



NEMEX

RESOURCES LIMITED

ACN 146 243 843



17 October 2014

Fast Facts

Capital Structure

Shares on issue 168.0M
Options 97.5M
Performance Rights 9.0M
ASX Code NXR

Directors &

Senior Management

Patrick Flint

Chairman

Peter Turner

Non-Exec Director

Paul Jurman

Non-Exec Director &
Company Secretary

Project Highlights

WBT Investment

- Biometric technology
- *Potential global market*
- *Strong management*

Guinea (Iron)

- *High-grade iron discovery*
- *Large resource potential*
- *Targeting DSO production*

W Australia (Iron)

- *Woodley DSO Project*

Contacts

Mr Patrick Flint

T: +61 8 9388 2277

www.nemexres.com.au

Ms J Hewitt

ASX Compliance Pty Ltd

Level 40, Central Park,

152-158 St Georges Terrace

Perth, WA 6000

By email: tradinghaltsperth@asx.com.au

Dear Jill


We refer to your enquiry letter dated 17 October 2014 in relation to an increase in Nemex Resources Limited's (NXR) share price from a close of 2.6 cents on 15 October 2014 to an intra-day high of 3.8 cents today and respond in the same order.

- 1) The Company is not aware of any information concerning it, that has not been announced and which, if known, may reasonably be regarded as an explanation for recent trading in the Company's securities.
- 2) Not applicable.
- 3) The Company does not have an explanation for the price change in the securities of the Company.

However, NXR has recently increased its interest in Wavefront Biometric Technologies Pty Ltd (WBT) to 30% (and has the right to acquire a 51% interest). WBT has developed and patented a biometric technology for reliable and secure authentication of a person's identity. WBT's technology has a number of competitive advantages in the biometric sector including its high fidelity (reliability and accuracy), universal application, fraud resistance and its One-Time-Pin capability.

WBT recently successfully miniaturised and adapted its technology to a mobile platform. WBT is on track to commence commercialisation discussions with participants in the military / security and financial services sectors in Australia and North America in late 2014 and early 2015. The current prototype unit is considered appropriate for application in the military and security markets, subject to completion of performance testing. The strategy for commercialisation in the financial services sector is to secure a development partner (such as a mobile device manufacturer) for incorporation of the technology directly into a mobile device.

NXR is aware of an article on the front page of the Financial Times on 27 September 2014 reporting on WBT's unique biometric technology. In addition, there has recently been press coverage of Australia's national security laws, in particular the recent Counter-Terrorism Legislation. This legislation authorises the collection and retention of biometric data. The Company considers this is



further evidence that the adoption of biometrics for security purposes is **inevitable**. The Company also sees significant potential for the utilisation of the WBT's high fidelity biometric (noting the miniaturised prototype has already been developed) in border security, and this forms part of WBT's initial commercialisation strategy.

- 4) The Company confirms that it is in compliance with ASX Listing Rules and, in particular, Listing Rule 3.1 (when read in conjunction with Listing Rule 3.1A).

Yours sincerely



Paul Jurman

Company Secretary

Detailed information about Nemex is available at www.nemexres.com.au



ASX Compliance Pty Limited
ABN 26 087 780 489
Level 40 Central Park
152-158 St Georges Terrace
PERTH WA 6000

GPO Box D187
Perth WA 6840

Telephone 61 8 9224 0000
Facsimile 61 8 9381 1322
www.asx.com.au

17 October 2014

Mr P Jurman
Company Secretary
Nemex Resources Limited
Level 1, Suite 5, 55 Salvado Road
SUBIACO WA 6008

Dear Paul

Nemex Resources Limited (the “Entity”): ASX price query

We have noted a change in the price of the Entity’s securities from a close of 2.6 cents on Wednesday, 15 October 2014 to an intraday high of 3.8 cents today. We have also noted an increase in the volume of trading in the Entity’s securities over this period.

In light of the price change and increase in volume, ASX asks you to respond separately to each of the following questions:

1. Is the Entity aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is “yes”:
 - a) Is the Entity relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in the Entity’s securities would suggest to ASX that such information may have ceased to be confidential and therefore the Entity may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is “yes”, you need to contact us immediately to discuss the situation.
 - b) Can an announcement be made immediately?

Please note, if the answer to this question is “no”, you need to contact us immediately to discuss requesting a trading halt (see below).
 - c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is “no”, is there any other explanation that the Entity may have for the recent trading in its securities?
4. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 2pm on Friday 17 October 2014. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity’s securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at tradinghaltsperth@asx.com.au or by facsimile to +61 8 9381 1322. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Jill Hewitt
Senior Adviser, Listings Compliance (Perth)