

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

28 April, 2016

Dear Sir,

QUARTERLY ACTIVITIES REPORT TO 31 MARCH 2016

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

- **Construction “Kick-Off” Meetings Held for Scheduling, Design and Procurement**
- **Site Mobilisation Delayed after Cyclone Winston**
- **Commencement Deferred to 1 May 2016**
- **Briefing Meetings Conducted with Fijian Government Departments and Ministers**
- **Dredge Base Commercial Lease Execution**
- **Exploration Licence Renewal - Rent and Fees for Next 3 Years Paid**
- **State of the Art Sonic Drilling Rig Commissioned**



Construction “Kick-Off Meeting, Perth

MBA DELTA IRONSANDS PROJECT – FIJI

Plant and Design Build Contract

During the Quarter, the Company continued to progress its 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).

A number of construction “kick-off” meetings were held in Perth with contractor FHC and major subcontractors including Dalian Harui Heavy Industry Group (DHHI), Tianjin Dredging Company Co., Ltd (TDC) and Mechanical & Electrical Engineering Co., Ltd (MEEC).

Further meetings to progress the works were held in April with a delegation of 24 engineers and technical experts from the Contractor and subcontractors, including Jiangsu Ship Design & Research Institute Co., Ltd (JSSDRI).

Amex’s technical and management team - together with the FIDIC Engineer and the Company’s engineering and project delivery consultants Engenium - discussed final details of design, procurement and suppliers for plant and materials for the port construction at Lautoka and the marine dredging, processing and transport fleet to operate in the Special Mining Lease at the delta.



JSSDRI 100m³/hr Bucket Wheel Dredge

Arrangements for mobilisation and scheduling were also reviewed, noting that delays had resulted from recent Cyclone Winston, the strongest Category 5 cyclone ever to make landfall in Fiji. However, reconstruction is now well advanced and FHC currently has a technical team in-country negotiating with local suppliers for provision of materials and services to the project.

A management team from FHC will also arrive in Fiji shortly, to finalise preparations including corporate registrations, work permits and accommodation. Suva-based investment and management group Pacific Investment Consultancy Ltd has been retained as advisor to Amex since 2008 and is providing expertise and local knowledge to assist FHC in establishing operations in Fiji.

The design/procure/construct period is scheduled to take 18 months from the revised commencement date of 1 May 2016, through to the taking over stage. Site works are currently scheduled to start 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 later in 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.

As announced to ASX, the Company signed two amendment deeds with the contractor FHC, at the contractor's request, to extend the contract commencement date to 1 May 2016. In return, the Company requested a reduction of the advance payment amount by the sum of US\$2.7 million.

Amex will make an advance payment for the reduced amount of US\$12.8 million on receipt of a bank guarantee to be provided by FHC. The final US\$15.0 million payment under the contract will be deferred until the 12 month defects rectification period has been completed, after taking over.

Cyclone Winston:

Parts of Fiji suffered significant and widespread damage from Category 5 tropical Cyclone Winston on 20-21 February. Forty-four people were killed and thirty five thousand homes were damaged or destroyed. Winston was recorded as the most powerful cyclone ever in the southern hemisphere, with particularly severe damage to villages in the Western Division.

Fortunately, Winston caused only minor damage at Amex's Lautoka port and mining lease sites. However, the Company's Sorokoba base camp facility lost much of its roof and suffered damage to fences and outbuildings. None of Amex Fiji personnel were injured, and all have been involved in distributing disaster relief aid of food and water provided by the Company to villages in the exploration and mining project areas.



Emergency food and water supplies, Natanuku village

Although the Sorokoba building lost its roof, families from surrounding villages were provided with shelter in temporary accommodation in the sample storage area on the ground floor during and after the worst of the cyclone. Amex also provided 200 sets of stationery items and schoolbags to children in the local villages, to assist with their return to lessons as schools re-opened.

The declared state of emergency has been lifted, as Fiji recovers in the aftermath of the cyclone. National Disaster Management efforts together with international aid and assistance have restored much of the important infrastructure on the main island of Viti Levu. As a result, delays to construction of the Mba Delta Project are expected to be only short-term and minor.

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

Following lifting of the state of emergency on 19 April, Amex held briefing meetings in Suva with a number of Government Departments and Ministers regarding the Company's progress under the FHC Contract. Presentations were made to the Hon Minister for Lands and Mineral Resources, the Hon Minister for Agriculture, Rural & Maritime Development and National Disaster Management, Director of Lands & Water Resource Management Division, CEO of Fiji Revenue & Customs Authority, CEO of Fiji Ports Corporation Ltd and senior officers of Mineral Resources Department.

Payment of fees and rent was made to Department of Lands in Lautoka prior to execution of a 99 year commercial lease over part of the Nailaga dredge base on the Ba River. Amex will rehabilitate and upgrade the Government's jetty and dredge basin, and build crew change transit facilities to support dredging operations on the delta.

A renewal application was submitted for the exploration area of SPL1463, which surrounds the Special Mining Lease containing the Mba Delta orebody, and this is being processed by the Mineral Resources Department. Payment of rental and fees for the next three years tenure has been made.

Amex received overwhelming local support for continuation of its exploration activities at community consultation meetings held as part of the SPL renewal process. The assistance of Ba Provincial Council and senior traditional representative of villages within the SPL in arranging and conducting these meetings is gratefully acknowledged.

During the quarter, the Company commissioned construction of a sonic drilling rig to be based in Sorokoba and used for resource extension, infill drilling and exploration across the project tenure. It will utilise a German-designed and manufactured sonic drill head, and will be mounted on a barge to be built locally in Fiji. Geosonic Drilling will construct and initially operate the rig. Geosonic will also provide on-the-job training for local crews, who will then become responsible for ongoing operation and maintenance of the equipment.

Ground magnetometer reconnaissance surveying of the SPL has been planned, in conjunction with the Geoscience Division of the Secretariat of the Pacific Community (SPC). A proposal has been received from SPC and the work will start once the SPL renewal has been received.

Shortly after Cyclone Winston, additional programmes of water sampling on the Ba River, delta and Lautoka port areas were conducted. Laboratory analytical results have been received and added to the environmental baseline database. Evaluation and photographic records of the effects of the cyclone on the river, delta and mangroves were also carried out.

Consultations were continued with local stakeholders including CEO of Lautoka City Council regarding access to planned reclamation sites, for relocation of material to be dredged during deepening of the access channel and berth at the new wharf.

Tracking of drainage flows and water movement at the port site has confirmed that stormwater from surrounding industrial sites including the woodchip storage area, Queens Wharf road and roundabout is directed into an unmarked buried drain within Amex's port lease. There is no input to the drain from within Amex's land, and the contained water is discharged into the port close to the Company's planned barge unloading facility. Discussions have been held with Department of Environment, Department of Lands, Lautoka City Council and Fiji Ports regarding responsibilities related to the buried drain.

CORPORATE ACTIVITIES

As the Amendment Deeds between the Company and FHC which were signed on 8 April are subject to shareholder approval, a notice of meeting and explanatory notes with details of the proposed amendments are being prepared and will be forwarded to shareholders shortly.

Following from MCCO's failure to pay damages awarded to Amex in August 2015, the Company initiated arbitration proceedings on 11 December 2015 through the International Chamber of Commerce (ICC) as provided for under the Contract with MCCO (now terminated). On 10 February 2016, Amex paid US\$145,000 to ICC as a provisional advance.

Amex nominee as co-arbitrator is The Hon Michael McHugh AC QC, a professional Arbitrator and Mediator based in Sydney, who also served as a Justice of the High Court of Australia for many years. MCCO has nominated Mr Philip Yang, a professional Arbitrator and Academic based in Hong Kong. ICC appointed Mr Mohan R Pillay, a Singapore-based Chartered Arbitrator and leading construction lawyer, as Tribunal President.

The Tribunal has drawn up draft Terms of Reference and convened a case management telephone conference for 5 May 2016.

WESTERN AUSTRALIAN PROJECTS

As the Company's immediate focus is on commencing development of the Mba Delta project, exploration licence E69/2747 in the Musgrave region of WA was surrendered during the quarter and the JV with Traka Resources Limited (ASX: TKL) was terminated.

CONCLUSION

The Company looks forward to commencement of mobilisation by the Contractor and to the beginning of construction at its Lautoka port site. 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
Mr Matthew Collard
Mr Yibo Qiu

Non-Executive Chairman
Managing Director
Marketing Director

Investor Relations

Enquiries concerning this Report may be directed to:

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

Company Secretary

Mr Gary Dunlop Company Secretary

ASX code: AXZ

Issued Capital

At 31 March 2016, Amex had 516 shareholders with issued capital of 108,043,080 fully paid ordinary shares and 40,250,000 unlisted options.

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

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 March, 2016

Tenement	Location	Project	Interest
SML60	Ba, Fiji	Mba Delta	100%
SPL1463	Ba, Fiji	Mba Delta	100%
SSR13	Lautoka, Fiji	Mba Delta	100%

Changes of tenure, March 2016 quarter

Tenement	Location	31 Dec 15 Interest	31 March Interest
E69/2747	Jameson, WA	10%	0%
E69/2747 was surrendered during the quarter			

Joint Venture interests at 31 March, 2016

Tenement	Location	Project	Interest
Nil - Musgrave JV was terminated 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..

