

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

29 July, 2016

Dear Sir,

QUARTERLY ACTIVITIES REPORT TO 30 JUNE 2016

Amex Resources Limited 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 Contract Commenced 1 May 2016**
- **Contractor's Management Team Established in Fiji**
- **Bank Guarantee Provided for US\$12,800,000 Advance Payment**
- **Geotechnical Drilling Programme Approved**
- **Amex Fiji Team, New Appointments**
- **Mining Lease, Port Lease Updated to Reflect FIDIC Contract Terms**
- **Sonic Drill Rig Construction for Exploration and Grade Control**



Amex Port Development Site, Lautoka

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).

The Contract works commenced on 1 May 2016, under the terms of an Amendment Deed which was announced to the market on 11 April 2016. As required under the Contract, FHC provided a bank guarantee which was then reviewed and approved by lawyers and bankers for the Company.

Amex subsequently remitted US\$12,800,000 on 14 June 2016 to the Contractor as an advance payment which will be drawn against as work progresses, once approved and authorised by the FIDIC Engineer. 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.

A management team from FHC moved to Lautoka during the quarter and established an office and rental accommodation, together with several senior representatives of their approved subcontractors. Preparations for mobilisation of materials, equipment and the initial construction workforce in late August are underway.

FHC is meeting with local suppliers to arrange for provision of goods and services under the Contract. It is also attending to the necessary corporate registrations, work permits, insurances, local bank accounts and accommodation matters.

Lautoka City Council is currently assessing an application lodged by FHC, to lease vacant council land adjacent to the Amex port site for establishment of a works site office and accommodation complex for the FHC expatriate workforce.

FHC has planned a six hole geotechnical drilling program at the Lautoka port site along the wharf apron boundary. All approvals are in place, and the work is anticipated to commence shortly using Suva-based Geotech Drilling under the supervision of engineering consultants Entec Limited.



Geotech Drilling Operation, Fiji

Contract management procedures have been set up to manage and deal promptly with construction issues and to monitor progress against the works schedules. During the quarter, Amex appointed a contract liaison manager and a new administration clerk to assist in site-based management. Further staff appointments will be made as the contract progresses.

The design/procure/construct period is scheduled to take 18 months from the commencement date of 1 May 2016, through to the taking over stage. Conditions on both the port site lease and mining lease relating to timing of construction completion and production commencement were amended during the quarter, to properly reflect the schedules of the FIDIC contract.

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.

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

Update briefing meetings were held during the quarter with Government and stakeholders, including Ministries of Lands and Mineral Resources, Agriculture, Environment; Fiji Revenue and Customs Authority, Fiji Ports Corporation Ltd, Lautoka City Council, and Lands and Water Management Department. The approved commercial lease over part of the Nailaga dredge base on the Ba River has been submitted for stamping. 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.

Renewal of SPL1463, the exploration area which surrounds the Special Mining Lease containing the Mba Delta orebody, is being processed. Officers of the Mineral Resources Department have met with local communities who have confirmed their support for the renewal.

Repairs to the Company's Sorokoba base camp, which was damaged during Cyclone Winston, are underway but a shortage of materials continues to delay completion.

Construction of a sonic drilling rig continued during the quarter. The German-designed and manufactured sonic drill head is being fabricated into the rig infrastructure which will be freighted to site and mounted on a barge to be built locally in Fiji. Geosonic Drilling are constructing and will 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. The unit will be based in Sorokoba and used for resource extension, infill drilling and exploration across the project tenure, together with grade control pattern drilling ahead of the dredge during production.

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.

CORPORATE ACTIVITIES

As announced to the market via the Australian Securities Exchange announcements platform, 1,750,000 AXZAO series unlisted options expired on 22 April 2016.

On 14 July 2016 the Company issued a Notice of Meeting to shareholders, for a meeting to be held on 17 August 2016.

Following from MCCO's failure to pay damages awarded to Amex in August 2015 for non-performance under a contract (now terminated), the Company initiated arbitration proceedings on 11 December 2015 through the International Chamber of Commerce (ICC).

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.

Amex has paid provisional advances to ICC in February and May 2016, and subsequently the Company's lawyers have filed memorials with the ICC in compliance with the arbitration process. MCCO is required to respond with MCCO memorials before the end of August 2016.

WESTERN AUSTRALIAN PROJECTS

Amex currently does not hold any WA tenements, as the Company's immediate focus is on commencing development of its Mba Delta project in Fiji.

CONCLUSION

The Company looks forward to acceleration of activity on site in Lautoka during the September quarter and commencement of port infrastructure preliminary construction under the Contract. 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 30 June 2016, Amex had 512 shareholders with issued capital of 108,043,080 fully paid ordinary shares and 38,500,000 unlisted options.

Registered and Principal Office

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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
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Mining tenements held at 30 June, 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, June 2016 quarter

Tenement	Location	31 March 16 Interest	30 June 16 Interest
Nil			

Joint Venture interests at 30 June, 2016

Tenement	Location	Project	Interest
Nil			

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.

