NEMEX RESOURCES LIMITED

ACN 146 243 843

Quarterly Activities Report – June 2017

31 July 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

Nemex Resources Limited (ASX: NXR, Nemex or the Company) reports its activities and corporate developments for the June 2017 Quarter.

INVESTMENT IN SECURITY BIOMETRIC TECHNOLOGY

During the quarter, Wavefront Biometric Technologies Pty Ltd ("Wavefront") advised Nemex that it had received the Final Test Report from the International Centre for Biometric Research at Purdue University ("Purdue ICBR") as part of its technology development programme to assess the performance of the technology and determine whether the technology has commercial potential.

The Final Test Report from Purdue ICBR revealed a system Equal Error Rate (EER) of 3.5%. Purdue ICBR have recommended that Wavefront collect data from a larger sample size of the general population to assess the system performance for a more accurate representation of the population.

Wavefront has advised the Company that it believes further improvements are required to reach commercially viable performance and has identified potential solutions (including introducing a pupil detection component). Intelligent fusion technology has been introduced to improve the performance of the three modes.

Nemex is in discussions with the existing Wavefront Board and Wavefront shareholders with regards to its investment in Wavefront. Nemex will assess all opportunities, in both resource and non-resources related sectors with a view to seeking reinstatement to trading on ASX.

Contacts

Mr Hui Zhang
T: +61 8 9388 2277
www.nemexres.com.au

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.

For further information about Nemex contact:

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

Addendum to June 2017 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

Nil.

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.

+Rule 5.5

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

ABN	**Quarter ended ("current quarter")**
44 146 243 843	30 June 2017

	Consolidated statement of cash flows	**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	(2)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	(25)
	(e) administration and corporate costs	(36)	(185)
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)	-	-
1.9	**Net cash from / (used in) operating activities**	**(36)**	**(212)**

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

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
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)	-	-
2.6	**Net cash from / (used in) investing activities**	**-**	**-**

3.	**Cash flows from financing activities**		
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)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	130	309
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(36)	(212)
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	-	(3)
4.6	**Cash and cash equivalents at end of period**	**94**	**94**

5.	**Reconciliation of cash and cash equivalents** 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	94	130
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**94**	**130**

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
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

Directors fees, consultancy charges and remuneration -

7.	**Payments to related entities of the entity and their associates**	**Current quarter $A'000**
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

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.

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	-
9.2	Development	-
9.3	Production	-
9.4	Staff costs	-
9.5	Administration and corporate costs	45
9.6	Other (provide details if material)	-
9.7	**Total estimated cash outflows**	**45**

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter**
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: .... Date: 31 July 2017
Director

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.