



27 August, 2015

The Manager, Company Announcements Office
Australian Securities Exchange
Exchange Centre
4th Floor, 20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam,

**ADJUDICATION DETERMINATION
IN RELATION TO THE DISPUTE WITH MCC OVERSEAS LTD**

Amex Resources Limited (**ASX: AXZ**) refers to the dispute with its contractor, MCC Overseas Limited (MCCO) under the fixed price USD100m FIDIC contract signed between Amex and MCCO in December 2013 (Contract).

In January 2015, Amex terminated the Contract and made a claim against MCCO for losses arising from MCCO's failure to perform the Contract throughout 2014. MCCO rejected Amex's claim and challenged the validity of the Contract.

In February 2015, Amex referred the dispute to be resolved by a Dispute Adjudication Board pursuant to the Contract. The Dispute Adjudication Board process is a private dispute resolution process which is binding on the parties unless and until overturned in any subsequent arbitration.

A Dispute Adjudication Board consisting of three members (two retired English High Court Judges and one Chinese arbitrator) was established on 29 May 2015. A four day hearing was conducted in Singapore from 11 to 14 August 2015. On 24 August 2015, the Dispute Adjudication Board, by majority, made a decision in favour of Amex.

It determined that:

1. the Contract between Amex and MCCO was valid and binding;
2. MCCO had deliberately defaulted in its performance of its obligations under the Contract;
3. Amex was entitled to terminate the Contract;
4. Amex was entitled to all its losses arising from MCCO's default, which it assessed in the amounts of AUD 879,669, USD2,956,233 and FJD 535,000.

Amex had claimed additional amounts for loss of the value of the Mba Delta Ironsands Project arising from the delay to the commencement of the Project caused by MCCO's default. The Dispute Adjudication Board found that, in light of the effect of various economic factors, including the recent decline in the iron ore price, the project is not likely to have become less valuable by being delayed.

Either party may proceed to arbitration and, if that occurs, an arbitral award may differ from the Dispute Adjudication Board decision. However, unless and until that occurs, the decision is binding on MCCO and, consequently, MCCO is bound to pay to Amex the amounts described above immediately. Amex



welcomes this decision and has demanded that MCCO make immediate payment of the adjudicated amounts.

In the meantime, Amex has taken steps to maximise the opportunity to appoint a replacement contractor and arrange alternative funding to expedite construction on the ground in Fiji. To that end, Amex management team has arranged meetings to finalise arrangements next week in China and will advise the market once negotiations have been concluded.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "M Collard".

Matthew Collard
Managing Director