



NEMEX

RESOURCES LIMITED

ACN 146 243 843



24 July 2014

Fast Facts

Capital Structure

Shares on issue	157.4M
Options	86.9M
Performance Rights	9.0M
ASX Code	NXR

Directors &

Senior Management

Patrick Flint

Chairman

Peter Turner

Technical Director

Paul Jurman

Non-Exec Director &
Company Secretary

Project Highlights

Guinea (Iron)

- High-grade iron discovery
- Close to coast
- Large resource potential
- Targeting DSO production

Côte d'Ivoire (Gold)

- ~1,200km² of licenses
- Geophysical anomalies
- Gold anomalies present
- Exciting opportunity
- Under-explored country

W Australia (Iron)

- Woodley DSO Project

Contacts

Mr Patrick Flint

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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 22 July 2014 in relation to an increase in Nemex Resources Limited's (NXR) share price from a close of 2.2 cents on 21 July 2014 to the intra-day high of 3.3 cents on 22 July 2014 and respond in the same order.

For convenience, ASX's queries are reproduced below and NXR's response follows:

- 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?*

Yes


- 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.

Yes – up to the time NXR was issued a price query on 22 July 2014 at approximately 1.33pm Perth time by ASX, it was relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1.

As previously announced in April 2014, NXR has entered into a conditional agreement whereby it can earn up to a 51% interest in Wavefront Biometric Technologies Pty Ltd (WBT), an emerging security biometric technology company.



WBT is a Sydney based company that has developed and patented a biometric technology for reliable and secure authentication of a person's identity. WBT has developed a desktop device to deliver its identity authentication solution. WBT's objective is to implement the technology on a hand held platform and then commercialise the technology (initially) in the mobile banking sector.

In April 2014 WBT commenced the process of implementing the technology on a hand held platform. The product development program comprises three stages, is expected to take 14 - 18 months in total to complete and the associated costs are proposed to be funded by NXR's staged investments.

The development work is primarily being undertaken by an experienced team in the United States, led by Dr Ed Sarver, with review and input as required by WBT personnel in Australia, including the technology's original inventor, Mr Stephen Mason, a Sydney based clinical Optometrist and researcher. Dr Sarver is regarded globally as a world leader in developing innovative software and hardware for measuring the corneal contour and corneal modelling.

Phase 1 of the development program is to adapt the WBT technology onto a hand-held platform and, more specifically, be able to demonstrate that the hand-held platform will:


- Acquire a live image for authentication
- Automatically process the image for features used for authentication
- Enroll an individual
- Demonstrate authentication of the enrolled individual

On Saturday 21 July 2014, the WBT Board (of which Mr Jurman, a director of NXR, is a member) was advised by the product development team in the USA that the phase 1 deliverables (as noted above) had been met (via a hand held attachment to a mobile device). However, WBT personnel in Australia, including Mr Stephen Mason, have not yet had an opportunity to complete their review of the product development, WBT has not yet determined whether phase 1 of the development program has been completed and WBT has not yet provided NXR with any formal communication as to the status of the product development.

Upon NXR being formally advised by WBT that phase 1 of the development program has been completed, NXR then has a period of 20 business days to conduct its own investigations and decide on whether to exercise its option and invest a further \$625,000 to fund the second phase of WBT's product development, and thereby acquire an additional 10% interest in WBT, bringing its interest in WBT to 30%.

Based on the circumstances disclosed above, NXR considers that the information in respect of phase 1 of the development program is insufficiently definite to warrant disclosure.

In addition, NXR discussed the confidential nature of the status of the product development with WBT and is not aware of any circumstances that would have resulted in the confidential nature of the information ceasing. NXR also considers a reasonable person would not expect the information to be disclosed.

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- 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?*

Not applicable.

- 4) *Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.*

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



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22 July 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 2.2 cents on Monday, 21 July 2014 to an intraday high at the time of writing of 3.3 cents today, Tuesday 22 July 2014. 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 7.30 am on Wednesday 23 July 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)