

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

29 January, 2016

Dear Sir,

QUARTERLY ACTIVITIES REPORT TO 31 DECEMBER 2015

Amex Resources Limited (Amex) is pleased to update shareholders and investors on the Company's activities during the quarter. Highlights are as follows:

MBA DELTA IRONSANDS PROJECT – FIJI

- **Design-Build Contract for Port Facilities and Mining Fleet Signed 30 October 2015**
- **18 Month Construction Period Commenced 29 December 2015**
- **Appointment of FIDIC Engineer on 1 December 2015**
- **Long Term Commercial Lease at Ba River Dredge Base Approved**
- **Consultation Meetings for Renewal of Exploration Licence Commenced**



Example of Port Project Constructed by Amex's New Contractor

MBA DELTA IRONSANDS PROJECT – FIJI

Plant and Design Build Contract

As previously reported, Amex executed a US\$76.3 million FIDIC contract for design, procurement and construction of the Lautoka port facilities and Mba Delta marine operations fleet with CCCC First Harbor Consultants Co., Ltd (FHC) on 30 October, 2015.



Signing Ceremony, Tianjin China 30 October 2015

The Contractor is a highly regarded international port infrastructure specialist, with previous experience in Fiji and knowledge of the Mba Delta project. As stated on FHC's website at <http://www.fchine.com.cn/EN/index.asp> *“During five decades since the company was established, we have undertaken projects all over China and five continents of the world....FHC has designed many types of wharves and coastal structures that feature the state-of-art hi-tech, with many projects designed by FHC in the advanced level of the world, bringing about remarkable social, economic and environmental benefits to the clients. 26 projects designed by FHC have been listed as the new records of China's enterprises, and 198 projects designed by FHC have been awarded international and national prizes.”*

The design/procure/construct period is scheduled to take 18 months from the commencement date of 29 December 2015, through to the taking over stage. Site works are currently scheduled to start in April with building of the port infrastructure including workshop/stores, administration building, training facility, laboratory/ control room and support facilities. Construction of the main wharf and fully enclosed storage shed is scheduled to commence two months later.

FHC is also responsible for design and construction of the operational marine fleet – a bucket wheel dredge, floating processing plant, work boat and pusher tug, with sea trials scheduled for completion by March 2017. Amex will provide support vessels - a refuelling/service vessel and crew transfer boat, both of which will be commissioned with local shipbuilders in Fiji, and four transport barges.

Since signing of the contract, the major design, scheduling and procurement tasks have been advanced in preparation for mobilisation and commencement of site works by the Contractor.

On provision by FHC of a bank guarantee for US\$15.5 million, Amex will make an advance payment for that amount. The final US\$15 million payment of the contract is to be delayed until after the 12 month defects rectification period has been completed, after taking over.

At the beginning of December, local Lautoka engineering group WesEng Consulting Limited was appointed as FIDIC Engineer to undertake technical supervision, inspection and construction management as required under the contract. Engineer Andrew Singh will lead his team of seven nominated engineers and site inspectors in this role.

Project Summary

Amex will produce magnetite concentrate from its 220 million tonne ironsands resource at the Mba Delta over a 20 year mine-life, by dredge operation and magnetic separation on the adjacent floating process plant. The deposit is secured within special mining lease SML60, which is surrounded by a larger exploration area held as special prospecting licence SPL1463.

The recovered magnetite product will be transported daily by barge to Amex's nearby Lautoka port site which will comprise an unloading facility, washing plant to remove sea salt, enclosed stockpile shed, ship loading infrastructure, a dedicated export berth for vessels of up to 60,000t capacity, workshops and offices.

Projected operating costs are very low, currently assessed as US\$20-22/t, based on the Bankable Feasibility Study and subsequent movements in exchange rates and fuel prices. The Board is confident that Amex is well-positioned to take advantage of iron ore prices recovering in the lead up to production in 2017 and over the planned 20 year mine-life.

Metallurgical testwork and research into establishment of additional high value markets into which the ironsands product can be sold is continuing, with encouraging results to date.

Other Works Completed

Recruitment and selection policies have been reviewed and updated by the operations team at the Lautoka office, in preparation for staff employment during the forthcoming construction phase. Further development of safety and health manuals and associated procedures was also undertaken.

Discussions and budget negotiations were advanced in preparation for the dredging works required at the port site to deepen the berth and adjoining access channel. Consultations were also held with local stakeholders including the Lautoka City Council regarding access to reclamation sites for relocation of the dredged material.

Additional "as-built" detailed plans of stormwater drainage flows onto and through the site have been located and these will be incorporated into construction schedules. Confirmation of drainage pattern and water movement has commenced, using non-hazardous food grade colouring materials during heavy rain events during the current wet season.

Environmental monitoring and sampling was continued at both the port and the Mba Delta project areas, as part of the baseline studies which are being conducted prior to commencement of the construction and dredging works.

Following approval in September of scheme for subleasing part of the Government's dredge facility on the Ba River at Nailaga, Ministry of Lands and Mineral Resources advised the Company in November that approval had been granted for the preparation of a new 99 year commercial lease.

Amex will repair and upgrade the Government's existing jetty and dredge basin, for use as a transit base and crew transfer station to dredging operations on the delta. The facility will provide a secure jetty/mooring basin ideally located close to the regional town of Ba, on the main national highway.

During the quarter, the current Government programme of dredging the Ba River for flood remediation purposes was completed, using the Nailaga facility as a base. Exploration by Amex within SPL1463 includes examination and geological characterisation of the magnetite content of the various spoil disposal sites from this work along the Ba River.



Ba River Dredging Operations

Further downstream at the mouth of the Ba River, the Lands & Water Research Management Division of the Ministry of Agriculture has planned a further dredging programme in 2016 to re-establish a channel from the river mouth out into the lagoon.

This work will provide better access for local fishermen to the sea, as well as potential flood remediation by removal of a build-up of sediments which are partially blocking the river mouth. As these sediments form a small part of the overall ironsands resource, Amex is deeply appreciative of the cooperation of the Fijian Government in seeking input from the Company to ensure that these forthcoming works do not sterilise or deplete any part of the Mba Delta orebody.

Community consultation meetings have been conducted during the period, with the assistance of the Ba Provincial Council and senior traditional representative of villages within the SPL. This is a requirement as part of the renewal process for the SPL, whose current 3 year term expires in March 2016.

CORPORATE ACTIVITIES

Funding

At the General Meeting held on 16 November, 2015 shareholders approved the issue of 10,000,000 fully paid ordinary shares and 10,000,000 unlisted options which formed part of the US\$30 million loan facility executed in September.

Shareholders also approved in advance a placement of up to 80 million shares, to assist the Board in negotiating replacement funding, repaying existing debt and to provide additional working capital in the near future. A 10% Placement Facility under ASX Listing rule 7.1A was also approved.

WESTERN AUSTRALIAN PROJECTS

Amex holds a 10% interest in E69/2747 in the Musgrave region of WA, with Traka Resources Limited (ASX: TKL) as operator and registered holder of the remaining interest. Amex is free carried for the first \$1m of exploration on E69/2747. No fieldwork was reported during the quarter.

CONCLUSION

The Company is very pleased to have executed a new contract for construction of the Mba Delta Project with First Harbor Consultants and looks forward commencement of site works by the end of the March quarter, 2016.

We will continue to update shareholders on further progress over the coming quarter.

Yours faithfully,

Matthew Collard
Managing Director
Amex Resources Limited

Corporate Information

Directors

Hon Richard Alston Non-Executive Chairman
Mr Matthew Collard Managing Director
Mr Yibo Qiu Marketing Director

Company Secretary

Mr Gary Dunlop Company Secretary

ASX code: AXZ

Registered and Principal Office

22 Emerald Terrace
West Perth
Western Australia 6005

Tel: +61 (0)8 9480 0455
Fax: +61 (0)8 9321 0320

ACN 089 826 237

Investor Relations

Enquiries concerning this Report may be directed to:

Matthew Collard – Managing Director
Tel: +61 (0)8 9480 0455

Issued Capital

At 31 December 2015, Amex had 522 shareholders with issued capital of 105,820,857 fully paid ordinary shares and 40,250,000 unlisted options.

Shareholder Enquiries

Matters relating to shares held, change of address and tax file numbers should be directed to:

Security Transfer Registrars Pty Ltd
PO Box 535
Applecross
Western Australia 6953
Tel: +61 (0)8 9315 2333

Mining tenements held at 31 December, 2015

Tenement	Location	Project	Interest
SML60	Ba, Fiji	Mba Delta	100%
SPL1463	Ba, Fiji	Mba Delta	100%
SSR13	Lautoka, Fiji	Mba Delta	100%
E69/2747	Jameson, WA	Musgrave JV	10%

Changes of tenure, December 2015 quarter

Tenement	Location	Project	Interest
No tenements were acquired or disposed of during the quarter			

Joint Venture interests at 31 December, 2015

Tenement	Location	Project	Interest
E69/2747	Jameson, WA	Musgrave JV	10%
No Joint Venture interests were acquired or disposed of during the quarter			

Competent Person Statement

Contents of this report relating to Exploration Results, Mineral Resources or Ore Reserves for the Mba Delta Project are based on information compiled by consulting geologist Geoffrey Richards of Lionhart Consulting Services, who is a Member of the Australian Institute of Geoscientists. Mr Richards has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr Richards consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Contents of this report relating to Exploration Results are based on information compiled by consulting geologist Ian Cowden of Iana Pty Ltd, who is a Fellow of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr Cowden has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr Cowden consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Amex Resources Limited's planned exploration programme and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although Amex Resources Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements..

