



# NEMEX

## RESOURCES LIMITED

ACN 146 243 843



**31 January 2017**

### **Fast Facts**

#### **Capital Structure**

Shares on issue 241.3M  
ASX Code NXR

#### **Directors**

**Hui Zhang**  
Chairman

**Tao Ding**  
Non-Exec Director

**Yongjin Li**  
Non-Exec Director

#### **Contacts**

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

## **Quarterly Activities Report – December 2016**

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

### **INVESTMENT IN SECURITY BIOMETRIC TECHNOLOGY**

NXR continues to support Wavefront Biometric Technologies Pty Ltd (“Wavefront”) in its current technology development and will reassess its position once results are received from further independent validation testing at the International Centre for Biometric Research at Purdue University (Purdue ICBR).

Wavefront have advised that the testing has commenced, including up to 20 live subjects initially and the timeframe for the testing and summary of the results to be completed is within four to six weeks.

During the quarter, Wavefront has undertaken further technology development aimed at improving usability, the speed of the analysis of the captured front-end image, overall improvement in the accuracy of the three modes (iris hue, pattern and cornea) and the application of artificial intelligence to the combination of the modes to give optimal results.

### **MINERAL INTERESTS**

No field activities were undertaken during the quarter and after the end of the quarter, NXR relinquished its remaining mineral project as the results to date make the likelihood of an economic deposit being defined unlikely.

### **CORPORATE**

The Company’s ability to raise cash at this time has made the conservation of cash paramount. Accordingly, the Board is carefully assessing options regarding ongoing funding and has agreed to suspend Directors fees until the Company’s funding position has improved.



### **Reinstatement to trading**

ASX has advised the Company that it will not be re-instated to trading unless and until ASX is comfortable that the Company has an appropriate structure and operations for a listed entity. The Company expects that it will need to have acquired 100% of Wavefront (or 100% of another project that is suitable for a listing on ASX) and re-comply with chapters 1 and 2 of the ASX Listing rules, prior to its securities being reinstated to trading.

The Board continues to assess new investment opportunities, including potential investments in both resource and non-resources related sectors.

### **Annual General Meeting**

The Company's Annual General Meeting was held on 30 November 2016 where the following resolutions were approved.

Resolution 1 – Adoption of Remuneration Report

Resolution 2 – Appointment of Tao Ding as a director

Resolution 3 – Appointment of Yongjin Li as a director

Resolution 4 – Approval of 10% Placement Capacity was defeated as this was a special resolution and required approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

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

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



## Addendum to December 2016 Quarterly Report

NXR provides the following addendum in relation to additional information required by Listing Rule 5.3.3.

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

<b>Western Australia</b>	
<b>Woodley</b>	
E57/632	Granted

### Mining Tenements acquired during the quarter and their location

None.

### Mining Tenements disposed of during the quarter and their location

None.

### Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter

#### *Farm-in Agreements*

None.

### Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter

None.

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

NEMEX RESOURCES LIMITED
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### ABN

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

31 December 2016
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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1)	(2)
(b) development	-	-
(c) production	-	-
(d) staff costs	(13)	(25)
(e) administration and corporate costs	(71)	(115)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(85)</b>	<b>(142)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	249	309
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(85)	(142)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	6	3
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>170</b>	<b>170</b>

5. <b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1      Bank balances	170	249
5.2      Call deposits	-	-
5.3      Bank overdrafts	-	-
5.4      Other (provide details)	-	
<b>5.5      Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>170</b>	<b>249</b>

**6.      Payments to directors of the entity and their associates**

- 6.1      Aggregate amount of payments to these parties included in item 1.2
- 6.2      Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3      Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

13

-

Directors fees, consultancy charges and remuneration      13

**7.      Payments to related entities of the entity and their associates**

- 7.1      Aggregate amount of payments to these parties included in item 1.2
- 7.2      Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3      Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$A'000**

-

-

**8.      Financing facilities available**  
*Add notes as necessary for an understanding of the position*

**Total facility amount  
at quarter end  
\$A'000**

**Amount drawn at  
quarter end  
\$A'000**

8.1      Loan facilities

-

-

8.2      Credit standby arrangements

-

-

8.3      Other (please specify)

-

-

8.4      Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	-
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	50
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>50</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: .....  
Director

Date: 31 January 2017

Print name: Hui Zhang

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.