



NEMEX

RESOURCES LIMITED

ACN 146 243 843

Mr J Rowe
ASX Compliance Pty Ltd
Level 40, Central Park,
152-158 St Georges Terrace
Perth, WA 6000



27 October 2014

Fast Facts

Capital Structure

Shares on issue 180.2M
Options 103.5M
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

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www.nemexres.com.au

By email: tradinghaltsperth@asx.com.au

Dear James

We refer to your enquiry letter dated 24 October 2014 in relation to an increase in Nemex Resources Limited's (NXR) share price from a close of 3 cents on 23 October 2014 to an intra-day high of 4.4 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.

As previously advised, 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.

NXR is aware of increased public awareness of the significant commercial opportunities associated with biometrics across numerous global sectors.

Whilst there are a number of biometric systems in the marketplace, including face, iris, fingerprint, voice and vein recognition, it is considered that WBT's technology has significant competitive advantages, including:

- High fidelity (ie, extremely low error rates). Under laboratory conditions, the technology has demonstrated industry-leading low false match and false non-match rates. The technology also has minimal enrolment issues. Testing to confirm the high fidelity performance of the technology on WBT's recently miniaturised prototype will commence in November 2014.
- Ability to generate a one-time PIN, which significantly increases the level of security. An attempted enrolment which produces an exact match to the reference biometric information registered using WBT's technology is rejected, as the data must differ ever so slightly each enrolment. This means that if an individual's biometric record is stolen, that record cannot be used to gain unauthorised access.

WBT's development strategy remains on track. WBT also plans 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.

Recent selected acquisitions of companies in the biometric sector are set out below, and these demonstrate the significant commercial potential that major global companies are attributing to biometrics.

Date	Acquisition	Details	Price
August 2010	3M (NYSE:MMM) acquired Cogent	Cogent provides finger, palms, face and iris biometric systems for governments, law enforcement agencies and commercial enterprises.	US\$943m (US\$430m net of cash acquired)
July 2011	Safran (Paris:SAF.PA) acquired L-1 Identity Solutions	L-1 specializes in developing fingerprint, palm, face, and iris biometric recognition solutions. Its products are deployed by the U.S. military, border patrol agents, local law enforcing agencies, and private companies.	US\$1.09b
July 2012	Apple (NASDAQ:AAPL) acquired AuthenTec	AuthenTec provides mobile security software licenses and fingerprint sensor technology. .	US\$356m
October 2013	Synaptics (NASDAQ:SYNA) acquired Validity Sensors	Validity Sensors provides biometric fingerprint authentication products for smartphones, tablets and laptop computers.	US\$255m (US\$92.5m upfront, remainder on performance)

- 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



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24 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 3 cents on Thursday, 23 October 2014 to an intraday high of 4.4 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 6.30 am on Monday, 27 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]

James Rowe
Manager, Listings Compliance (Perth)