on the success of exploration and investment activity, acquisition of additional prospective mineral interests and, in general, the value added to the Group's asset and investment portfolio during the course of the financial year.

Whilst performance can be gauged by reference to market capitalisation, that measure is also subject to numerous external factors. These external factors can be specific to the Group and generic to the stock market as a whole and the Board and management would only be able to control a small number of these factors.

The Group's business strategy for the financial year ahead and, in the foreseeable future, is to work closely with WBT as it focusses on refining the performance of the prototype unit and assist WBT with respect to the commencement of commercial discussions with potential participants across a range of industries and to examine alternatives in regards to funding the development of the Télimélé DSO iron project.

Due to the inherent risky nature of the Group's activities, the Directors are unable to comment on the likely results or success of these strategies. The Group's activities are also subject to numerous risks, mostly outside the Board's and management's control. These risks can be specific to the Group, generic to the mining industry and generic to the stock market as a whole. The key risks, expressed in summary form, affecting the Group and its future performance include but are not limited to:

- Geological and technical risk posed to exploration and commercial exploitation success;
- Development and commercialisation risk associated with WBT's technology;
- Retention of key staff, particularly with respect to the WBT technology development team;
- Sovereign risk, change in government policy, change in mining and fiscal legislation;
- Prevention of access by reason of political or civil unrest, outbreak of hostilities, inability to obtain regulatory or landowner consents or approvals, or native title issues;
- force majeure events;
- change in metal market conditions;
- mineral title tenure and renewal risks; and
- capital requirement and lack of future funding.

This is not an exhaustive list of risks faced by the Group or an investment in it. There are other risks generic to the stock market and the world economy as whole and other risks generic to the mining industry, all of which can impact on the Group.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have not been any significant changes in the state of affairs of the company and its controlled entities during the financial year, other than as noted in this financial report.

EVENTS SUBSEQUENT TO BALANCE DATE

In September 2014, the Company advised that it had exercised its option and invested $625,000 to acquire a further 10% interest in WBT. The Company currently holds a 30% interest in WBT, and has the right to increase this to a 51% interest. In conjunction, the Company completed a capital raising comprising 10,562,522 shares at an issue price of 2 cents per share, together with 10,562,522 attaching options (exercisable at 5 cents on or before 31 December 2015) to raise $211,250. The capital raising was managed by Cicero Advisory Services Pty Ltd.

In September 2014, the Company entered into an agreement to dispose of its mineral interests in Côte d'Ivoire for cash consideration of $200,000. Completion of the transaction, which is not subject to any conditions, will occur on or before 14 October 2014.

There were no other matters or circumstances which have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company's objective is to maximise shareholder value through the discovery and delineation of significant iron ore and other mineral deposits in West Africa and through the successful development and commercialisation by WBT of its technology.

The Directors are unable to comment on the likely results from the Company's planned exploration activities due to the speculative nature of such activities.

DIRECTORS' MEETINGS

The number of meetings of the Company's Directors held during the year ended 30 June 2014, and the numbers of meetings attended by each Director were:

	Full meetings of directors	
	Held	**Attended**
P J Flint	4	4
P Turner	4	4
P M Jurman	4	4

DIRECTORS' INTERESTS

The interests of each Director in the shares and options of Nemex Resources Limited at the date of this report are as follows:

Director	Fully Paid Ordinary Shares	Performance Rights	Options Over Ordinary Shares
P J Flint	3,854,236	4,000,000	1,615,868
P Turner	2,750,000	1,000,000	375,000
P M Jurman	2,350,865	4,000,000	962,933

SHARE OPTIONS

As at the date of this report, there were 97,468,763 options on issue.

	Number	Exercise Price	Expiry Date
Listed Options - NXROA	59,906,241	5 cents	31 December 2014
Unlisted Options	2,000,000	5 cents	1 November 2014
Unlisted Options	35,562,522	5 cents	31 December 2015

Options issued during the year were as follows:

- In August 2013, the Company completed a pro-rata non-renounceable entitlement issue on the basis of one new share for every two shares held at an issue price of 2.5 cents per share to raise approximately $545,312 together with one free attaching option exercisable at a price of $0.05 per option and expiring on 31 December 2014 for every two shares issued. 10,906,241 options were allotted in August 2013.
- In August 2013, the Company granted 4,000,000 options exercisable at a price of $0.05 per option and expiring on 31 December 2014 to nominees of Pareto Capital Pty Ltd as part consideration for underwriting services for the non-renounceable entitlement offer.
- In October 2013, the Company granted 2,000,000 options exercisable at a price of $0.05 per option and expiring on 1 November 2014 as part consideration for investor relation services.
- In April and May 2014, the Company completed a capital raising of 90,000,000 shares and 45,000,000 options exercisable at a price of $0.05 per option and expiring on 31 December 2014 to raise $1,800,000.
- In May 2014, the Company granted 25,000,000 options exercisable at a price of $0.05 per option and expiring on 31 December 2015 as part consideration for managing the capital raising undertaken in April and May 2014.

Options issued after 30 June 2014 and up to the date of this report include:

- In September 2014, the Company completed a capital raising of 10,562,522 shares and 10,562,522 options exercisable at a price of $0.05 per option and expiring on 31 December 2014 to raise $211,250.

During or since the end of the financial year, the Company did not issue any ordinary shares as a result of the exercise of options.

SHARES UNDER PERFORMANCE RIGHTS

As at the date of this report, Performance Rights on issue are as follows:

Date Granted	Issue Price of Rights	Expiry Date	Number Under Rights
21 December 2012	Nil	21 December 2015	1,000,000
15 May 2014	Nil	15 May 2017	8,000,000

Performance Rights issued during the year were as follows:

- In May 2014, the Company issued 8 million Performance Rights to Mr Flint and Mr Jurman following shareholder approval received on 13 May 2014. The Performance Rights will vest and convert into Shares when the Company's Shares trade at a volume weighted average price of at least $0.06 for a consecutive period of at least 10 business days

The Company issued 500,000 ordinary shares to Dr Turner arising from the conversion of Performance Rights during the year ended 30 June 2014.

REMUNERATION REPORT (audited)

This report outlines the remuneration arrangements in place for the Key Management Personnel (considered to be the Directors) of Nemex Resources Limited. The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001.*

Remuneration philosophy

The Board reviews the remuneration packages applicable to the Managing Director and Non-Executive Directors on an annual basis. The broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and level of performance and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. Independent advice on the appropriateness of remuneration packages is obtained, where necessary.

Remuneration is not linked to past company performance but rather towards generating future shareholder wealth through share price performance. As an exploration and investment Company, the Company does not yet generate operating revenues or earnings and company performance, at this stage, can only be judged by exploration and investment success and ultimately shareholder value. Market capitalisation is one measure of shareholder value but this is subject to many external factors over which the Company has no control. Presently, total fixed remuneration for senior executives is determined by reference to market conditions and incentives for out-performance are provided by way of performance rights and options over unissued shares. The Directors believe that this best aligns the interests of the shareholders with those of the senior executives.

Remuneration committee

The Remuneration Committee of the Board of Directors of the company is responsible for determining and reviewing compensation arrangements for the directors and the executive team.

The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of directors and senior managers on a periodical basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and management team.

Remuneration structure

In accordance with best practice corporate governance, the structure of Non-Executive Directors and the Managing Director's remuneration is separate and distinct.

Non-Executive Directors' remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is

REMUNERATION REPORT (audited) (continued)

Non-Executive Directors' remuneration (continued)

then divided between the Directors as agreed. The present limit of approved aggregate remuneration is $500,000 per year.

The Board reviews the remuneration packages applicable to the Non-Executive Directors on an annual basis. The Board considers fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each Director receives a fee for being a Director of the Company. Non-Executive Directors may receive performance rights (subject to shareholder approval) as it is considered an appropriate method of providing sufficient reward whilst maintaining cash reserves.

From 1 July 2013 to 28 February 2014, Mr Flint was entitled to receive a fee of $30,000 per annum exclusive of statutory superannuation. This amount was reduced on 1 March 2014 to $24,000 per annum exclusive of statutory superannuation. From 1 July 2014, this amount has increased to $30,000 per annum exclusive of statutory superannuation.

Mr Jurman was entitled to receive a fee of $12,000 per annum exclusive of statutory superannuation from 1 July 2013 to 28 February 2014. This amount was reduced to $9,000 per annum exclusive of statutory superannuation from 1 March 2014 to 30 June 2014. From 1 July 2014, this amount has increased to $20,000 per annum exclusive of statutory superannuation.

Non-Executive Directors may also be remunerated for additional specialised services performed at the request of the Board. The remuneration of the Non-Executive Directors for the year ended 30 June 2014 is detailed in Table 1 of this report.

Executive Directors' remuneration

Objective

The Company aims to reward the Managing Director with a level of remuneration commensurate with the position and responsibility within the Company and so as to:

- align the interests of the Managing Director with those of shareholders;
- link reward with the strategic goals and performance of the Company; and
- ensure total remuneration is competitive by market standards.

Structure

Remuneration consists of the following key elements:

- Fixed remuneration; and
- Variable remuneration.

Fixed remuneration

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed annually by the Remuneration Committee and the process consists of a review of company-wide and individual performance, relevant comparative remuneration in the market and internal and, where appropriate, external advice on policies and practice. The Board has access to external, independent advice where necessary.

The fixed component of the Managing Director's remuneration for the year ended 30 June 2014 is detailed in Table 1 of this report.

REMUNERATION REPORT (audited) (continued)

Executive Directors' remuneration (continued)

Variable remuneration – Long Term Incentive ('LTI')

Objective

The objective of the LTI plan is to reward executives and senior managers in a manner which aligns this element of remuneration with the creation of shareholder wealth. The LTI is provided in the form of performance rights and options over ordinary shares in the Company.

As such LTI grants are only made to executives who are able to influence the generation of shareholder wealth and thus have a direct impact on the Group's performance.

Structure

LTI grants to executives are delivered in the form of performance rights and options. The issue of performance rights and options as part of the remuneration packages of executive and non-executive directors is an established practice of junior public listed companies and, in the case of the Company, has the benefit of conserving cash whilst properly rewarding the relevant directors.

Remuneration is not linked to past group performance but rather towards generating future shareholder wealth through share price performance. The company has recorded a loss to date as it carries out exploration activities on its tenements. No dividends have been paid.

Performance Rights Plan (PRP)

Shareholders approved the Company's PRP at the Annual General Meeting held on 29 November 2012. The PRP is designed to provide a framework for competitive and appropriate remuneration so as to retain and motivate skilled and qualified personnel whose personal rewards are aligned with the achievement of the Company's growth and strategic objectives.

Service agreements

Dr Turner had entered into an agreement with the Company to be employed as Managing Director of the Company and was paid an annual salary of $200,000 per annum (excluding statutory superannuation) from 1 July 2013 to 31 March 2014. From 1 April 2014, this amount reduced to $100,000 per annum exclusive of statutory superannuation. Due to the lack of investor interest in junior exploration companies, the decrease in the price for iron ore and gold and difficulties securing funds for exploration projects, the agreement was terminated on 3 July 2014 with Dr Turner reverting to a Non-Executive Director role. Other components of his remuneration package included all reasonable out of pocket expenses and an option and performance rights incentive package (refer Table 2 below). Dr Turner's duties and responsibilities were those customarily expected of a Managing Director and as from time to time delegated by the Board.

REMUNERATION REPORT (audited) (continued)

Table 1: Key Management Personnel remuneration for the years ended 30 June 2014 and 30 June 2013

	Short-term employee benefits		Equity Compensation		Post-employment benefits		
	Salary and Fees	Bonus and Non Cash Benefits	Value of Incentive Options / Shares	Value of Performance Rights	Superannuation Contributions / Termination payments	TOTAL	Performance Related
	$	$	$	$	$	$	%
Directors							
Patrick Flint							
2014	28,000	-	-	94,120	2,590	124,710	75.47
2013	36,667	-	-	-	3,300	39,967	-
Peter Turner							
2014	162,500	-	13,000	-	75,031	250,531	-
2013	250,000	-	2,840	40,000 (i)	22,500	315,340	13.59
Paul Jurman							
2014	11,000	-	-	94,120	1,018	106,138	88.68
2013	16,000	-	-	-	1,440	17,440	-
Reg Gillard– resigned 31/10/12							
2014	-	-	-	-	-	-	-
2013	13,333	-	-	-	1,200	14,533	-
Total							
2014	201,500	-	13,000	188,240	78,639	481,379	
2013	316,000	-	2,840	40,000	28,440	387,280	

(i) The 2013 value of performance rights for Dr Turner has been reduced by $21,800, being the value ascribed to performance rights which the Directors believe will not meet performance conditions.

Details of performance rights provided as remuneration to key management personnel are set out below. Each performance right is convertible into one ordinary share upon achievement of the performance hurdles. No performance right will vest if the conditions are not satisfied, hence the minimum value of the performance rights set to vest is nil. The assessed fair value at grant date of performance rights granted is expensed according to the performance or market based conditions attached to the performance hurdle. Performance based hurdles are expensed to each reporting period evenly over the period from grant date to vesting date. Market based hurdles are expensed on the grant date. The relevant amount is included in the remuneration table (Table 1) above. Fair values at grant date were determined using the share price at grant date. For details on the valuation of performance rights, including assumptions used, refer to Tables 3 and 4.

REMUNERATION REPORT (audited) (continued)

Table 2: Share-based payments granted as compensation to key management personnel for the year ended 30 June 2014

Key Management Personnel	Grant date	Number granted	Number vested at year end	% of grant vested	% of grant forfeited	Percentage compensation for the year consisting of shares
Peter Turner	15 May 2014	500,000	500,000	100%	-	5.19%

The 500,000 ordinary shares were issued to Dr Turner in May 2014 as an incentive for future services and as a reward for past services.

Table 3: Performance rights granted as part of remuneration for the year ended 30 June 2014

Key Management Personnel	Grant date	Number granted	Number vested at year end	Average fair value per performance right at grant date	Maximum total value of grant yet to vest	Expiry date
Patrick Flint	15 May 2014	4,000,000	-	$0.023	-	15 May 2017
Paul Jurman	15 May 2014	4,000,000	-	$0.023	-	15 May 2017

The performance rights which have not yet vested have market based conditions as their performance hurdle and have been fully expensed at grant date.

Table 4: Performance rights granted as part of remuneration for the year ended 30 June 2013

Key Management Personnel	Grant date	Number granted	Number vested at year end	Average fair value per performance right at grant date	Maximum total value of grant yet to vest	Expiry date
Peter Turner	21 December 2012	2,500,000	1,000,000	$0.04	$60,000	29 November 2015

The vesting dates vary subject to meeting specific performance conditions.

500,000 Performance Rights granted as compensation to Dr Turner were converted to shares during each of the years ended 30 June 2013 and 30 June 2014. 500,000 Performance Rights were forfeited during the year ended 30 June 2014.

There are no senior managers other than the directors.

Options granted as part of Remuneration

No incentive options affecting remuneration were granted to Key Management Personnel in the years ended 30 June 2014 and 30 June 2013.

No options have been granted or exercised into shares during the year or up to the date of this report.

REMUNERATION REPORT (audited) (continued)

Table 5: Shareholdings of key management personnel – Year ended 30 June 2014

	Balance at 1 July 2013	Received as Remuneration (i)	Options Exercised / performance rights vested (ii)	Other Movements (iii,iv)	Balance at 30 June 2014
Parent entity directors					
P J Flint	622,500	-	-	3,231,736	3,854,236
P Turner	1,050,000	500,000	500,000	775,000	2,825,000
P Jurman	425,000	-	-	1,925,865	2,350,865

(i) Refer Table 2 above.

(ii) 500,000 Performance Rights granted as compensation to Dr Turner were converted to shares during the year ended 30 June 2014.

(iii) In August 2013, the Company completed an underwritten pro-rata (on the basis of one share for every two shares held) non-renounceable entitlement issue of shares (at a price of 2.5 cents each) together with one free attaching option exercisable at 5 cents each and an expiry date of 31 December 2014 for every two shares issued. Each of the directors who were entitled to receive securities participated in this non-renounceable entitlements issue and Mr Flint and Mr Jurman also sub-underwrote a portion of the shortfall which arose under the Entitlements Issue.

(iv) In May 2014, the Company completed a placement of 80 million shares at 2 cents per share together with one free attaching option (on the same terms as disclosed above) for every two shares issued. The Directors received shareholder approval for participation in the placement. Mr Flint subscribed for 1,500,000 shares and 750,000 options and Mr Jurman subscribed for 1,000,000 shares and 500,000 options.

Table 6: Option holdings of key management personnel – Year ended 30 June 2014

	Balance at 1 July 2013	Received as Remuneration	Options Expired (i)	Other Movements (ii)	Balance at 30 June 2014	Vested and Exercisable at 30 June 2014	Unvested At 30 June 2014
Parent entity directors							
P J Flint	811,250	-	(811,250)	1,615,868	1,615,868	1,615,868	-
P Turner	2,275,000	-	(2,275,000)	375,000	375,000	375,000	-
P M Jurman	437,500	-	(437,500)	962,933	962,933	962,933	-

(i) The options expired unexercised on 31 March 2014.

(ii) Refer to Table 5 (iii) and (iv) above.

Table 7: Performance rights holdings of key management personnel – Year ended 30 June 2014

	Balance at 1 July 2013	Received as Remuneration	Performance rights converted	Other Movements (i)	Balance at 30 June 2014	Vested and Exercisable at 30 June 2014	Unvested At 30 June 2014
Parent entity directors							
P J Flint	-	4,000,000	-	-	4,000,000	-	4,000,000
P Turner	2,000,000	-	(500,000)	(500,000)	1,000,000	-	1,000,000
P M Jurman	-	4,000,000	-	-	4,000,000	-	4,000,000

(i) 500,000 Performance Rights were forfeited during the year ended 30 June 2014.

REMUNERATION REPORT (audited) (continued)

Other transactions with key management personnel

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.

	2014 $	2013 $
Accounting, secretarial and corporate service fees paid or payable to Corporate Consultants Pty Ltd, a company in which Mr Flint and Mr Jurman are directors and have beneficial interests.	**97,387**	117,901
Rent and variable outgoings for the sub-lease of furnished office space paid or payable to Corporate Consultants Pty Ltd, a company in which Mr Flint and Mr Jurman are directors and have beneficial interests.	**33,243**	35,718
Taxation services paid or payable to Icon Financial Management Pty Ltd, an entity in which Mr Gillard is a director and has a beneficial interest.	**-**	4,290
Balances due to Directors and Director Related Entities at year end		
- included in trade creditors and accruals	**9,209**	19,771

Corporate Consultants Pty Ltd also holds a rental security deposit of $10,125 (2013: 10,125) - (Note 12).

End of Remuneration Report

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company's Constitution requires it to indemnify Directors and officers of any entity within the Consolidated Entity against liabilities incurred to third parties and against costs and expenses incurred in defending civil or criminal proceedings, except in certain circumstances. An indemnity is also provided to the Company's auditors under the terms of their engagement. Directors and officers of the Consolidated Entity have been insured against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law. The insurance premium, amounting to $7,510 relates to:

- Costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever the outcome.
- Other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

ENVIRONMENTAL REGULATIONS

The Consolidated Entity's exploration activities in Guinea, Côte d'Ivoire and Australia during the year were subject to environmental laws, regulations and permit conditions in these jurisdictions. There have been no known breaches of environmental laws or permit conditions while conducting operations in Guinea, Côte d'Ivoire and Australia during the year.

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. For the measurement period 1 July 2013 to 30 June 2014 the Directors have assessed that there are no current reporting requirements.

NON - AUDIT SERVICES

The Board of Directors are satisfied that no non-audit services were performed during the year by the Consolidated Entity's auditors.

AUDITORS' INDEPENDENCE DECLARATION

The auditor, HLB Mann Judd, has provided the Board of Directors with an Independence Declaration in accordance with section 307C of the Corporations Act 2001.

The Independence Declaration is located on the next page.

Signed in accordance with a resolution of Directors.

P Flint
Chairman
Perth, 26 September 2014

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Nemex Resources Limited for the year ended 30 June 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
26 September 2014

L Di Giallonardo
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street Perth WA 6000. PO Box 8124 Perth BC 6849 Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

Nemex Resources Limited
Consolidated Statement of Comprehensive Income
For the financial year ended 30 June 2014

	Notes	CONSOLIDATED 2014 $	2013 $
Revenue from continuing operations	2	**4,150**	70,713
		4,150	70,713
Employee benefits expense		**(296,460)**	(236,116)
Depreciation expense	3	**(138,554)**	(141,529)
Impairment of exploration expenditure	3	**(2,250,000)**	(111,013)
Occupancy expenses		**(51,106)**	(49,671)
Other expenses		**(318,434)**	(326,283)
Share of net losses of associate	12	**(8,040)**	-
Loss before related income tax		**(3,058,444)**	(793,899)
Income tax benefit – R & D tax incentive	5	**84,048**	-
Loss for the year		**(2,974,396)**	(793,899)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange gain / (loss) arising on translation of foreign operations		**(36,332)**	119,749
Total comprehensive loss attributable to members of Nemex Resources Limited		**(3,010,728)**	(674,150)
Basic and diluted (loss) per share	6	**(3.98)**	(1.86)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

	Notes	CONSOLIDATED 2014 $	2013 $
Current Assets			
Cash and cash equivalents	8	**759,413**	271,557
Other receivables	9	**23,899**	46,882
Total Current Assets		**783,312**	318,439
Non-Current Assets			
Property, plant and equipment	10	**123,117**	262,761
Deferred exploration and evaluation expenditure	11	**2,777,481**	4,488,411
Investments	12	**791,960**	-
Other assets	13	**10,125**	10,125
Total Non-Current Assets		**3,702,683**	4,761,297
Total Assets		**4,485,995**	5,079,736
Current Liabilities			
Trade and other payables	14	**138,827**	97,885
Total Liabilities		**138,827**	97,885
Net Assets		**4,347,168**	4,981,851
Equity			
Issued capital	15	**8,811,971**	6,886,301
Reserves	16	**975,482**	561,439
Accumulated losses		**(5,440,285)**	(2,465,889)
Total Equity		**4,347,168**	4,981,851

The above statement of financial position should be read in conjunction with the accompanying notes.

2013

	CONSOLIDATED			
	Issued Capital	**Accumulated Losses**	**Reserves**	**Total Equity**
	$	**$**	**$**	**$**
Balance at 1 July 2012	6,886,301	(1,671,990)	377,050	5,591,361
Loss attributable to members of the parent entity	-	(793,899)	-	(793,899)
Exchange gain / (loss) on translation of foreign operations	-	-	119,749	119,749
Total comprehensive loss for the year	-	(793,899)	119,749	(674,150)
Fair value of options issued	-	-	2,840	2,840
Fair value of performance rights issued	-	-	61,800	61,800
Balance at 30 June 2013	6,886,301	(2,465,889)	561,439	4,981,851

2014

	CONSOLIDATED			
	Issued Capital	**Accumulated Losses**	**Reserves**	**Total Equity**
	$	**$**	**$**	**$**
Balance at 1 July 2013	**6,886,301**	**(2,465,889)**	**561,439**	**4,981,851**
Loss attributable to members of the parent entity	**-**	**(2,974,396)**	**-**	**(2,974,396)**
Exchange gain / (loss) on translation of foreign operations	**-**	**-**	**(36,332)**	**(36,332)**
Total comprehensive loss for the year	**-**	**(2,974,396)**	**(36,332)**	**(3,010,728)**
Securities issued during the year (net of costs)	**1,925,670**	**-**	**-**	**1,925,670**
Fair value of performance rights and options issued	**-**	**-**	**450,375**	**450,375**
Balance at 30 June 2014	**8,811,971**	**(5,440,285)**	**975,482**	**4,347,168**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

	Notes	CONSOLIDATED 2014 $	2013 $
Cash Flows from Operating Activities			
Payments to suppliers and employees		**(421,981)**	(520,798)
Research and development tax incentive		**84,048**	-
Interest received		**4,591**	68,838
Net Cash outflows from Operating Activities	20	**(333,342)**	(451,960)
Cash Flows from Investing Activities			
Payments for plant and equipment		**-**	(59,022)
Payments for exploration and evaluation expenditure		**(584,499)**	(1,692,581)
Payments for investment in Wavefront Technologies Pty Ltd		**(800,000)**	-
Credit card security deposit returned		**30,000**	-
Net Cash outflows from Investing Activities		**(1,354,499)**	(1,751,603)
Cash Flows from Financing Activities			
Proceeds from share and option issues		**2,345,312**	-
Share issue expenses		**(169,947)**	-
Net Cash inflows from Financing Activities		**2,175,365**	-
Net increase / (decrease) in Cash and Cash Equivalents		**487,524**	(2,203,563)
Cash and cash equivalents at the beginning of the period		**271,557**	2,447,544
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies		**332**	27,576
Cash and Cash Equivalents at 30 June	8	**759,413**	271,557

The above statement of cash flows should be read in conjunction with the accompanying notes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law.

The accounting policies detailed below have been consistently applied to all of the periods presented unless otherwise stated. The financial statements are for the Consolidated Entity consisting of Nemex Resources Limited and its subsidiaries.

The financial report has also been prepared on a historical cost basis, except for derivative financial instruments and available for-sale financial assets that have been measured at fair value. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars.

The Company is a listed public company, incorporated in Australia and operating in Australia and Guinea. The entity's principal activities are mineral exploration.

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the commercial realisation of the Group's assets and the settlement of liabilities in the normal course of business.

The Group has incurred a loss for the year after tax of $2,974,396 (2013: $793,899) and experienced net operating and investing cash outflows of $1,687,841 (2013: $2,203,563). As at 30 June 2014, the Group has net current assets of $644,485 and, as disclosed in Note 22, has raised $411,250 after year end.

The Board recognises that additional funding is required to ensure that the Group can continue to fund its operations (including increasing its investment in WBT) and further develop its mineral exploration and evaluation assets for a period of at least twelve months from the date of signing this financial report. The Directors believe that such additional funding is potentially available from a number of sources including:

- project funding expenditure from parties earning a joint venture interest in the Group's projects;
- the placement of further securities; and
- the sale of assets.

The Directors believe the Group will obtain sufficient funding from one or more of the funding opportunities detailed above to enable it to continue as a going concern and therefore that it is appropriate to prepare the financial statements on a going concern basis.

Should the future equity raisings and/or the other initiatives mentioned above not be completed to the extent required, there will exist a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realise its assets (in particular its deferred exploration expenditure) and extinguish its liabilities in the normal course of business, and at the amounts stated in the financial report.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Adoption of new and revised standards

In the year ended 30 June 2014, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for the current annual reporting period.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change is necessary to Group accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2014. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change necessary to Group accounting policies.

Statement of compliance

These financial statements were authorised for issue on 26 September 2014.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

Basis of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Nemex Resources Limited ('company' or 'parent entity') as at 30 June 2014 and the results of all subsidiaries for the year then ended. Nemex Resources Limited and its subsidiaries are referred to in this financial report as the Group or the Consolidated Entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

The acquisition of subsidiaries has been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of subsidiaries for the period from their acquisition.

Parent Entity Financial Information

The financial information for the parent entity, Nemex Resources Ltd, disclosed in note 23 has been prepared on the same basis as the consolidated financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Consolidated Entity and the revenue is capable of being reliably measured.

Interest income is recognised in the statement of comprehensive income as it accrues, using the effective interest method.

All revenue is stated net of the amount of goods and services tax (GST).

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments readily convertible to cash.

Receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance account (provision for impairment) is used when collection of the full amount is no longer probable. Bad debts are written off when identified.

Taxes

Income tax

Deferred income tax is provided for on all temporary differences at balance date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law. The carrying amount of deferred tax assets is reviewed at each reporting date and only recognised to the extent that sufficient future assessable income is expected to be obtained.

At the reporting date, the Directors have not made a decision to elect to be taxed as a single entity. In accordance with Australian Accounting Interpretations, “Substantive Enactment of Major Tax Bills in Australia”, the financial effect of the legislation has therefore not been brought to account in the financial statements for the year ended 30 June 2014, except to the extent that the adoption of the tax consolidation would impair the carrying value of any deferred tax assets.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Investments and other financial assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as loans and receivables. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

Loans and receivables

During the year, the Consolidated Entity has held loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is an arrangement where the parties have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with AASB 5. Under the equity method, an investment in an associate or a joint venture is initially recognised on the consolidated statement of financial position and adjusted thereafter to recognised the Groups' share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in associate or joint venture, the Group discontinues to recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in associate or joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of ASSB 139 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in associate or joint venture. When necessary, the entire carrying amount if the investment (including goodwill) is tested for impairment in accordance with AASB 136 'Impairment of Assets' as a single asset by comparing its recoverable amount (higher of value in use less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Investment in associates and joint ventures - continued

The Group discontinues the use of the equity method from the date when the investment ceased to be an associate or a joint venture, or when the investment is classified as held for sale. When the group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with AASB 139. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassified the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassified to profit and loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Plant and Equipment

Items of plant and equipment are carried at cost less accumulated depreciation and impairment losses (see accounting policy - impairment testing).

Plant and equipment

Plant and equipment acquired is initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Consolidated Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred.

Depreciation

All assets have limited useful lives and are depreciated using the straight line method over their estimated useful lives commencing from the time the asset is held ready for use, as follows:

- Plant and equipment – 2 - 5 years

Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. The estimated useful lives used in the calculation of depreciation for plant and equipment for the current and corresponding period are between one and ten years.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to accumulated losses / retained earnings, through other comprehensive income.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Mineral interest acquisition, exploration and evaluation expenditure

Mineral interest acquisition, exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that the Group's rights of tenure to that area of interest are current and either the costs are expected to be recouped through the successful development and commercial exploitation of the area of interest or where exploration activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves and active and significant operations, in, or in relation to, the area of interest are continuing.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment accounting policy), as set out in AASB 6 Exploration for and Evaluation of Mineral Resources.

Impairment testing

The carrying amount of the Consolidated Entity's assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. Where such an indication exists, a formal assessment of recoverable amount is then made and where this is in excess of carrying amount, the asset is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset or cash generating unit. In estimating value in use, a pre-tax discount rate is used which reflects current market assessments of the time value of money and the risks specific to the asset. Any resulting impairment loss is recognised immediately in the statement of comprehensive income.

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year that are unpaid and arise when the Consolidated Entity becomes obliged to make future payments in respect of the purchase of these goods and services.

Provisions

Provisions are recognised when the Consolidated Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Employee Benefits

Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Contributions are made by the Consolidated Entity to superannuation funds as stipulated by statutory requirements and are charged as expenses when incurred.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per Share

Basic earnings per share is determined by dividing the net result attributable to members, adjusted to exclude costs of servicing equity (other than dividends), by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is determined by dividing the net result attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and any expenses associated with dividends and interest of dilutive potential ordinary shares, by the weighted average number of ordinary shares (both issued and potentially dilutive) adjusted for any bonus element.

Share based payments

The Group provides compensation benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by a Black-Scholes model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief decision maker has been identified as the Board of Directors.

Critical Accounting Estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas that may have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Exploration and evaluation expenditure

The Directors have assessed exploration and evaluation assets for impairment, and in light of present conditions that exist in financial markets and the outbreak of the Ebola disease in Guinea, have decided to impair the value of this expenditure to an amount which is believed to be recoverable given the current circumstances (see Note 11).

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options is determined using a Black-Scholes model, using the assumptions detailed in Note 17.

	CONSOLIDATED	
	2014	**2013**
	$	**$**

2. REVENUE

Other revenue		
Interest - other parties	**4,150**	43,137
Foreign currency exchange gains	**-**	27,576
Total revenue from ordinary activities	**4,150**	70,713

3. EXPENSES

Loss includes the following specific expenses:

Depreciation expense	**138,554**	141,529
Exploration expenditure impaired	**2,250,000**	111,013
Share based payments expense	**200,679**	64,640
Superannuation	**18,639**	28,440

4. AUDITOR'S REMUNERATION

Audit services:

- Amounts paid or payable to auditors of the Company – HLB Mann Judd	**25,000**	26,400

5. INCOME TAX EXPENSE

(a) The prima facie tax benefit at 30% on loss for the period is reconciled to the income tax provided in the financial statements as follows:

Loss	**(3,058,444)**	(793,899)
Prima facie income tax benefit @ 30%	**917,533**	238,170
Tax effect of permanent differences:		
Due diligence / capital raising costs	**(11,659)**	(705)
Impairment expense	**(675,000)**	-
Share of net losses of associates	**(2,412)**	-
Tax effect of capitalised share issue costs	**63,528**	33,039
Exploration expenses	**172,410**	437,518
Employee option expense / share based payments	**(53,832)**	(19,392)
Other non-deductible items	**(13,788)**	(82)
Income tax benefit adjusted for non deductible / (taxable) items	**396,780**	688,548
Deferred tax asset not brought to account	**(396,780)**	(688,548)
Research & Development incentive received in relation to prior year	**84,048**	-
Income tax benefit	**84,048**	-

5. INCOME TAX EXPENSE (continued)

	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $
(b) **Deferred tax assets:**		
The potential deferred tax asset arising from tax losses and temporary differences has not been recognised as an asset because recovery of tax losses is not yet considered probable.		
- Carry forward revenue losses	**1,916,953**	1,588,448
- Capital raising costs	**153,797**	66,077
	2,070,750	1,654,525

The tax benefits of the above deferred tax assets will only be obtained if:

- the Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- the Group continues to comply with the conditions for deductibility imposed by law; and
- no changes in income tax legislation adversely affect the Group in utilising benefits.

	CONSOLIDATED 2014 $	CONSOLIDATED 2013 $
(c) **Deferred tax liabilities:**		
- Deferred exploration and evaluation expenditure	**576,920**	886,048

The potential deferred tax liability arising from capitalised exploration expenditure has not been recognised as a liability. This would reduce the potential deferred tax asset noted at (b) above.

6. EARNINGS PER SHARE

	CONSOLIDATED 2014 Cents	CONSOLIDATED 2013 Cents
Basic and diluted loss per share	**(3.98)**	(1.86)
	$	$
Loss used to calculate basic and diluted loss per share	**(2,974,396)**	(793,899)
	Number	Number
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	**74,774,518**	42,742,809

The Company's potential ordinary shares, being its options granted, are not considered dilutive as the conversion of these options would result in a decrease in the net loss per share.

7. SEGMENT INFORMATION

Management has determined that the Group has two reportable segments, being mineral exploration in West Africa and mineral exploration and investment activities in Australia. The Board monitors the exploration activities based on actual versus budgeted expenditure incurred on the individual areas of interest. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Group and its ongoing activities, while also taking into consideration the results of exploration work that has been performed to date.

The segment information is prepared in conformity with the accounting policies described in Note 1.

	CONSOLIDATED		
2014	**Australia 2014 $**	**West Africa 2014 $**	**Total 2014 $**
Revenue			
Reportable segment	-	-	-
Unallocated revenue	-	-	4,150
Total revenue	-	-	4,150
Results			
Operating loss before income tax	(1,291,351)	(1,771,243)	(3,062,594)
Unallocated profit/(loss)			4,150
Income tax benefit			84,048
Net loss			(2,974,396)
Non-Cash Expenses			
Depreciation	24,684	113,870	138,554
Impairment of exploration expenditure	650,000	1,600,000	2,250,000
Assets			
Reportable segment assets	2,187,926	2,298,069	4,485,995
Non-current assets acquired	801,575	573,124	1,374,699
Liabilities			
Reportable segment liabilities	113,966	24,861	138,827

	CONSOLIDATED		
2013	**Australia 2013 $**	**West Africa 2013 $**	**Total 2013 $**
Revenue			
Reportable segment	-	-	-
Unallocated revenue	-	-	70,713
Total revenue	-	-	70,713
Results			
Operating loss before income tax	(686,920)	(177,692)	(864,612)
Unallocated profit/(loss)			70,713
Income tax expense			-
Net loss			(793,899)
Non-Cash Expenses			
Depreciation	31,274	110,255	141,529
Impairment of exploration expenditure	111,013	-	111,013
Assets			
Reportable segment assets	1,593,990	3,485,746	5,079,736
Non-current assets acquired	131,120	1,497,308	1,628,428
Liabilities			
Reportable segment liabilities	97,885	-	97,885

8. CASH AND CASH EQUIVALENTS

	CONSOLIDATED 2014 $	2013 $
Cash at bank and in hand (i)	**759,413**	271,557

(i) Cash at bank earns interest at floating rates based on daily bank deposit rates. Refer note 18 (iii).

9. OTHER RECEIVABLES

	CONSOLIDATED 2014 $	2013 $
Current		
Prepayments and advances	**23,899**	16,441
Other receivables	**-**	441
Credit card bank security deposit	**-**	30,000
	23,899	46,882

Refer notes 18 (b) and 18 (c) for information about the Group's exposure to credit and liquidity risk.

10. PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED 2014 $	2013 $
Plant and equipment		
At cost	**542,564**	544,337
Less accumulated depreciation	**(419,447)**	(281,576)
	123,117	262,761

Reconciliation

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial period.

	2014 $	2013 $
Balance at the beginning of the period	**262,761**	341,303
Additions	**-**	59,022
Depreciation expense	**(138,554)**	(141,529)
Translation differences movement	**(1,090)**	3,965
Carrying amount at the end of the period	**123,117**	262,761

11. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	CONSOLIDATED 2014 $	2013 $
Exploration and evaluation costs carried forward in respect of the Exploration and evaluation phase		
Balance at the beginning of the period	**4,488,411**	2,919,409
Expenditure incurred during the period	**574,699**	1,569,406
Exploration expenditure impaired during the period (i)	**(2,250,000)**	(111,013)
Translation differences movement	**(35,629)**	110,609
Carrying amount at the end of the period	**2,777,481**	4,488,411

The expenditure above relates to the exploration and evaluation phase. The ultimate recoupment of this expenditure is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(i) The Directors have considered the carrying value of all carried forward exploration and evaluation expenditure in light of present conditions that exist in financial markets, the outbreak of the Ebola virus in Guinea and the fall in the iron ore price and have decided that it is appropriate for a write down of exploration expenditure of $2,250,000 to be charged to the statement of comprehensive income.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	CONSOLIDATED 2014 $	2013 $
Investments in associates	**791,960**	-

Name of associated entity	Type of Equity	Ownership Interest 2014	2013	Balance Date
Wavefront Biometric Technologies Pty Ltd (WBT)	Ordinary shares	**20%**	-	30 June 2014

(a) Principal activities of associated company

WBT is an unlisted private Australian emerging security biometric technology company.

	CONSOLIDATED 2014 $	2013 $
(b) Carrying amount of investment in associate - WBT		
Balance at the beginning of the financial year	**-**	-
Shares acquired for initial investment in WBT	**800,000**	-
Share of associate's net loss for the relevant period	**(8,040)**	-
Carrying amount of investment in associate	**791,960**	-
(c) Associate's summarised statement of comprehensive income - WBT		
Revenue	**-**	-
Loss from continuing operations	**(40,200)**	-
Other comprehensive income for the year	**-**	-
Total comprehensive loss for the year	**(40,200)**	-
(d) Associate's summarised assets and liabilities - WBT		
Current assets	**282,650**	-
Non-current assets	**3,750,460**	-
Current liabilities	**(73,310)**	-
Net assets	**3,959,800**	-

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

	CONSOLIDATED	
	2014	**2013**
	$	**$**
(e) Reconciliation of the above summarised financial information to the carrying amount of the interest in WBT recognised in the consolidated financial statements		
Net assets of the associate	**3,959,800**	-
Proportion of the Group's ownership interest in WBT	**20%**	**-**
Carrying amount of the Group's ownership interest in WBT	**791,960**	-

13. OTHER NON-CURRENT ASSETS

	CONSOLIDATED	
	2014	**2013**
	$	**$**
Non-current		
Rental security deposit	**10,125**	10,125
	10,125	10,125

14. TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	2014	**2013**
	$	**$**
Current		
Trade and other payables	**70,152**	79,121
Employee benefits	**68,675**	18,764
	138,827	97,885

Terms and conditions relating to the above financial instruments:

- Trade and other creditors are non-interest bearing and are normally settled on 30 day terms.

Risk exposure:

Information about the group's risk exposure to foreign exchange risk is provided in note 18.

15. ISSUED CAPITAL

	CONSOLIDATED			
	2014		2013	
	Number	$	Number	$
(a) Issued and paid-up share capital				
Ordinary shares, fully paid	**157,437,478**	**8,811,971**	43,125,001	6,886,301
Movements in Ordinary Shares:				
Opening balance	**43,125,001**	**6,886,301**	42,625,001	6,886,301
Performance rights vested and converted to ordinary shares at nil consideration	**500,000**	**-**	500,000	-
Non renounceable entitlement issue at an issue price of 2.5 cents each in August 2013	**21,812,477**	**545,312**	-	-
Placement issue at an issue price of 2 cents each in April 2014	**10,000,000**	**200,000**	-	-
Placement issue at an issue price of 2 cents each in May 2014	**80,000,000**	**1,600,000**	-	-
Shares issued as introduction fee for the Wavefront acquisition	**1,500,000**	**10,000**	-	-
Shares issued as part of remuneration of director, Dr P Turner	**500,000**	**13,000**	-	-
Transaction costs arising from issue of securities	**-**	**(442,642)**	-	-
Closing balance	**157,437,478**	**8,811,971**	43,125,001	6,886,301

(b) Share Options

Options to subscribe for ordinary shares in the Company have been granted as follows:

2014	Exercise price	Expiry date	Opening balance *Number*	Options issued *Number*	Options exercised/ expired *Number*	Balance at end of year *Number*
Listed options	$0.20	31-Mar-14	**22,812,500**	**-**	**(22,812,500)**	**-**
Listed options	$0.05	31-Dec-14	**-**	**59,906,241**	**-**	**59,906,241**
Unlisted options	$0.20	31-Mar-14	**1,166,667**	**-**	**(1,166,667)**	**-**
Unlisted options	$0.25	31-Mar-14	**666,667**	**-**	**(666,667)**	**-**
Unlisted options	$0.30	31-Mar-14	**666,666**	**-**	**(666,666)**	**-**
Unlisted options	$0.05	1-Nov 14	**-**	**2,000,000**	**-**	**2,000,000**
Unlisted options	$0.05	31-Dec 15	**-**	**25,000,000**	**-**	**25,000,000**
			25,312,500	**86,906,241**	**(25,312,500)**	**86,906,241**

In August 2013, the Company completed a pro-rata non-renounceable entitlement issue on the basis of one new share for every two shares held at an issue price of 2.5 cents per share to raise approximately $545,312 together with one free attaching option exercisable at a price of $0.05 per option and expiring on 31 December 2014 for every two shares issued. 10,906,241 options were allotted and dispatched in August 2013.

In August 2013, the Company granted 4,000,000 options exercisable at a price of $0.05 per option and expiring on 31 December 2014 to nominees of Pareto Capital Pty Ltd as part consideration for underwriting services for the non-renounceable entitlement offer.

In October 2013, the Company granted 2,000,000 options exercisable at a price of $0.05 per option and expiring on 1 November 2014 as part consideration for investor relation services.

In April and May 2014, the Company completed a capital raising of 90,000,000 shares and 45,000,000 options exercisable at a price of $0.05 per option and expiring on 31 December 2014 to raise $1,800,000.

In May 2014, the Company granted 25,000,000 options exercisable at a price of $0.05 per option and expiring on 31 December 2015 as part consideration for managing the capital raising undertaken in April and May 2014.

25,312,500 listed and unlisted options expired unexercised during the financial year ended 30 June 2014.

15. ISSUED CAPITAL (continued)

(b) Share Options

2013	Exercise price	Expiry date	Opening balance *Number*	Options issued *Number*	Options exercised/ expired *Number*	Balance at end of year *Number*
Listed options	$0.20	31-Mar-14	**22,812,500**	**-**	**-**	**22,812,500**
Unlisted options	$0.20	31-Mar-14	**1,166,667**	**-**	**-**	**1,166,667**
Unlisted options	$0.25	31-Mar-14	**666,667**	**-**	**-**	**666,667**
Unlisted options	$0.30	31-Mar-14	**666,666**	**-**	**-**	**666,666**
Unlisted options	$0.30	31-Mar-13	**2,000,000**	**-**	**(2,000,000)**	**-**
			27,312,500	**-**	**(2,000,000)**	**25,312,500**

2,000,000 unlisted options expired unexercised during the financial year ended 30 June 2013.

None of the options have any voting rights, any entitlement to dividends or any entitlement to the proceeds of liquidation in the event of a winding up.

(c) Performance rights

Performance rights in the Company have been granted as follows:

Exercise price	Expiry date	Opening balance *Number*	Granted during the year *Number*	Vested and converted into shares during the year *Number*	Forfeited during the year *Number*	Balance at end of year *Number*	Vested and exercisable at end of the year *Number*
Nil	29-Nov 15	**2,000,000**	**-**	**(500,000)**	**(500,000)**	**1,000,000**	**-**
Nil	15-May 17	**-**	**8,000,000**	**-**	**-**	**8,000,000**	**-**
		2,000,000	**8,000,000**	**(500,000)**	**(500,000)**	**9,000,000**	**-**

(d) Terms and conditions of contributed equity

Ordinary Shares:
Ordinary shares have the right to receive dividends as declared and, in the event of winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

16. RESERVES

	CONSOLIDATED 2014 $	2013 $
Equity based compensation reserve (a)	**885,311**	434,936
Foreign currency translation reserve (b)	**90,171**	126,503
	975,482	561,439
(a) Equity based compensation reserve		
Balance at beginning of year	**434,936**	370,296
Fair value of options issued as part of remuneration packages	**-**	2,840
Fair value of options issued to consultants	**11,239**	-
Fair value of options issued for lead manager and underwriting services	**272,696**	-
Fair value of performance rights issued as part of remuneration packages	**188,240**	61,800
Reversal of value of performance rights due to reassessment of rights that will vest	**(21,800)**	-
Balance at end of year	**885,311**	434,936

16. RESERVES (continued)
17.

	CONSOLIDATED	
	2014	**2013**
	$	**$**
(b) Foreign currency translation reserve		
Balance at beginning of year	**126,503**	6,754
Currency translation differences arising during the year	**(36,332)**	119,749
Balance at end of year	**90,171**	126,503

(c) Nature and purpose of reserves

Equity based compensation reserve*:*
The equity based compensation reserve is used to record the fair value of options issued but not exercised, the fair value of performance rights issued, and the fair value of shares issued, in relation to share based payments transactions.

Foreign currency translation reserve:
The foreign currency translation reserve is used to record exchange differences from the translation of the financial statements of foreign operations.

17. SHARE BASED PAYMENTS

Non plan based payments

The Company makes share based payments to Directors (subject to shareholder approval), consultants and / or service providers from time to time, not under any specific plan. The expense recognised in the statement of comprehensive income of $200,679 (2013: $64,640) in relation to share-based payments is disclosed in Note 3.

The following table illustrates the number and weighted average exercise prices of and movements in share options issued as share based payments for the financial year.

	2014 No. of options	**2014 Weighted average exercise price**	**2013 No. of options**	**2013 Weighted average exercise price**
Outstanding at the beginning of the period	**4,000,000**	**$0.22**	6,000,000	$0.25
Granted during the period	**2,000,000**	**$0.05**	-	-
Forfeited / exercised / expired during the period	**(4,000,000)**	**$0.22**	(2,000,000)	$0.30
Outstanding at the end of the period	**2,000,000**	**.05**	4,000,000	$0.22
Exercisable at the end of the period	**2,000,000**		4,000,000	

Share based payments, not under any plans, are as follows (with additional information provided in Note 15 and 16 above):

	2014	**2013**
	$	**$**
Options to Dr Turner for services (i)	**-**	2,840
Shares to Dr Turner for services(ii)	**13,000**	-
Options to consultant (iii)	**11,239**	-
Shares for introduction fee (iv)	**10,000**	-

(i) 666,666 options vested on 2 May 2013 and expired unexercised on 31 March 2014.
(ii) 500,000 shares were issued to Dr Turner in May 2014 as an incentive for future services and as a reward for past services.
(iii) 2,000,000 options exercisable at a price of $0.05 per option and expiring on 1 November 2014 were issued as part consideration for investor relation services.
(iv) 1,500,000 shares were issued as an introduction fee for the Wavefront acquisition.

The fair value of the equity-settled share options granted is estimated as at the date of grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted. The fair value of shares and options issued is calculated by reference to the market value of the shares trading on the Australian Securities Exchange (ASX) on or around the date of grant.

The following table lists the inputs to the model used for the financial year ended 30 June 2014 and the prior financial period ended 30 June 2013:

18. SHARE BASED PAYMENTS EXPENSE (continued)

	2014	2013
Volatility	148%	70%
Risk-free interest rate – range	2.70%	4.75%
Expected life of option	1 year	3 years
Exercise price	$0.05	$0.20 - $0.30
Weighted average share price at grant date	$0.018	$0.08

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

Performance Rights Plan (PRP)

Shareholders approved the Nemex Resources Limited PRP at the Annual General Meeting held on 29 November 2012. The PRP is designed to more closely align rewards for performance with the achievement of the Company's growth and strategic objectives. The plan provides for the issue of performance rights which, upon determination by the Board that the performance conditions attached thereto have been met and subject to the terms of the plan, convert into fully paid ordinary shares. Where the participant is a director of the Company, specific shareholder approval will have to be sought under the ASX Listing Rules prior to the grant of performance rights to such an individual. Please refer to note 15 (c) for the summary of performance rights granted under the PRP.

Fair value of performance rights granted

The fair values at grant date are independently determined using the closing share price at the grant date.

The following table lists the inputs to the model used for the performance rights granted during the year ended 30 June 2014 and the prior financial period ended 30 June 2013:

	2014	2013
Number of Rights	8,000,000	2,500,000
Exercise price	Nil	Nil
Grant date	15 May 2014	21 December 2012
Expiry date	13 May 2017	29 November 2015
Share price at grant date	2.7 cents	4 cents

During the year ended 30 June 2014, a total of 500,000 Performance Rights were converted to shares, and a further 500,000 Performance Rights were forfeited. During the year ended 30 June 2013, a total of 500,000 Performance Rights were converted to shares

	CONSOLIDATED	
	2014	**2013**
	$	**$**
Expenses arising from share-based payment transactions		
Performance rights issued to directors	**166,440**	61,800
Fair value of options issued as part of remuneration packages	**-**	2,840
Shares issued as introduction fee for the Wavefront acquisition	**10,000**	-
Shares issued as part of remuneration of director	**13,000**	-
Options issued to consultants	**11,239**	-
	200,679	64,640

18. FINANCIAL INSTRUMENTS

Overview

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risks. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the business. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk. Risk management is carried out by the Board of Directors.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollar and to a lesser extent other currencies.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis as appropriate. The Australian dollar is the reporting currency for the Group and the functional currency for the parent company.

(ii) Exposure to currency risk

The Group's exposure to foreign currency risk at balance date was as follows, based on notional amounts:

	30 June 2014		**30 June 2013**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
	$	**$**	**$**	**$**
United States Dollar	**107,068**	**17,379**	224,427	-
Guinea Franc	**1,562**	**-**	1,246	-

(iii) Interest rate risk

The Group is exposed to movements in market interest rates on short term deposits. The Group's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table:

	Note	**Floating interest rate $**	**Fixed interest rate $**	**Non-interest bearing $**	**Total $**	**Weighted average interest rate %**
2014						
Financial assets						
Cash and cash equivalents	20	**753,053**	**-**	**6,360**	**759,413**	**1.17**
Trade and other receivables	9	**-**	**-**	**23,899**	**23,899**	
		753,053	**-**	**30,259**	**783,312**	
Financial liabilities						
Trade and other payables	13	**-**	**-**	**138,827**	**138,827**	
2013						
Financial assets						
Cash and cash equivalents	20	268,007	-	3,550	271,557	3.63
Trade and other receivables	9	-	-	46,882	46,882	
		268,007	-	50,432	318,439	
Financial liabilities						
Trade and other payables	13	-	-	97,885	97,885	

18. FINANCIAL INSTRUMENTS (continued)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below, where interest is applicable. This analysis assumes that all other variables remain constant.

CONSOLIDATED	**Profit or (Loss)**		**Equity**	
	100bp increase $	**100bp decrease $**	**100bp increase $**	**100bp decrease $**
30 June 2014				
Variable rate instruments	**3,560**	**(3,560)**	**3,560**	**(3,560)**
Cash flow sensitivity (net)	**3,560**	**(3,560)**	**3,560**	**(3,560)**
30 June 2013				
Variable rate instruments	11,842	(11,842)	11,842	(11,842)
Cash flow sensitivity (net)	11,842	(11,842)	11,842	(11,842)

Financial assets

Trade receivables from other entities are carried at nominal amounts less any allowance for doubtful debts. Other receivables are carried at nominal amounts due. Interest is recorded as income on an accruals basis.

Financial liabilities

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

Net fair value of financial assets and liabilities

The carrying amount of cash and cash equivalents approximates fair value because of their short-term maturity.

(iv) **Commodity price risk**

As Nemex explores for iron ore and gold, it will be exposed to the risks of fluctuation in prices for those minerals. The market for iron ore and gold has a history of volatility, moving with the standard forces of supply and demand. Prices fluctuate widely in response to changing levels of supply and demand but, in the long run, prices are related to the marginal cost of supply.

(b) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. The Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The main risks the Group is exposed to through its financial instruments are the depository banking institution itself, holding the funds, and interest rates. The Group does not have significant exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk.

(i) Receivables

As the Group operates in the mineral exploration and investment sectors rather than trading, it does not have trade receivables and therefore is not exposed to credit risk in relation to trade receivables. At the reporting date there were no significant concentrations of credit risk.

18. FINANCIAL INSTRUMENTS (continued)

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Company does not have any material risk exposure to any single debtor or group of debtors.

(c) Liquidity and Capital Risk

The Group's total capital is defined as the shareholders' net equity plus any net debt. The objectives when managing the Company's capital is to safeguard the business as a going concern, to maximise returns to shareholders and to maintain an optimal capital structure in order to reduce the cost of capital.

The Group does not have a target debt / equity ratio, but has a policy of maintaining a flexible financing structure so as to be able to take advantage of investment opportunities when they arise. There are no externally imposed capital requirements.

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

Due to the nature of the Group's activities and the present lack of operating revenue, the Company has to raise additional capital from time to time in order to fund its exploration and investment activities. The decision on how and when the Company will raise future capital will depend on market conditions existing at that time and the level of forecast activity and expenditure.

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of at least twelve months, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following table details the Group's expected maturity for its non-derivative financial liabilities. These have been drawn up based on undiscounted contractual maturities of the financial liabilities based on the earliest date on which the Group can be required to pay.

CONSOLIDATED	**Less than 6 months $**	**6 – 12 months $**	**Over 1 year $**	**Total $**
Group at 30 June 2014				
Financial Liabilities:				
Current:				
Trade and other payables	**138,827**	**-**	**-**	**138,827**
Total Financial Liabilities	**138,827**	**-**	**-**	**138,827**
Group at 30 June 2013				
Financial Liabilities:				
Current:				
Trade and other payables	97,885	-	-	97,885
Total Financial Liabilities	97,885	**-**	-	97,885

19. COMMITMENTS AND CONTINGENCIES

(a) Capital commitments

There were no capital commitments, not provided for in the financial statements as at 30 June 2014, other than:

With respect to the Group's mineral property interests in Guinea, statutory expenditure commitments specified by the mining legislation are nominal in monetary terms. However, as part of mineral licence application and renewal requirements, the Group submits budgeted exploration expenditure. In assessing subsequent renewal applications, the mining authorities review actual expenditure against budgets previously submitted. These budget amounts do not become legal obligations of the Group and actual expenditure may and does vary depending on the outcome of actual exploration programs, and the costs and results from those programs.

(b) Lease commitments: non-cancellable operating lease

Nemex Resources Limited entered into a lease agreement with Corporate Consultants Pty Ltd, a company in which Mr Flint and Mr Jurman have a beneficial interest, for the use of furnished office space on 7 June 2012. The agreement is effective from 7 June 2012 to its expiry date of 30 September 2015.

	CONSOLIDATED	
	2014	**2013**
	$	**$**
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	**23,922**	23,922
One year to five years	**5,982**	29,904
Total	**29,904**	53,826

(c) Contingencies

There were no contingent liabilities of the Consolidated Entity not provided for in the financial statements at 30 June 2014 (2013: Nil).

20. STATEMENT OF CASH FLOWS

	CONSOLIDATED	
	2014	**2013**
	$	**$**
Reconciliation of loss after income tax to net cash outflow from operating activities		
Loss after income tax	**(2,974,396)**	(793,899)
Add back non-cash items:		
Depreciation	**138,554**	141,529
Exploration expenditure impaired	**2,250,000**	111,013
Share of net losses of associates	**8,040**	-
Share based payments expense	**200,679**	64,640
Net exchange differences	**3,332**	(22,403)
Change in assets and liabilities:		
Decrease / (Increase) in receivables	**(7,018)**	50,754
Increase / (Decrease) in operating payables	**47,467**	(3,594)
Net cash outflow from operating activities	**(333,342)**	(451,960)

21. KEY MANAGEMENT PERSONNEL DISCLOSURES

The following were key management personnel of the Consolidated Entity at any time during the year:

Executive Directors	Non Executive Directors
Mr Peter Turner	Mr Patrick Flint
	Mr Paul Jurman

Other than the Directors of the Company disclosed above, there were no other executives who have direct responsibility for the strategic direction and operational management of the Consolidated Entity.

The key management personnel compensation is as follows:

	2014 $	2013 $
Short-term employee benefits	**201,500**	316,000
Post-employment benefits	**78,639**	28,440
Share-based payments	**201,240**	42,840
	481,379	387,280

Apart from the details disclosed in this note, no Director has entered into a material contract with the Company or the Group since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year-end.

Loans to key management personnel and their related parties

There were no loans outstanding at the reporting date to key management personnel and their related parties.

Other transactions with key management personnel

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.

	2014 $	2013 $
Accounting, secretarial and corporate service fees paid or payable to Corporate Consultants Pty Ltd, a company in which Mr Flint and Mr Jurman are directors and have beneficial interests.	**97,387**	117,901
Rent and variable outgoings for the sub-lease of furnished office space paid or payable to Corporate Consultants Pty Ltd, a company in which Mr Flint and Mr Jurman are directors and have beneficial interests.	**33,243**	35,718
Taxation services paid or payable to Icon Financial Management Pty Ltd, an entity in which Mr Gillard is a director and has a beneficial interest.	**-**	4,290
Balances due to Directors and Director Related Entities at year end		
- included in trade creditors and accruals	**9,209**	19,771

Corporate Consultants Pty Ltd also holds a rental security deposit of $10,125 (2013: 10,125) - (Note 13).

22. EVENTS OCCURRING AFTER THE REPORTING DATE

In September 2014, the Company advised that it had exercised its option and invested $625,000 to acquire a further 10% interest in WBT. The Company currently holds a 30% interest in WBT, and has the option to increase this to a 51% interest. In conjunction, the Company completed a capital raising comprising 10,562,522 shares at an issue price of 2 cents per share, together with 10,562,522 attaching options (exercisable at 5 cents on or before 31 December 2015) to raise $211,250. The capital raising was managed by Cicero Advisory Services Pty Ltd.

In September 2014, the Company entered into an agreement to dispose of its mineral interests in Côte d'Ivoire for cash consideration of $200,000. Completion of the transaction, which is not subject to any conditions, will occur on or before 14 October 2014.

There are no other matters or circumstances that have arisen since 30 June 2014 that have or may significantly affect the operations, results, or state of affairs of the Consolidated Entity in future financial years.

23. PARENT ENTITY DISCLOSURES

Financial position

	2014 $	2013 $
Assets		
Current assets	**781,020**	305,935
Non-current assets	**3,682,287**	4,773,801
Total assets	**4,463,307**	5,079,736
Liabilities		
Current liabilities	**116,140**	97,885
Non-current liabilities	**-**	-
Total liabilities	**116,140**	97,885
Equity		
Issued capital	**8,811,971**	6,886,301
Accumulated losses	**(5,350,115)**	(2,339,386)
Share-based payments reserve	**885,311**	434,936
Total equity	**4,347,167**	4,981,851
Financial performance		
Net loss for the period	**(3,010,729)**	(674,150)
Other comprehensive income / (loss)	**-**	-
Total comprehensive loss	**(3,010,729)**	(674,150)

Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2014.

Commitments for the acquisition of property, plant and equipment by the parent entity

For details on commitments, see Note 19.

24. SUBSIDIARIES

(a) Particulars in relation to subsidiaries

	Place of Incorporation	Group's Interest 2014	Group's Interest 2013	Class of Shares
Parent Entity		**%**	**%**	
Nemex Resources Ltd	Australia			
Subsidiaries				
Nemex Ventures Pty Ltd	Australia	**100**	100	Ord
Nemex Guinea Pty Ltd	Australia	**100**	100	Ord
Nemex Resources CI SARL	Ivory Coast	**100**	100	Ord
Barclay Resources SARL	Ivory Coast	**100**	100	Ord
(i) Subsidiary of Nemex Guinea Pty Ltd				
Nemex Guinea SARL (a)	Guinea	**100**	100	Ord

(b) Terms and conditions of loans to related parties

Loan advances have been made to subsidiaries noted in the table above. The loans are interest free, unsecured and repayable only when the borrower's cash flow permits. The recoverability of these loans is dependent upon the successful development and exploitation of the areas of interest currently being explored by the parent's subsidiary entities.

(c) Risk exposure

Refer to Note 18 for information on the Group's and parent entity's exposure to credit, foreign exchange and interest rate risk.

In the opinion of the Directors:

a) The financial statements and the notes and the additional disclosures included in the directors' report designated as audited of the Consolidated Entity are in accordance with the Corporations Act 2001, including:

   (i) Giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

   (ii) Complying with Accounting Standards (including Australian Accounting Standards) and Corporations Regulations 2001; and

b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

c) The financial statements and notes thereto include an explicit and unreserved statement of compliance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2014.

Signed in accordance with a resolution of the Directors made pursuant to s 295(5) of the Corporations Act 2001.

On behalf of the Board

P Flint

P Flint
Chairman

Dated at Perth on the 26th day of September 2014

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of Nemex Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Nemex Resources Limited ("the company"), which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for the Group. The Group comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street Perth WA 6000. PO Box 8124 Perth BC 6849 Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

HLB Mann Judd

Accountants | Business and Financial Advisers

Auditor's opinion

In our opinion:

(a) the financial report of Nemex Resources Limited is in accordance with the *Corporations Act 2001*, including:
   (i) giving a true and fair view of the Group's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 1 to the financial report which indicates that the Group will be required to raise additional funding to enable it to continue as a going concern. If the Group is unable to raise sufficient additional funding, there will exist a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realise its assets (in particular its deferred exploration expenditure) and extinguish its liabilities in the normal course of business, and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion the remuneration report of Nemex Resources Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

L Di Giallonardo
Partner

Perth, Western Australia
26 September 2014

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

ASX Listing Rule 4.10.3 requires listed companies to disclose in their Annual Report the extent to which they have complied with the ASX Best Practice Recommendations of the ASX Corporate Governance Council in the reporting period. A description of the Company's main corporate governance practices is set out below.

The Board of Directors of Nemex Resources Limited is responsible for the corporate governance of the Consolidated Entity. The Board guides and monitors the business and affairs of Nemex Resources Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Company has adopted appropriate systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs. To the extent they are applicable and given its size and circumstances the Company has adopted the Eight Essential Corporate Governance Principles and Recommendations ("Recommendations"), as published by ASX Corporate Governance Council ("CGC').

The Company's Directors are fully cognisant of the Corporate Governance Principles and Recommendations published by CGC and have adopted those recommendations where they are appropriate to the Company's circumstances.

However, a number of those principles and recommendations are directed towards listed companies considerably larger than Nemex Resources Limited, whose circumstances and requirements accordingly differ markedly from the Company's. For example, the nature of the Company's operations and the size of its staff mean that a number of the board committees and other governance structures recommended by the CGC are not only unnecessary in Nemex's case, but the effort and expense required to establish and maintain them would, in the Directors' view, be an unjustified diversion of shareholders' funds.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance structures will be given further consideration.

The Board sets out below its "if not, why not" report in relation to those matters of corporate governance where the Company's practices depart from the Recommendations.

The Company's website at www.nemexres.com.au contains a corporate governance section that includes copies of the Company's corporate governance policies.

Principle 1: Lay solid foundations for management and oversight

Role of the Board and of Senior Executives (1.1)

The Board of Directors is responsible for guiding and monitoring the Company on behalf of shareholders by whom they are elected and to whom they are accountable.

The Board is responsible for, and has the authority to determine all matters relating to the strategic direction, policies, practices, establishing goals for management and the operation of the Company.

The monitoring and ultimate control of the business of the Company is vested in the Board. The Board's primary responsibility is to oversee the Company's business activities and management for the benefit of the Company's shareholders.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES (continued)

The specific responsibilities of the Board include:

(a) appointment, evaluation, rewarding and if necessary the removal of the Managing Director, and Chief Financial Officer (or equivalent) and the Company Secretary;
(b) in conjunction with management, development of corporate objectives, strategy and operations plans and approving and appropriately monitoring plans, new investments, major capital and operating expenditures, capital management, acquisitions, divestitures and major funding activities;
(c) establishing appropriate levels of delegation to the Managing Director to allow him to manage the business efficiently;
(d) monitoring actual performance against planned performance expectations and reviewing operating information at a requisite level, to understand at all times the financial and operating conditions of the Company;
(e) monitoring the performance of senior management including the implementation of strategy, and ensuring appropriate resources are available;
(f) via management, an appreciation of areas of significant business risk and ensuring that the Company is appropriately positioned to manage those risks;
(g) overseeing the management of safety, occupational health and environmental matters;
(h) satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review;
(i) satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, and internal control processes are in place and functioning appropriately;
(j) to ensure that appropriate internal and external audit arrangements are in place and operating effectively;
(k) having a framework in place to help ensure that the Company acts legally and responsibly on all matters consistent with the code of conduct; and
(l) reporting to shareholders.

The responsibility for the day-to-day operation and administration of the Company was delegated by the Board to the Managing Director. The Board ensures that the management team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the directors.

The Managing Director is responsible for the attainment of the Company's goals and vision for the future, in accordance with the strategies, policies, programs and performance requirements approved by the Board.

The Managing Director's specific responsibilities include:

- Responsibility for the achievement of corporate goals and objectives;
- Development of short, medium and long term corporate strategies and planning to achieve the Company's vision and overall business objectives;
- Implementing and monitoring strategy and reporting/presenting to the Board on current and future initiatives;
- Advise the Board regarding the most effective organisational structure and oversee its implementation;
- Assessment of business opportunities of potential benefit to the Company;
- Establish and maintain effective and positive relationships with Board members, shareholders, the investment community and other government and business liaisons;
- Undertake the role of key company spokesperson;
- Recommend policies to the Board in relation to a range of organisational issues including delegations of authority, consultancies and performance incentives;
- Ensure statutory, legal and regulatory compliance and comply with corporate policies and standards;
- Ensure appropriate risk management practices and policies are in place;
- Select and appoint staff; and
- Ensure there is an appropriate staff appraisal system in place in the Company.

This statement of matters reserved for the Board and areas of delegated authority to the Managing Director and senior executives is contained in the Board Charter posted on the Company's website.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES (continued)

Senior Executive Performance Review (1.2)

The Board will undertake a review of the Managing Director and senior executives' performance, at least annually, including setting the goals for the coming year and reviewing the achievement of these goals.

Performance will be measured by the efficiency and effectiveness of the enhancement of the Company's mineral interest portfolio, the designing and implementation of the exploration and development programme, maintenance of relationships with joint venture partners and the securing of ongoing funding so to continue it's exploration and development activities. This performance evaluation is not based on specific financial indicators such as earnings or dividends as the Company is at the exploration and development stage and during this period is expected to incur operating losses.

Due to the size of the Company and the nature of its business, it has not been deemed necessary to institute a formal documented performance review program of senior executives. The Chairman will conduct an informal review process whereby he will discuss with senior executives their attitude, performance and approach toward meeting the short and long term objectives of the Company. The Board considers that at this stage of the Company's development an informal process is appropriate.

This process for evaluating the senior executives is contained in the Board Performance Evaluation Policy posted on the Company's website.

Principle 2: Structure the board to add value

The Board operates in accordance with the broad principles set out in its charter which is available from the corporate governance information section of the Company website.

The Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties given its current size and scale of operations.

The names experience and responsibilities of Directors of the Company in office at the date of this statement are set out in the Directors' Report.

Due to a lack of investor interest in junior exploration companies, the decrease in the price for iron ore and gold in the second half of the 2014 financial year, the spread of the Ebola virus in West Africa and difficulties securing funds for exploration projects, in July 2014 Dr Turner's role as Managing Director ceased and he reverted to a non-executive director role. Since July 2014, Mr Flint has assumed certain management responsibilities and acted in an Executive Chairman's role.

Independent Directors (2.1)

In assessing whether a Director is classified as independent, the Board considers the independence criteria set out in the ASX Corporate Governance Council Recommendation 2.1 and other facts, information and circumstances deemed by the Board to be relevant. Using the ASX Best Practice Recommendations on the assessment of the independence of Directors, the Board considers that of a total of three Directors for the year to 30 June 2014, only Mr Flint was independent. Therefore the Company did not have a majority of independent directors during the year ended 30 June 2014 and does not currently have any independent directors.

Chairman and Managing Director (2.2, 2.3)

The Chairman is considered the "lead" Director and utilises his experience, skills and leadership abilities to facilitate the governance processes. The Board considers that the Chairman, Mr Flint, is an independent director.

The Managing Director was Dr Turner (up to 3 July 2014), who was responsible for implementing Company strategies and policies. As noted above, since July 2014, Mr Flint has assumed certain management responsibilities and acted in an Executive Chairman's role.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES (continued)

The Company therefore does not comply with ASX Corporate Governance Council Recommendations 2.1 which states that the majority of the Board should be independent, 2.2 which states the Chairman should be an independent director and 2.3 (from 1 July 2014) which states the role of Chairman and CEO should not be exercised by the same individual. The Board considers that the current composition of the Board is adequate for the Company's current size and operations, and includes an appropriate mix of skills and expertise, relevant to the Company's business. The Company considers that each of the directors possess skills and experience suitable for building the Company. The Board takes the responsibilities of best practice in corporate governance seriously. It is the Board's intention to review its composition on a continual basis as the Company's expands its activities and as market conditions improve.

Nomination Committee (2.4)

The Company does not have a nomination committee. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate or special committees at this time. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards. In particular, the full Board considers those matters that would usually be the responsibility of a nomination committee. The Board considers that no efficiencies or other benefits would be gained by establishing a separate nomination committee.

Directors are appointed under the terms of the Company's constitution. Appointments to the Board are based upon merit and against criteria that serves to maintain an appropriate balance of skills, expertise, and experience of the board. The categories considered necessary for this purpose are a blend of accounting and finance, business, technical and administration skills. Casual appointments must stand for election at the next annual general meeting of the Company.

Retirement and rotation of Directors are governed by the Corporations Act 2001 and the Constitution of the Company. All Directors, with the exception of the Managing Director, serve for a period of three years before they are requested to stand down for re-election.

This selection, nomination and appointment process is detailed in the Board Charter on the company website.

Board Performance Review (2.5)

The Board has adopted a policy to assist in evaluating Board performance under section 9 of its Corporate Governance Policies (Performance Evaluation Practices). The Chairman will review the composition of the Board and the performance of each Director to ensure that it continues to have a mix of skills and experience necessary for the conduct of the Company's activities. Any new Directors will receive an induction appropriate for his/her experience.

The Board considers that at this stage of the Company's development an informal process is appropriate.

Principle 3: Promote ethical and responsible decision making

Code of Conduct (3.1)

The Company has developed a Code of Conduct (the Code) which has been endorsed by the Board and applies to all employees, Directors and officers. The Code may be amended from time to time as necessary to ensure it reflects the practices necessary to maintain confidence in the Company's integrity and to take into account legal obligations and reasonable expectations of the Company's stakeholders. The Code outlines the responsibility and accountability of Company personnel to report and investigate reports of unethical practices.

This Code of Conduct is available on the Company's website at www.nemexres.com.au.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES (continued)

Trading Policy (3.2)

Trading in Company securities is regulated by the Corporations Act and the ASX Listing Rules. The Board makes all Directors, officers and employees aware on appointment that it is prohibited to trade in the Company's securities whilst that Director, officer or employee is in the possession of price sensitive information.

For details of shares held by directors and officers please refer to the Directors' Report in these Financial Statements. Directors are required to report to the Company Secretary any movements in their holdings of Company securities, which are reported to ASX in the required timeframe prescribed by the ASX Listing.

This Trading Policy is available on the Company's website at www.nemexres.com.au.

Diversity (3.2, 3.3, 3.4)

The Company has a commitment to workplace diversity and ensuring that a diverse mix of skills and talent exists amongst its Directors, officers and employees.

The Board recognises the value of providing an inclusive workplace and the value of having a workforce made up of individuals with diverse skills, values, background and experiences, with a commitment to equality and respect. Given the current scale of operations, stage of development and size of the workforce, the Board considers it impractical to have a formal diversity policy.

Due to the size of the Company and its workforce, the Board does not consider it appropriate to set measurable objectives for achieving gender diversity at this time.

The Company has 3 staff, of which there are no women. There are no women in senior executive positions or on the board.

Principle 4: Safeguard Integrity in Financial reporting

Audit Committee (4.1, 4.2, 4.3)

The Company does not have an audit committee. The Board considers that the Company is not currently of a size nor are its affairs of such complexity to justify the formation of separate or special committees at this time. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards. In particular, the full Board considers those matters that would usually be the responsibility of an audit committee. The Board considers that no efficiencies or other benefits would be gained by establishing a separate audit committee.

External Auditors

The Company requires the external auditors to demonstrate quality and independence. The performance of the external auditor is reviewed and applications for tender of external audit services requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs.

It is HLB Mann Judd's policy to rotate audit engagement partners on listed companies every 5 years.

Principle 5 & 6: Making Timely and Balanced Disclosure and Shareholder Communication

ASX Listing Rules Disclosure Strategy and Shareholder Communication (5.1, 6.1)

The Company has developed an ASX Listing Rules Disclosure Strategy which has been endorsed by the Board. The ASX Listing Rules Disclosure Strategy ensures compliance with ASX Listing Rules and Corporations Act obligations to keep the market fully informed of information which may have a material effect on the price or value of its securities and outlines accountability at a senior executive level for that compliance. All ASX announcements

STATEMENT OF CORPORATE GOVERNANCE PRACTICES (continued)

are to be posted to the Company website as soon as possible after confirmation of receipt is received from ASX, including all financial reports.

The Board encourages full participation of shareholders at the Annual General Meeting. In preparing for general meetings of the Company, the Company drafts the notice of meeting and related explanatory information so that they provide all of the information that is relevant to shareholders in making decisions on matters to be voted on by them at the meeting. The Company allows shareholders a reasonable opportunity to ask questions of the Board of Directors and to otherwise participate in the meeting. The external auditor of the Company is asked to attend each annual general meeting and to be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report. Important issues are presented to the shareholders as single resolutions. The shareholders are also responsible for voting on the appointment of Directors.

The Company is committed to maintaining a Company website with general information about the Company and its operations and information specifically targeted at keeping the Company's shareholders informed about the Company. In particular, where appropriate, after confirmation of receipt by the ASX, the following are posted to the Company website:

- relevant announcements made to the market via the ASX;
- notices of meetings;
- company presentations and media releases;
- copies of press releases and announcements for the preceding three years; and
- copies of annual, half-yearly and quarterly reports including financial statements for the preceding three years.

The ASX Listing Rules Disclosure Strategy and Shareholder Communication Policy are available on the Company's website at www.nemexres.com.au.

Principle 7: Recognise and Manage Risk

The full Board has the responsibility for the risk management, compliance and internal controls systems of the Company.

Risk Management (7.1, 7.2)

Management is responsible for designing, implementing and reporting on the adequacy of the Company's risk management and internal control system. The Company's risk management policy is designed to provide the framework to identify, assess, monitor and manage the risks associated with the Company's business. The Company adopts practices designed to identify significant areas of business risk and to effectively manage those risks in accordance with the Company's risk profile. The risks involved in a resources and investment company and the specific uncertainties for the Company continue to be regularly monitored and management regularly appraises the full Board of the Company as to the effectiveness of the Company's management of its material business risks. All proposals reviewed by the Board include a consideration of the issues and risks of the proposal.

The Company's main areas of risk include:

- exploration;
- technology / development and commercialisation risk;
- security of tenure;
- environment;
- government policy changes and political risk;
- commodity prices;
- retention of key staff;
- occupational health and safety;
- financial reporting; and
- continuous disclosure obligations.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES (continued)

Assurances from the Chairman and the Company Secretary/Financial Controller (7.3)

The Chairman and the Company Secretary/Financial Controller have declared in writing to the Board that the Company's financial statements for the year ended 30 June 2014 present a true and fair view, in all material aspects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards, that this is founded on a sound system of risk management and internal compliance and control and that the Company's risk management and internal compliance and control system is operating efficiently and effectively. This representation is made by the Chairman and Company Secretary/Financial Controller prior to the Director's approval of the release of the annual and half yearly accounts. This representation is made after enquiry of, and representation by, appropriate levels of management.

The Risk Management Strategy is available on the Company's website at www.nemexres.com.au.

Principle 8: Remunerate Fairly and Responsibly

Remuneration Committee (8.1)

The Company does not have a remuneration committee. The Board considers that the Company is not currently of a size nor are its affairs of such complexity to justify the formation of separate or special committees at this time. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards. In particular, the full Board considers those matters that would usually be the responsibility of a remuneration committee. The Board considers that no efficiencies or other benefits would be gained by establishing a separate remuneration committee.

The Remuneration Committee Charter is available on the Company website.

Remuneration Policy (8.2)

The remuneration policy of the Company has been designed to align Director's objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best Directors to run and manage the company. Directors' Remuneration is approved by resolutions of the Board. The Board's policy for determining the nature and amount of remuneration for Board members is as follows:

Non-Executive Directors

The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. Payments to the Non-Executive Directors are reviewed annually, based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Company. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company. Non-Executive Directors are entitled to receive incentive options (subject to shareholder approval) as it is considered an appropriate method of providing sufficient reward whilst maintaining cash reserves. There is no scheme to provide retirement benefits, other than statutory superannuation, to Non-Executive Directors.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES (continued)

Executives

The Company is committed to remunerating its senior executives in a manner that is market-competitive and consistent with best practice as well as supporting the interests of shareholders. Consequently, the remuneration of senior executives may be comprised of the following:

- fixed salary that is determined from a review of the market and reflects core performance requirements and expectations;
- a performance bonus designed to reward actual achievement by the individual of performance objectives and for materially improved Company performance;
- participation in any option scheme with thresholds approved by shareholders;
- statutory superannuation.

By remunerating senior executives through performance and long-term incentive plans in addition to their fixed remuneration, the Company aims to align the interests of senior executives with those of shareholders and increase Company performance. The value of shares and incentive options were they to be granted to senior executives would be calculated using the Black-Scholes-Merton option pricing model.

The objective behind using this remuneration structure is to drive improved Company performance and thereby increase shareholder value as well as aligning the interests of executives and shareholders.

The Board may use its discretion with respect to the payment of bonuses, incentive share options and other incentive payments.

Participants in equity-based remuneration plans are not permitted to enter into any transactions that would limit the economic risk of options or other unvested entitlements. Details of this policy can be found in the Remuneration Statement on the Company website.

For details of remuneration paid to Directors and officers for the financial year please refer to the Directors' Report and Note 21 to the Financial Statements.

The shareholder information set out below was applicable as at 24 September 2014.

Substantial shareholders

An extract of the Company's register of substantial shareholders is set out below:

Shareholder	**Number of Shares**	**Percentage**
Robert Liu	14,966,899	8.91%
Mathew Donald Walker	10,000,000	5.95%

Distribution of equity security holders

Size of Holding	**Ordinary Shares NXR**	**Listed Options NXROA**	**Unlisted Options**
1 to 1,000	7	2	-
1,001 to 5,000	17	15	-
5,001 to 10,000	53	17	-
10,001 to 100,000	277	44	-
100,001 and over	203	71	14
	557	149	14

The number of shareholdings comprising less than a marketable parcel was 555.

	Twenty Largest Shareholders as at 24 September 2014	**Number of Shares**	**% Held**
1	Robert Liu	14,716,899	8.760
2	Mathew Donald Walker	10,000,000	5.952
3	Mial Enterprises Pty Ltd <The Dashian Family A/c>	5,250,000	3.125
4	Richard Stuart Dongray & Joan Dongray <Dongray Super Fund A/c>	3,750,000	2.232
5	Jonathon Mark Wild & Justyna Wild <The Wild Family A/c>	3,750,000	2.232
6	Sabreline Pty Ltd <JPR investment A/c>	3,500,000	2.083
7	Legend Mining Limited	3,300,000	1.964
8	Kafka Capital Pty Ltd <The Kafka A/c>	3,000,000	1.786
9	John Andrew Rodgers <John Rodgers Family A/c>	2,764,463	1.646
10	Redtown Enterprises Pty Ltd	2,500,000	1.488
11	Merriwee Pty Ltd <Merriwee Super Fund A/c>	2,175,000	1.295
12	Fleubaix Pty Ltd <Superannuation Fund A/c>	2,000,000	1.190
13	Michael Shields	2,000,000	1.190
14	Ocean Mist Pty Ltd <Waterford Super Fund A/c>	2,000,000	1.190
15	Junior Enterprises Pty Ltd <SR Paterson Family A/c>	2,000,000	1.190
16	Aimli Pty Ltd <Aimli Account>	2,000,000	1.190
17	Dr Peter Turner	2,000,000	1.190
18	Delaro Holdings Pty Ltd <The Dongray Discre No4 A/c>	1,875,000	1.116
19	ABN Amro Clearing Sydney Nominees Pty Ltd <Custodian A/c>	1,848,984	1.101
20	M S Super Pty Ltd	1,776,138	1.057
	TOTAL	**72,206,484**	**42.977**

	Twenty Largest Optionholders (NXROA) as at 24 September 2014	Number of Options	% Held
1	First Investment Partners	5,650,000	9.431
2	Merriwee Pty Ltd (Merriwee Super Fund A/C)	3,750,000	6.260
3	Matthew James Sachr	3,000,000	5.008
4	Mial Enterprises Pty Ltd (The Dashian Family A/C)	2,625,000	4.382
5	Anna Carina Pty Ltd (Anna Carina Family A/C)	2,471,250	4.125
6	Pareto Nominees Pty Ltd (The Damelle A/C)	2,434,623	4.064
7	Gary Benjamin Ralston	2,000,000	3.339
8	Richard Stuart Dongray & Joan Dongray (Super Fund A/C)	1,875,000	3.130
9	Sacco Developments Australia Pty Limited	1,800,000	3.005
10	NTJ Investments Pty Ltd (NTJ Investment A/C)	1,600,000	2.671
11	Kafka Capital Pty Ltd (The Kafka A/C)	1,500,000	2.504
12	Mathew Donald Walker	1,350,000	2.254
13	Raven Investment Holdings Pty Ltd (Raven Investment A/C)	1,200,000	2.003
14	Cadden Nominees Pty Ltd	1,035,000	1.728
15	Robert Liu	1,000,000	1.669
16	Aimli Pty Ltd (Aimli Account)	1,000,000	1.669
17	Junior Enterprises Pty Ltd (SR Paterson Family A/C)	1,000,000	1.669
18	Jonathan Mark Wild & Justyna Wild (The Wild Family A/C)	1,000,000	1.669
19	Redtown Enterprises Pty Ltd	960,243	1.603
20	Delaro Holdings Pty Ltd (The Dongray Discre No.4 A/C)	937,500	1.565
	TOTAL	**38,188,616**	**63.748**

On-market buy-back

There is no current on-market buy-back.

Unquoted equity securities

Unquoted equity securities on issue at 24 September 2014 were as follows:

Refer Note	Number of Options	Exercise Price	Exercise Periods/ Expiry Dates	Number of Holders
1	2,000,000	5 cents	On or before 01 November 2014	1
	35,562,522	5 cents	On or before 31 December 2015	13

The names of the holders of 20% or more options in these unquoted securities are listed below:

Note	Name	Number of Options Held
1	AXINO Investment GmbH	2,000,000

Mineral Interests held at 24 September 2014 are as follows:-

Location	*Concession name and type*	*Registered Holder*	*File Number*	*Nemex's current equity interest*	*Maximum equity interest capable of being earned*	*Notes*
Guinea	Coastal Project Exploration Permit	Africaine Development Minier SARL ("Adem")	A2010/018/DIGM/CPDM	70%	85%	1
	Telimele West Project Exploration Licence Applications	Sylati Feralu Mining sarlu ("SFM")	A 2011/355/MMG/DNM A 2011/357/MMG/DNM A 2011/358/MMG/DNM	-	85%	2
Australia	Woodley Project Exploration Licences	Nemex Resources Limited	E57/632 and E57/634	100%	100%	3

Notes:

1) Under the terms of the Coastal Agreement, Nemex can earn an interest of 85% (prior to any Government interest under the Guinea Mining Code) in the Coastal property in the Republic of Guinea, West Africa by completing the following payments:
- on completion of exploration expenditure of US$2,000,000 Nemex is entitled to a 70% interest in the Coastal Project with the Government of Guinea's interest to be adjusted against each party's interest on a pro-rata basis (completed);
- upon the earlier of:
  (i) a decision to proceed to mining;
  (ii) Nemex's sale of its rights under the agreement; or
  (iii) 6 years from completion of the due diligence period, being 13 April 2017

  Nemex must make a cash payment of US$2,000,000 to increase Nemex's interest in the Coastal Project from 70% to 76.5%, with the Government of Guinea's interest to be adjusted against each party's interest on a pro-rata basis;
- at any time after the payment above has been made and within 60 days after a decision to mine, Nemex may acquire an additional 8.5% of Adem's interest by making a cash payment of US$12,000,000 in which event Nemex's interest in the Coastal Project will be 85%, with the Government of Guinea's interest to be adjusted against each party's interest on a pro-rata basis.

2) Under the terms of the Telimele West Agreement, Nemex can earn an interest of 85% (prior to any Government interest under the Guinea Mining Code) in the Telimele West properties in the Republic of Guinea, West Africa by completing the following payments:
- on completion of exploration expenditure of US$1,000,000 Nemex is entitled to a 70% interest in the Telimele West Project with the Government of Guinea's interest to be adjusted against each party's interest on a pro-rata basis;
- upon the earlier of:
  (i) a decision to proceed to mining;
  (ii) Nemex's sale of its rights under the agreement; or
  (iii) 6 years from completion of the due diligence period, being 13 April 2017

  Nemex must make a cash payment of US$1,000,000 to increase Nemex's interest in the Telimele West Project from 70% to 76.5%, with the Government of Guinea's interest to be adjusted against each party's interest on a pro-rata basis;
- at any time after the payment above has been made and within 60 days after a decision to mine, Nemex may acquire an additional 8.5% of SFM's's interest by making a cash payment of US$4,500,000 in which event Nemex's interest in the Telimele West Project will be 85%, with the Government of Guinea's interest to be adjusted against each party's interest on a pro-rata basis.

3) In March 2012, Nemex executed a joint venture agreement with ASX listed Company Golden West Resources Limited (ASX: GWR) for the Woodley iron project

Details of the Agreement are as follows:
- GWR must spend a minimum of $300,000 on exploration within 12 months of signing the agreement after which time it may elect to withdraw (completed).
- Upon GWR spending a total of $1,000,000 on exploration it will have earned an interest of 85% (Nemex 15%).
- Nemex will be free carried to completion of a bankable feasibility study.
- Should GWR identify an iron resource of at least 10Mt at greater than or equal to 55% Fe or a gold resource of greater than 500,000 ounces of gold at a grade of 2g/t then Nemex shall be entitled to be issued up to 1,000,000 shares in GWR with the number of shares capped at $600,000 maximum value.