



24 November 2015

Fast Facts

Capital Structure

Shares on issue	241.3M
Options	24.4M
ASX Code	NXR

Directors & Senior Management

Patrick Flint

Chairman

Hui Zhang

Non-Exec Director

Paul Jurman

Non-Exec Director &
Company Secretary

Project Highlights

WBT Investment

- Biometric technology
- Potential global market

Guinea (Iron)

- High-grade iron discovery
- Large resource potential

W Australia (Iron)

- Woodley DSO Project

Contacts

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NEMEX

RESOURCES LIMITED

ACN 146 243 843



Wavefront Investment Update

Nemex Resources Limited (ASX: NXR) (Nemex or Company) provides the following update with respect to its investment in Wavefront Biometric Technologies Pty Ltd (Wavefront) and plans to transition to a biometric focussed technology company.

Wavefront's Independent Validation Testing

As part of its technology development programme Wavefront facilitated a review of the technology through the International Centre for Biometric Research at Purdue University ("Purdue ICBR"), a globally recognised leader in biometric technology analysis. The objective of the review was to validate the results of the internal performance testing previously completed by Wavefront and its consultants.

Purdue ICBR has completed testing Wavefront's system (comprising its hardware and testing and analysis software). Wavefront has advised Nemex that Purdue ICBR was unable to independently validate and report on the Wavefront system performance metrics (such as False Acceptance Rate, False Rejection Rate and Equal Error Rate) without further in-depth analysis of the Wavefront software. Purdue ICBR noted Wavefront's system software does not provide data output to calculate performance metrics in a format typically reviewed by Purdue ICBR.

Wavefront intends to review and amend the system software to ensure it provides data output in a typical format. Wavefront will then re-process data from its previous internal and the recent external testing with a view to undertaking further independent validation at Purdue ICBR.

As previously advised Wavefront's short-term plans include further significant miniaturisation and performance and usability improvements through enhanced software and algorithm development. Whilst Wavefront considers its multi-modal biometric technology provides a unique solution to human biometric identification, Wavefront has advised these further improvements are required in order to have a competitive product in the rapidly evolving mobile (self-acquisition) market. Wavefront is targeting completion of the next phase of this work in 1H 2016.



Investment Strategy and Capital Raising Plans

Nemex is committed to transitioning to a biometric focussed technology company and is proceeding with the following strategy:

- Completion of a fundraising for up to \$4.8 million (Capital Raising). Nemex has mandated Cicero Advisory Services Pty Ltd (Cicero) to exclusively manage a priority placement to shareholders on a 1:1 basis (together with a top-up offer of shares to shareholders who do not hold a marketable parcel of shares) at a price of 2 cents per share together with a 1 for 2 free attaching option exercisable at 5 cents each and expiring on 30 June 2017. It is proposed that the Capital Raising will be partially underwritten by Cicero to an amount of A\$3 million. Nemex proposes to use the funds to continue assisting Wavefront in developing and commercialising its biometric technology whilst also exploring wider market opportunities at a group level.
- Nemex to purchase shares in Wavefront from clients of Cicero, equating to approximately 10.5% of Wavefront for consideration of 45 million Nemex shares (Acquisition). This will result in Nemex holding an approximate 50.5% interest in Wavefront.
- Shareholder approval in respect of all resolutions required in order to complete the Acquisition.
- ASX has advised that the Acquisition will result in a significant change to the nature and scale of Nemex's activities, and will require shareholder approval under ASX Listing Rule 11.1.2 and will also require that Nemex re-complies with Chapters 1 and 2 of the ASX Listing Rules.
- Appointment of a new board and executive to govern and manage a biometric focussed technology company.

The Capital Raising has been structured to allow for maximum shareholder participation, whilst also reflecting the uncertainty arising from the inconclusive results of the independent testing and the Company's current financial position. The Company's major shareholders have indicated their support for the above strategy and the transition to a biometric focussed technology company.

Nemex previously stated its intention to exercise its right under the Subscription Agreement (dated 15 May 2014) to subscribe for a further 11% interest in Wavefront (for consideration of \$1.75 million) subject to various conditions including completion of the independent validation testing and Nemex being satisfied with the results of that testing. Nemex does not intend to exercise this right at this stage.

Pro-Forma Capital Structure

Nemex's proposed capital structure will be as follows (assuming that the minimum amount of A\$3 million is raised under the Capital Raising at \$0.02 per Share and no existing options are exercised):



	Shares	5c Options	5c Options	10c Options	Advisor / Incentive Options ¹
Current	241,325,421	Nil	12,412,500	12,000,000	Nil
Acquisition	45,000,000	Nil	Nil	Nil	Nil
Capital Raising	150,000,000	75,000,000	Nil	Nil	15,000,000
TOTAL	436,325,421	75,000,000	12,412,500	12,000,000	15,000,000

Note 1 – it is proposed to issue 15 million options to Cicero in respect of the Capital Raising. 7.5 million options will be exercisable at 2 cents and expire on 31 March 2017, and a further 7.5 million options will be exercisable at 5 cents and expire on 30 June 2017. It is also proposed to issue incentive options to Mr Darren Patterson, the Company's proposed Chief Executive Officer. The details of this proposed issue, which is subject to shareholder approval, are currently being finalised.

Indicative Timetable

An indicative timetable for completion of the Capital Raising and the Acquisition is set out below:

Milestone	Indicative Timetable*
Release of notice of meeting	9 December 2015
Issue Capital Raising prospectus	16 December 2015
Hold general meeting	14 January 2016
Completion of Capital Raising and Acquisition	21 January 2016
Re-quotation on ASX	15 February 2016

* Please note this timetable is indicative only and the directors of Nemex reserve the right to amend the timetable as required. Shareholders should also note that the Company's securities will be suspended from trading on the day of the general meeting seeking shareholder approval for the Acquisition and, if such approval is obtained, will remain suspended until such time as the Company has satisfied Chapters 1 and 2 of the ASX Listing Rules.

For further information about Nemex contact:

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