

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

31 October, 2016

Dear Sir,

QUARTERLY ACTIVITIES REPORT TO 30 SEPTEMBER 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

- **First Shipment of Construction Materials due December Quarter**
- **Work Permits for Contractor's Workforce Lodged**
- **Geotechnical Drilling Programme Completed**
- **Transit Base Lease Executed**
- **Sonic Drill Rig and Grade Control Plant shipped to Fiji**



3D Design Image of Floating Concentrator and Transport Barge

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).

Amex met with FHC and its subcontractors for intensive technical meetings to finalise engineering design and procurement. These meetings took place in China (Tianjin, Dalian, Shanghai), Perth, Lautoka and Suva.



Laser cutting of steel, subcontractor factory Dalian

Once mobilisation has been completed and construction is underway, both companies will focus on completion of Acceptance Testing manuals, local taxation reporting and Quality Assurance.

FHC continued to build full time personnel numbers in Lautoka during the quarter and established their office facilities close to Amex's port site. Preparations for mobilisation of materials, equipment and the initial construction workforce were further advanced. FHC has engaged a local facilitation consultancy to handle approval of work visas for approximately 180 Chinese construction personnel.

Lautoka City Council approved an application lodged by FHC, to lease vacant land adjacent to the Amex port site to establish a temporary accommodation complex for the FHC expatriate workforce. The Fijian Government is once again assisting in providing the necessary approvals to execute the commencement of construction.

FHC has completed a six hole geotechnical drilling program at the Lautoka port site along the wharf apron boundary. The purpose of the drilling was to validate the existing geotechnical information, and provide samples to FHC's consultants ahead of the wharf piling construction.



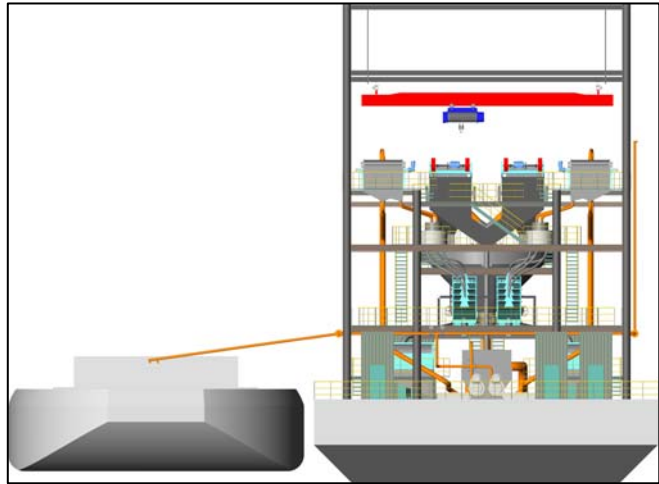
Geotechnical Drilling Amex Lautoka Port

The first construction shipment is due in the December quarter and will include foundation piles for the stockpile storage shed, anchor piles and tie rods for the wharf construction and construction equipment and materials.

Site work is scheduled to begin towards the end of the December quarter with the initial earthworks.

FHC is also responsible for design and construction of the operational marine fleet and has appointed AVIC Ship International (Shanghai) as the sub-contractor for these works – a bucket wheel dredge, floating processing plant, work boat and pusher tug - which will be delivered to Fiji, with sea trials scheduled for completion later in 2017.

In addition, Amex will provide four transport barges and several support vessels. The support vessels comprise a refuelling/ service vessel and crew transfer boat, both of which will be commissioned with local shipbuilders in Fiji.



Transport Barge alongside Floating Concentrator

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 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 continued to be held during the quarter with Government and stakeholders, including Ministries of Lands and Mineral Resources, Local Government and Environment; Fiji Revenue and Customs Authority, Fiji Ports Corporation Ltd and Lautoka City Council. The approved commercial lease over part of the Nailaga dredge base on the Ba River has been stamped and executed. 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 three year renewal of SPL1463, the exploration area which surrounds the Special Mining Lease containing the Mba Delta orebody, has been received. This renewal secures the potential to add substantially to the existing resource. The Company's local Fijian team has been instrumental in obtaining the requisite local stakeholder consents required by the Mineral Resources Department.

Construction in Perth of a new sonic drilling rig was completed during the quarter, with a German-designed and manufactured sonic drill head fabricated into the rig infrastructure. The rig was packed in a container and freighted to site for mounting on a barge to be built locally in Fiji. The unit will be based in Sorokoba and used for grade control pattern drilling ahead of the dredge during production as well as resource extension, infill drilling and exploration across the project tenure.

The LIMS Grade Control unit which has been used as a pilot plant was freighted to Fiji in the same container with the sonic drill rig.

Ground magnetometer reconnaissance surveying of the SPL has been planned, in conjunction with the Geoscience Division of the Secretariat of the Pacific Community (SPC).

The Company's Director of Marketing, Yibo Qiu and an expert consultant visited a number of potential customers' operations in China with a view to assessing their suitability for using ironsands concentrate as a premium product. Initial analysis is positive.

CORPORATE ACTIVITIES

A General Meeting of Shareholders was held on 17 August 2016. All resolutions put to the Meeting were approved by shareholders.

The Company has dispatched to shareholders a Notice of Meeting, Explanatory Statement and Proxy Form for the Annual General Meeting of Shareholders to be held at 9:00am on 30 November 2016 at the Celtic Club, 48 Ord Street, West Perth.

The Company 2015/16 Annual Report was completed and is available on the Company's website.

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). Documents have been exchanged and fees paid during the quarter. A hearing will be scheduled for next year.

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.

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. The Company continues however, to assess potential opportunities introduced to it under its continuing project generation remit.

CONCLUSION

The Company looks forward to the commencement of the construction program at the Lautoka port site as scheduled under the Contract. We will continue to update shareholders on further progress during 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 September 2016, Amex had 505 shareholders with issued capital of 108,043,080 fully paid ordinary shares and 35,000,000 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
Tel: +61 (0)8 9315 2333

Mining tenements held at 30 September, 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, September 2016 quarter

Tenement	Location	30 June 16 Interest	30 Sept 16 Interest
Nil			

Joint Venture interests at 30 September, 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.

