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# **AMEX RESOURCES LIMITED**

**ACN 089 826 237**

## **NOTICE OF ANNUAL GENERAL MEETING**

Incorporating Explanatory Statement and Proxy Form

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**Date:** Wednesday, 30 November 2016

**Time:** 9 am (WST)

**Place:** The Celtic Club, 48 Ord Street, West Perth, Western Australia

These documents should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

# NOTICE OF ANNUAL GENERAL MEETING

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Notice is hereby given that the Annual General Meeting of Shareholders of Amex Resources Limited ACN 089 826 237 (*Company*) will be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia on Wednesday, 30 November 2016 at 9 am (WST).

The Explanatory Statement which accompanies and forms part of this Notice of Meeting describes the various matters to be considered at the meeting and includes a glossary of defined terms.

## AGENDA

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### Financial Statements and Reports

To receive and consider the financial report of the Company together with the reports of the Directors and Auditor for the year ended 30 June 2016.

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#### 1. Resolution 1 - Adoption of Remuneration Report

To consider and if thought fit to pass, with or without amendment, the following as a **non binding resolution**:

*"That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2016 be adopted."*

**Note:** The vote on this resolution is advisory only and does not bind the Directors or the Company.

#### Voting prohibition statement

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:

- a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- a Closely Related Party of such a member.

However, a person described above (the **Voter**) may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

- the Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the proposed resolution; or
- the Voter is the Chair of the meeting and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution and expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

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#### 2. Resolution 2 – Re-election of Director – Mr Yibo Qiu

To consider and if thought fit to pass, with or without amendment, the following as an **ordinary resolution**:

*"That Mr Yibo Qiu, who retires by rotation in accordance with Article 26.6 of the Company's Constitution and Listing Rule 14.4 and, being eligible, offers himself for re-election, be re-elected as a Director."*

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#### 3. Resolution 3 – Approval of Placement of up to 80,000,000 Shares

To consider and if thought fit to pass, with or without amendment, the following as an **ordinary resolution**:

*"That for the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the issue and allotment of up to 80,000,000 Shares at an issue price of at least 80% of the volume*

*weighted average market price for Shares calculated over the last 5 days on which sales in Shares were recorded on ASX before the day on which the issue was made, to sophisticated and professional investors and other investors to whom the placement may be made without a disclosure document, on the terms and conditions set out in the Explanatory Statement.”*

**ASX voting exclusion**

The Company will disregard any votes cast under Resolution 3 by any person who may participate in the proposed placement and a person who might obtain a benefit, except a benefit solely in the capacity as holder of Shares, if the Resolution is passed and any of their associates unless the votes are cast:

- by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- by the Chair of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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**4. Resolution 4 - Approval of 10% Placement Facility**

To consider and if thought fit to pass, with or without amendment, the following as a **special resolution**:

*“That for the purpose of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”*

**ASX voting exclusion**

The Company will disregard any votes cast under Resolution 4 by any person who may participate in the proposed placement and a person who might obtain a benefit, except a benefit solely in the capacity as holder of Shares, if the Resolution is passed and any of their associates unless the votes are cast:

- by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- by the Chair of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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**INFORMATION FOR SHAREHOLDERS**

**Voting in person**

To vote in person at this Meeting, members should attend on the date and at the place fixed for the Meeting as set out above.

An individual attending the Meeting as corporate representative of a company which is a Shareholder must produce the appropriate “Certificate of Appointment of Corporate Representative” unless this has previously been lodged with the Company or its share registry. A form of this certificate may be obtained from the Company.

**Voting by proxy**

Members entitled to attend and vote at this Meeting are entitled to appoint an individual or a body corporate as their proxy to vote on their behalf. A proxy need not be a member of the Company. A member who is entitled to cast two or more votes at the meeting may appoint two proxies and may specify the proportion or number of votes each proxy may exercise.

The member may specify the manner in which the proxy is to vote on a particular resolution and if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution —

the proxy must not vote on a show of hands; and

- (c) if the proxy is the Chair - the proxy must vote on a poll, and must vote that way; and
- (d) if the proxy is not the Chair - the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.

If a proxy is also a member, the above does not affect the way that the person can cast any votes they hold as a member.

### **Lodgement of proxy forms**

To be effective, the proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) must be received by the Company at least 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be. The Company specifies the following information for the receipt of proxy appointments:

- **if posted:** 22 Emerald Terrace, West Perth, Western Australia 6005
- **if delivered:** the registered office of the Company at 22 Emerald Terrace, West Perth, Western Australia 6005
- **if sent by facsimile:** +61 8 9321 0320
- **if sent by email:** gary@amex.net.au

The proxy form must be completed in accordance with the instructions on the form and signed by the Shareholder or his/her attorney duly authorised in writing or, if the Shareholder is a body corporate, in a manner permitted by the Corporations Act. In the case of shares jointly held by two or more persons, all joint holders must sign the proxy form.

### **Undirected proxies**

If any member of the Key Management Personnel of the Company or a Closely Related Party of a member of the Key Management Personnel, other than the Chair, is your nominated proxy, you must direct the proxy how they are to vote on Resolution 1. Undirected proxies granted to those persons will not be counted in the vote on Resolution 1.

If the Chair of the Meeting is appointed as your proxy, or may be appointed by default, and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form you expressly authorise the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

The Chair will vote all undirected proxies that he is entitled to vote in favour of all of the proposed Resolutions.

### **Voting entitlement**

For the purposes of determining voting entitlements at the Meeting, and in accordance with Regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Directors have determined that Shares will be taken to be held by the persons who are registered as holding the Shares at 4.00pm (WST) on 27 November 2016. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

### **By order of the Board**



**Gary Dunlop**  
**Company Secretary**

4 October 2016

## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Annual General Meeting of Shareholders to be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia on Wednesday, 30 November 2016 at 9 am (WST).

The purpose of this Explanatory Statement is to provide information that the Board believes to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

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### Financial Statements and Reports

The Corporations Act requires the Directors of the Company to lay before each annual general meeting the financial report, Directors' report (including the Remuneration Report) and Auditor's report for the last financial year. These reports are included in the Annual Report of the Company for the year ended 30 June 2016 which is available on its website at [www.amex.net.au](http://www.amex.net.au).

Shareholders are not required to vote on these reports however Shareholders will be given a reasonable opportunity at the Meeting to comment on or to ask questions about the management of the Company. Shareholders will also be given a reasonable opportunity to ask the Auditor questions relevant to the content of the Auditor's report, the conduct of the audit, accounting policies adopted by the Company and the independence of the Auditor.

Written questions to the Company's Auditor about the content of the Auditor's report or the conduct of the audit may be submitted to the Company no later than the fifth business day before the date of the Meeting. Copies of written questions to the Company's Auditor will be available at the Meeting.

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## 1. Resolution 1 – Adoption of Remuneration Report

### 1.1 Background

Under section 250R(2) of the Corporations Act, the Company must put to its shareholders at each annual general meeting a resolution adopting the report on the remuneration of the Company's directors, secretary and senior managers. The vote on this resolution is, however, advisory only and does not bind the Directors or the Company.

The Remuneration Report of the Company for the financial year ended 30 June 2016 is part of the Directors' report included in the Company's 2016 Annual Report.

Shareholders will be given a reasonable opportunity at the Meeting to comment on or to ask questions about the Remuneration Report.

### 1.2 Spill resolution

Under the Corporations Act, if at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the Remuneration Report at two consecutive annual general meetings, the Company will be required to put to the vote at the second of those meetings a resolution (*spill resolution*) proposing that another general meeting (the *spill meeting*) of members of the Company be held within 90 days. At that spill meeting, all the Directors who were directors of the Company when the resolution to make the directors' report considered at the second annual general meeting was passed, other than the Managing Director, cease to hold office immediately before the end of the spill meeting but may stand for re-election.

A spill resolution will not be required at this Meeting as the votes against the Remuneration Report at the Company's previous annual general meeting were less than 25%.

### 1.3 Voting restrictions

The Corporations Act sets out restrictions on voting on a remuneration report resolution by any member of the Key Management Personnel of the Company, or a Closely Related Party of that member. If you appoint any such person as your proxy, please follow the instructions

in the Information for Shareholders section of the Notice to ensure that your vote is counted on Resolution 1.

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## **2. Resolution 2 – Re-election of Director**

### **2.1 Background**

Resolution 2 refers to Rule 26.6 of the Company's Constitution. Under that Rule, one third of the Directors (other than the Managing Director and rounded down to the nearest whole number) must retire by rotation at each annual general meeting provided that no Director (except one managing director) may retain office for more than three years.

The Director or Directors who must retire under Rule 26.6 are those who have been longest in office since their last election but, as between persons who have been in office for an equal amount of time, those to retire must be determined by the Chairman, unless otherwise agreed among themselves. Mr Yibo Qiu has been longest in office since his last election and it has been agreed that he will retire by rotation at the Meeting. He is eligible for re-election.

#### **Mr Yibo Qiu**

Executive Director of Marketing

Mr Qiu has significant expertise and experience in debt and equity raising throughout Australia, China and Asia. This experience has proved vital in the identification of potential off-take and joint venture relationships. The ability of the Company to communicate and understand the demand requirements out of China has proved to be highly valuable in the context of a volatile iron ore price and the Board acknowledges Mr Qiu's contribution. Additionally, Mr Qiu's has done extensive work with Steel mills and laboratories in China developing value added uses for the Company product.

### **2.2 Directors' recommendations**

The Directors, with Mr Qiu abstaining, unanimously recommend that Shareholders vote in favour of Resolution 2.

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## **3. Resolution 3 – Approval of Placement of up to 80,000,000 Placement Shares**

### **3.1 Background**

The Company seeks shareholder approval to issue up to 80,000,000 Placement Shares to assist the Board in negotiating replacement funding and for the purposes below. Although Shareholders approved a placement to assist with the capital and other costs of the Project at a general meeting on 17 August 2016, no Shares were placed prior to expiry of that approval. It is intended that the Placement Shares will be allotted to sophisticated investors, professional investors and other investors to whom the issue may be made without a disclosure document, subject to Shareholder approval being given under Resolution 3 for the purpose of Listing Rule 7.1.

The funds raised by the issue of the Placement Shares will be used for any or all of the following:

- assisting in negotiating replacement funding and repaying debt;
- funding navigation channel dredging and transit base construction;
- management and administration expenses associated with new marine and port design, procurement and construction contract(s);
- funding part of the marine fleet purchases;
- funding ongoing exploration; and
- working capital purposes.

### **3.2 Notice requirements of the Listing Rules**

Subject to certain exemptions, Listing Rule 7.1 restricts a listed company from issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of the Company's ordinary securities on issue, without shareholder approval. However, issues

of ordinary securities made with the prior approval of the shareholders in a general meeting are not subject to this restriction and will not be counted as part of the 15% limit. Accordingly, if Shareholders of the Company pass Resolution 4, the Shares issued under the Placement will not be counted towards the 15% limit under Listing Rule 7.1 in respect of issues of equity securities in the following 12 month period.

As required by Listing Rule 7.3, the following information is provided to Shareholders to allow them to assess the Placement:

- (a) The maximum number of securities to be issued pursuant to Resolution 3 is 80,000,000 Shares. The total number of ordinary securities issued by the Company as at the date of this Notice is 108,043,080 Shares. If Resolution 3 is approved and all of the 80,000,000 Shares are issued the result will be that, prior to the exercise of any options or the grant of any other Shares, the number of ordinary securities issued by the Company will increase to 188,043,080 Shares, being a percentage increase of 74.04%.
- (b) The Placement Shares will be issued and allotted progressively over the period of 3 months after the date of the Meeting, or such longer period as approved by ASX.
- (c) The issue price of the Placement Shares will be at least 80% of the volume weighted average market price for Shares calculated over the last 5 days on which sales in Shares were recorded on ASX before the day on which the issue was made.
- (d) The Placement Shares will be allotted to sophisticated investors, professional investors and/or other investors to whom the issue may be made without a disclosure document. The identity of these investors is not known at this stage however none will be related parties of the Company.
- (e) The Placement Shares will rank *pari passu* in all respects from date of issue with the existing issued Shares of the Company.
- (f) It is intended that the funds raised pursuant to the issue of the Placement Shares will be used for the purposes described in **section 3.1** above.

### **3.3 Directors' recommendation**

To enable the Company to fund the expenses referred to in **section 3.1** above, all of the Directors are of the view that the Placement is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 4.

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## **4. Resolution 4 – Approval of 10% Placement Facility**

### **4.1 Background**

Under Listing Rule 7.1A, an Eligible Entity may seek approval of shareholders by special resolution passed at an annual general meeting to have the additional capacity to issue Equity Securities up to 10% of its issued share capital in placements over the 12 months following the annual general meeting (**10% Placement Facility**).

The 10% Placement Facility is in addition to the 15% placement facility under Listing Rule 7.1.

The Company is an Eligible Entity for the purposes of Listing Rule 7.1A as it is not included in the S&P/ASX300 Index and has a market capitalisation of less than \$300 million.

Resolution 4 seeks Shareholder approval for the Company to have the additional capacity to issue Equity Securities under the 10% Placement Facility. Approval is by way of a special resolution which means that at least 75% of the votes cast by Shareholders present and eligible to vote at the Meeting must be cast in favour of Resolution 4 for it to be passed.

### **4.2 Listing Rule 7.1A**

The other key elements of Listing Rule 7.1A are described below:

- (a) **10% Placement Period:** Under Listing Rule 7.1A.1, approval of Shareholders of the 10% Placement Facility is valid for the period commencing on the date of the Meeting and expiring on the first to occur of the following:
- (1) the date which is 12 months after the date of the Meeting; or
  - (2) the date of approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of the Company's activities) or Listing Rule 11.2 (disposal of the Company's main undertaking),
- (being the **10% Placement Period**).
- (b) **Number of Equity Securities that may be issued under the 10% Placement Facility:** Under Listing Rule 7.1A.2, the number of Equity Securities that the Company may issue under the 10% Placement Facility is calculated in accordance with the following formula:
- $$(A \times D) - E$$
- Where:
- A** is the number of Shares on issue 12 months before the date of issue or agreement,
- plus the number of Shares issued in the previous 12 months under an exception in Listing Rule 7.2;
  - plus the number of partly paid Shares that became fully paid in the previous 12 months;
  - plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rule 7.1 or Listing Rule 7.4; and
  - less the number of Shares cancelled in the previous 12 months
- D** is 10%
- E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are *not* issued with the approval of Shareholders under Listing Rule 7.1 or Listing Rule 7.4.
- (c) **Class of Equity Securities:** Under Listing Rule 7.1A.3, Equity Securities issued under the 10% Placement Facility must be in an existing quoted class of the Company's Equity Securities. The Company currently has on issue only one class of quoted Equity Securities, being the Shares.
- (d) **Listing Rule 7.1 and Listing Rule 7.1A:** The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's placement capacity under Listing Rule 7.1

At the date of this notice the Company has on issue 108,043,080 Shares and has the capacity to issue:

- (i) 16,206,462 Equity Securities under Listing Rule 7.1; and
- (ii) 10,804,308 Equity Securities under Listing Rule 7.1A

The actual number of Equity Securities that the Company will have a capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section 4.2 (b) above).



### 4.3 Notice requirements of the Listing Rules

As required by Listing Rule 7.3A, the following information is provided to Shareholders to allow them to assess the 10% Placement Facility:

- (a) **Minimum price:** The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average market price of Equity Securities in that class calculated over the last 15 trading days on which trades in Equity Securities in that class were recorded immediately before:
- (1) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (2) if the Equity Securities are not issued within 5 trading days of the date in paragraph (1) above, the date on which the Equity Securities are issued.
- (b) **Dilution risk:** Any issue of Equity Securities under the 10% Placement Facility will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 4 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Facility, the potential economic and voting dilution of the issue on existing Shares is illustrated in the table below.

The table below shows:

- (1) the dilution of existing Shareholders calculated in accordance with the formula in Listing Rule 7.1A.2, on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice;
- (2) two examples of the voting dilution impact where the number of Shares on issue (Variable A in the formula) increases by 50% and by 100%. This could happen as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1; and
- (3) two examples of the economic dilution impact where the issue price of Shares has decreased by 50% and increased by 50% as against the current market price.

Number of Shares on issue (Variable A in Listing Rule 7.1A.2)		Dilution		
		\$0.135 50% decrease in issue price	\$0.27 Issue price	\$0.405 50% increase in issue price
108,043,080 Shares (Current)	10% voting dilution	10,804,308	10,804,308	10,804,308
	Funds raised	\$1,458,582	\$2,917,163	\$4,375,745
162,064,620 Shares (50% increase)	10% voting dilution	16,206,462	16,206,462	16,206,462
	Funds raised	\$2,187,872	\$4,375,745	\$6,563,617
216,086,160 Shares (100% increase)	10% voting dilution	21,608,616	21,608,616	21,608,616
	Funds raised	\$2,917,163	\$5,834,326	\$8,751,489

The table above has been prepared using the following assumptions:

1. The Company issues the maximum possible number of Equity Securities under the 10% Placement Facility.

2. The current Shares on issue are the Shares on issue as at 30 September 2016.
3. The issue price set out above is the closing price of the Shares on ASX on 30 September 2016.
4. No Options are exercised before the date of the issue of Equity Securities under the 10% Placement Facility.
5. The table does not set out any dilution pursuant to issues of securities under Listing Rule 7.1.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes options, it is assumed that the options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

Shareholders should also be aware that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the issue date,

which may have an effect on the amount of funds raised by the issue of Equity Securities under the 10% Placement Facility.

- (c) **Date of issue:** The Company will only issue and allot the Equity Securities during the 10% Placement Period. Approval of the 10% Placement Facility under Resolution 4 will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of the Company's activities) or Listing Rule 11.2 (disposal of the Company's main undertaking).
- (d) **Purpose:** The Company may issue Equity Securities under the 10% Placement Facility for the following purposes:
  - (1) as non cash consideration for the acquisition of new resource assets and investments, in which case the Company will provide a valuation of the non cash consideration as required under the note to Listing Rule 7.1A.3; or
  - (2) as cash consideration, in which case the Company intends to use the funds raised from the issue for construction and development costs of the Mba Delta Ironsands Project, the acquisition of new resource assets and investments, continued exploration expenditure, debt repayment and general working capital needs.
- (e) **Allocation Policy:** The allottees of the Equity Securities to be issued under the 10% Placement Facility have not yet been determined as at the date of the Notice. However, they could include current Shareholders or new investors (or both), who are not related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Facility, having regard to factors which include the following:

- (1) the purpose for which the issue is made;
- (2) other methods of fund raising available to the Company at the time;
- (3) the effect of the issue on the control of the Company;
- (4) the circumstances of the Company including its financial position and solvency; and
- (5) advice from corporate and financial advisers (if applicable).

- (f) **Prior approvals under Listing Rule 7.1A:** The Company previously obtained the approval of Shareholders under Listing Rule 7.1A at the last annual general meeting held on 16 November 2015.

In the 12 months preceding the date of this Meeting, the Company issued a total of 12,222,223 Shares and 19,000,000 Options which represented 26.2% of the total number of Equity Securities on issue at the date of commencement of that 12 month period. Details of all issues of Equity Securities by the Company during the 12 months preceding the date of this meeting are set out in the following table. The Equity Securities issued comprised Shares, issued on the same terms as the other quoted Shares in the Company, and Options, issued on the terms set out in Annexure A.

Date of issue	Equity Securities issued	Name of allottee	Issue price	Discount to market price	Total cash consideration	Current Value	Amount spent
16.11.2015	10,000,000 Shares	Fortunate Era Investments Ltd	\$0.48	Nil	Nil – as part loan cost for the provision of a USD 30 million loan	\$2,700,000	Nil
16.11.2015	10,000,000 unlisted options	Fortunate Era Investments Ltd	Nil (exercise price \$0.80)	N/A – no market in unlisted AXZ options	Nil – as part loan cost for the provision of a USD 30 million loan	\$300,000	Nil
16.11.2015	2,000,000 unlisted options	Richard Alston	Nil (exercise price \$0.80)	N/A – no market in unlisted AXZ options	Nil – Director options approved by shareholders at November 2015 AGM	\$54,400	Nil
16.11.2015	1,000,000 unlisted options	Iana Pty Ltd	Nil (exercise price \$0.80)	N/A – no market in unlisted AXZ options	Nil – as consideration for services rendered approved by shareholders at 17 August 2016 General Meeting	\$27,200	Nil
30.12.2015	1,500,000 unlisted options	Speedy Focus Investments Limited	Nil (exercise price \$0.80)	N/A – no market in unlisted AXZ options	Nil – as part of subscription for shares in the Company approved by shareholders at 17 August General Meeting	\$56,400	Nil
30.12.2015	500,000 unlisted options	Eteward International Group Limited	Nil (exercise price \$0.80)	N/A – no market in unlisted AXZ options	Nil – as facilitation fee for share subscription approved by shareholders at 17 August	\$18,800	Nil

					General Meeting		
06.01.2016	2,222,223 shares	Speedy Focus Investments Limited	\$0.45	Nil	\$1,000,000	\$600,000	\$1,000,000
17.08.2016	3,000,000 unlisted options	M J Collard	Nil (exercise price \$0.80)	N/A – no market in unlisted AXZ options	Nil – Director options approved by shareholders at 17 August General Meeting	\$98,400	Nil
17.08.2016	1,000,000 unlisted options	Y Qiu	Nil (exercise price \$0.80)	N/A – no market in unlisted AXZ options	Nil – Director options approved by shareholders at 17 August General Meeting	\$32,800	Nil

The Company's cash balance on 30 November 2015 was approximately \$23,290,451. The total cash consideration raised from issues in the preceding 12 months is \$1,000,000, all of which has been spent on working capital.

- (g) **Voting exclusion statement:** A voting exclusion statement is included in the Notice. At the date of the Notice it is not known who will participate in the 10% Placement Facility. No existing Shareholder's vote will therefore be excluded under the voting exclusion applicable to this Resolution.

#### 4.4 Directors' recommendation

To enable the Company to fund the purposes referred to above, all of the Directors are of the view that the 10% Placement Facility is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 4.

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#### 5. Enquiries

Shareholders are requested to contact the Company Secretary, Gary Dunlop, on +61 8 9480 0455 if they have any queries in respect of the matters set out in these documents.

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#### 6. Glossary of Terms

In this Notice and Explanatory Statement the following words and expressions have the following meanings:

**ASX** means ASX Limited ABN 98 008 624 691.

**Auditor** means the auditor of the Company.

**Board** means the board of Directors of the Company.

**Chair** means the chair of the meeting.

**Closely Related Party** has the meaning given to it in section 9 of the Corporations Act.

**Company** means Amex Resources Limited ACN 089 826 237.

**Constitution** means the constitution of the Company.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a director of the Company from time to time.

**Dollars, A\$ and \$** means the lawful currency of the Commonwealth of Australia.

**Eligible Entity** means an entity which, as at the date of the relevant special resolution under Listing Rule 7.1A:

- (a) is not included in the S&P/ASX300 Index; and
- (b) has a market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) equal to or less than \$300 million.

**Equity Securities** includes a Share, a right to a Share or option over a Share, an option over a Share, a convertible security, and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means this explanatory statement which forms part of the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company. The Key Management Personnel for the financial year ended 30 June 2016 are identified in the Remuneration Report.

**Listing Rules** means the official listing rules of ASX.

**Meeting** and **Annual General Meeting** means the annual general meeting of shareholders of the Company, or any adjournment thereof, convened by the Notice.

**Notice** and **Notice of Meeting** and **Notice of Annual General Meeting** means the notice of annual general meeting which accompanies this Explanatory Statement.

**Option** means an option to subscribe for a Share in the Company.

**Placement** means the placement of up to 80,000,000 Shares proposed to be made under Resolution 3 to sophisticated and professional investors or other investors to whom the issue may be made without a disclosure document.

**Placement Shares** means the 80,000,000 Shares proposed to be issued under the Placement.

**Remuneration Report** means the remuneration report included under section 300A(1) of the Corporations Act.

**Resolution** means a resolution referred to in the Notice of Meeting.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of Shares.

**WST** means Australian Western Standard Time.

**10% Placement Facility** is defined in **section 4.1** of the Explanatory Memorandum.

**10% Placement Period** is defined in **section 4.2(a)** of the Explanatory Memorandum.

## ANNEXURE A

### Terms and conditions of the Options in the Table

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1. The Options will expire at 5.00pm (WST) on the expiry date (*Expiry Date*).
2. Each Option entitles the holder to subscribe for one Share in the capital of the Company, upon exercise in accordance with the terms and conditions of issue of the Options.
3. The exercise price payable on exercise of each Option is \$0.80 (*Exercise Price*).
4. The Options may be exercised at any time prior to the Expiry Date, in whole or in part.
5. An option holder may exercise the Options by lodging with the Company a written notice of exercise of Options in the form (if any) provided to the option holder by the Company for this purpose, specifying the number of Options being exercised together with a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised (*Exercise Notice*). An Exercise Notice will only be effective when the Company has received the full amount of the Exercise Price in cleared funds.
6. Within 7 days of the receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
7. All Shares allotted pursuant to the exercise of Options will rank, from the date of allotment, equally with the existing Shares of the Company in all respects.
8. Application will not be made for official quotation of the Options on ASX.
9. The Company will apply for official quotation of Shares issued pursuant to the exercise of Options, in accordance with the Listing Rules.
10. In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company before the Expiry Date of any Options, the Options will be reorganised in accordance with the Listing Rules.
11. An option holder is required to exercise the Option in order to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. Option holders will be provided with written notice of the terms of the issue to Shareholders and afforded that period as determined by the Listing Rules before the record closing date to determine entitlements to the issue, to exercise their Options.
12. If there is a pro rata issue (except a bonus issue) to the Shareholders, the exercise price of the Options may be reduced according to the formula set out in Listing Rule 6.22.
13. The Options are transferable.

# AMEX RESOURCES LIMITED

ACN 089 826 237

## PROXY FORM

Name of Shareholder:  
Address of Shareholder:

CHESS HIN/SRN

### Appointment of Proxy

I/We being a member/s of Amex Resources Limited entitled to attend and vote at the Annual General Meeting hereby appoint:

The Chair of the Meeting (mark box)	<input type="checkbox"/>	<b>OR</b> if you are not appointing the Chair of the Meeting as your proxy, please write here the full name of the individual or body corporate you are appointing as your proxy	<input type="text"/>
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or failing the person named, or if no person is named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given and subject to the relevant laws, as the proxy sees fit) at the Annual General Meeting of Amex Resources Limited to be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia on 30 November 2016 at 9 am (WST) and at any adjournment of that Meeting.

The Chair intends to vote all undirected proxies, which the Chair is entitled to vote, in favour of each Resolution.

**Important for Resolution 1:** If the Chair of the Meeting is appointed as your proxy, or may be appointed by default, and you have not directed the proxy how to vote on Resolution 1 (Remuneration Report) by marking the boxes below, you hereby expressly authorise the Chair to exercise your proxy on Resolution 1 even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

If any other member of the Key Management Personnel of the Company, or a Closely Related Party of such a member, is your nominated proxy and you have not directed the proxy how to vote on Resolution 1, the proxy's vote will not be counted in any vote on that Resolution.

**Voting directions to your proxy – please mark  to indicate your directions**

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Mr Yibo Qiu	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of Placement of up to 80,000,000 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the Abstain box for a particular item of business, your votes will not be counted in computing the required majority on a poll.

If you appoint a proxy, the Company encourages you to direct your proxy how to vote on each item of business.

If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_%.

**Please sign here** This section **must** be signed in accordance with the instructions overleaf

**Individuals only**

Securityholder 1.....

Securityholder 2.....

Securityholder 3.....

**Companies only**

Sole Director and Sole Company Secretary .....

Director.....

Director/Company Secretary.....

Contact name

Contact daytime telephone number

Date

## How to complete the Proxy Form

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### 1. Your address

The address on page 1 is your address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Please note that you cannot change ownership of your securities using this form.

### 2. Appointment of a proxy

If you wish to appoint the Chair of the Meeting as your proxy, please mark the first box. If the person you wish to appoint as your proxy is someone other than the Chair of the Meeting, please write the full name of that individual or body corporate in the space provided. If you leave both the box and this section blank, or your named proxy does not attend the Meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the Company. A proxy may be an individual or a body corporate.

### 3. Transfer of non-Chair proxy to Chair in certain circumstances

If your appointment of a proxy specifies the way the proxy is to vote on a particular resolution and your appointed proxy is not the Chair of the meeting and at the meeting a poll is duly demanded on the question that the resolution be passed, then if either your proxy is not recorded as attending the meeting (if a record of attendance is made) or your proxy does not vote on the resolution, the Chair is taken, before voting on the resolution closes, to have been appointed as your proxy for the purposes of voting on the resolution at that meeting.

### 4. Votes on items of business

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses (subject to the matters set out below). If you mark more than one box on an item your vote on that item will be invalid.

If you direct your proxy how to vote on a particular resolution, the proxy need not vote on a show of hands but if the proxy does so, the proxy must vote as directed. If the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands. If the proxy is the Chair, the proxy must vote on a poll, and must vote as directed and if the proxy is not the Chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote as directed.

If any member of the Key Management Personnel of the Company, or a Closely Related Party of such a member, is your nominated proxy and you have not directed the proxy how to vote on Resolution 1 (Remuneration Report) the proxy's vote will not be counted in any vote on that Resolution unless that member is also the Chair of the Meeting. If the Chair of the Meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote on Resolution 1 by signing and returning the Proxy Form you expressly authorise the Chair to exercise your proxy on Resolution 1 even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

### 5. Appointment of a second proxy

You are entitled to appoint up to two proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company or you may copy this form. To appoint a second proxy, you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together in the same envelope.

### 6. Signing instructions

You must sign this form as follows in the spaces provided:

Individual:	Where the holding is in one name, the holder must sign.
Joint holding:	Where the holding is in more than one name, all of the securityholders should sign.
Power of attorney:	To sign under Power of Attorney, you must have already lodged this document with the Company or the registry. If you have not previously lodged this document, please attach a certified photocopy of the Power of Attorney to this form when you return it.
Companies:	Where the company has a sole director who is also the sole company secretary, this form must be signed by that person. If the company (pursuant to section 204A of the <i>Corporations Act 2001</i> ) does not have a company secretary, a sole director can also sign alone. Otherwise this form must be signed by a director jointly with either another director or a company secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate securityholder or proxy is to attend the Meeting, the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company.

### Lodgement of a Proxy

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This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 48 hours before the commencement of the meeting which is scheduled for 9 am (WST) on 30 November 2016. Any Proxy Form received after that time will not be valid for the scheduled meeting. **Documents may be lodged by:**

- **posting** to the Company at 22 Emerald Terrace, West Perth, Western Australia 6005; or
- **delivery** to the Company at 22 Emerald Terrace, West Perth, Western Australia 6005; or
- **sending by facsimile** to the Company on +61 8 9321 0320; or
- **email** to the Company Secretary at gary@amex.net.au