

21 March 2017

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The Manager, Company Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

Amex Resources Limited (AXZ)

Off-market bid by Waratah International (Asia) Limited – Notice of dispatch of Bidder's Statement and Offers

We act for Waratah International (Asia) Limited (**Waratah**).

We refer to Waratah's Bidder's Statement dated 16 March 2017 (**Bidder's Statement**) in relation to its off-market takeover bid for all the ordinary shares in Amex Resources Limited (ABN 55 089 826 237).

In accordance with item 8 of section 633(1) of the Corporations Act 2001 (Cth) (**Act**), notice is given that Waratah dispatched its Bidder's Statement and Offers to all Amex shareholders on Tuesday, 21 March 2017, as required by item 6 of section 633(1) of the Act.

In addition to the Bidder's Statement and Offer, additional information was also sent to the Amex shareholders on Tuesday, 21 March 2017, comprising the Target's Statement and a cover letter dated 21 March 2017, copies of which are **attached** as required by section 633(6) of the Act.

Yours faithfully
K&L Gates



Simon Salter
Partner



Letter to Shareholders

21 March 2017

Dear Shareholder

Takeover offer by Waratah International (Asia) Limited

On 13 March 2017, Amex Resources Limited (**Amex**) announced that it had received an off-market takeover offer by Waratah International (Asia) Limited (**Waratah** or the **Bidder**) under which Waratah proposes to acquire all of the Amex ordinary fully paid shares on issue for **\$0.50 cash** per Amex share.

Enclosed is the Bidder's Statement from Waratah which sets out in detail the terms and other relevant information in relation to its takeover offer. Also enclosed is the Amex Target's Statement which sets out the Amex directors' response and recommendations to Amex shareholders in relation to the Waratah takeover offer.

For the reasons set out in more detail in the enclosed Target's Statement, the Amex directors unanimously recommend that you ACCEPT Waratah's takeover offer in the absence of a superior proposal.

Each Amex director who holds Amex shares has notified Amex that they intend to accept the Waratah takeover offer, in the absence of a superior proposal.

You should read the enclosed Bidder's Statement and Target's Statement in their entirety. If you are in any doubt about what to do, you should seek independent advice from your investment, financial, tax or other professional adviser.

To **ACCEPT** the Waratah takeover offer, you should follow the instructions set out in section 6.5 of Waratah's Bidder's Statement and printed on the Acceptance Form that accompanies the Bidder's Statement. The Offer is scheduled to close at 5.00pm (Perth time) on 26 April 2017, unless extended.

If you have any questions in relation to the Offer (including how to accept the Offer), please call the Company Secretary of Amex on +61 8 9480 0455, Monday to Friday between 9.00am and 5.00pm (Perth time).

Yours sincerely

A handwritten signature in black ink that reads "Richard Alston".

Hon Richard Alston
Non-Executive Chairman

This is an important document and requires your immediate attention.

If you are in any doubt as to how to act, you should consult your Broker, financial, legal or other professional adviser as soon as possible.

Bidder's Statement

for

a Cash Offer by

Waratah International (Asia) Limited

to purchase ALL of your shares in

Amex Resources Limited **(ASX:AXZ)**

for A\$0.50 cash per Amex Share

**The Offer is dated 21 March 2017 and will close at 5:00pm
(Perth time) on 26 April 2017, unless extended.**

The Amex Board unanimously recommend that Amex Shareholders accept Waratah's Offer in the absence of a Superior Proposal. The Amex Directors have indicated that they will accept Waratah's Offer in respect of their own holdings of Amex Shares, in the absence of a Superior Proposal.

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BIDDER'S STATEMENT

This Bidder's Statement is given by Waratah to Amex under Part 6.5 of the Corporations Act and sets out certain disclosures required by the Corporations Act together with the terms of the Offer to acquire your Amex Shares. A copy of this Bidder's Statement was lodged with ASIC and sent to ASX on 16 March 2017. Neither ASIC, ASX nor any of their respective officers, take any responsibility for the contents of this Bidder's Statement.

This Bidder's Statement is dated 16 March 2017. It includes an Offer dated 21 March 2017 on terms set out in this Bidder's Statement (being the date on which the first Offer is sent to Amex Shareholders) to acquire ALL your Amex Shares for A\$0.50 cash for each Amex Share.

The Offer relates to all Amex Shares on issue at 5.00pm (Perth time) on 16 March 2017.

How to accept

Acceptances for the Offer must be received before the close of the Offer Period. There are different ways to accept an Offer depending on the nature and type of your holding:

For CHESSE Holdings of Amex Shares

Please complete and execute the enclosed **green** Acceptance Form in accordance with the instructions on that form and within this Bidder's Statement, and return it to your Controlling Participant.

OR

Please instruct your Broker or other Controlling Participant to initiate acceptance of the Offer on your behalf in sufficient time for the Offer to be accepted before the end of the Offer Period.

For Issuer Sponsored Holdings of Amex Shares

Please complete and execute the enclosed **blue** Acceptance Form in accordance with the instructions on that form and within this Bidder's Statement, and return it **by hand or by mail** (a reply paid envelope is enclosed for return by mail) to:

Security Transfer Australia Pty Ltd
770 Canning Highway, Applecross WA 6153
or
PO Box 535, Applecross WA 6953

Enquiries

If you are in any doubt how to deal with this Bidder's Statement, you should consult your Broker or your legal, financial or other professional adviser as soon as possible.

IMPORTANT INFORMATION

Offers outside Australia

Waratah does not expect to register this Bidder's Statement in any jurisdiction outside of Australia. Distribution of this Bidder's Statement may, in some countries, be restricted by law or regulation. This Bidder's Statement and the Offer do not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. It is your responsibility to satisfy yourself that you are permitted to accept the Offer under any foreign law applicable to you.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). No action has been taken in Hong Kong to authorise or register this document or any documents issued in connection with it.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Disclaimer as to forward-looking statements

Some of the statements appearing in this Bidder's Statement may be in the nature of forward looking statements. As such statements relate to future matters, you should be aware that they are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the resources industry in which Amex operates as well as general matters – such as general economic conditions, prevailing exchange rates, interest rates and conditions of the financial markets – that are outside the control of Waratah and its Director. These factors may cause actual results, performance or achievements to differ, perhaps materially, from the results, performance or achievements expressed or implied by those forecasts or forward looking statements. The past performance of Amex is not a guarantee of future performance. None of Waratah, its sole Director, any person named in this Bidder's Statement or any persons involved in the preparation of this Bidder's Statement make any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any future looking statement, or any events or results expressed or implied in any forward looking statement.

The forward looking statements do not constitute a representation that any such matter will be achieved in the amounts or by the dates indicated and are presented solely as a guide to assist you in assessing this Offer. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements are based on information available to Waratah as at date of this Bidder's Statement.

Investment decisions

This Bidder's Statement does not take into account your individual investment objectives, financial situation or particular needs. You should therefore seek your own financial and taxation advice before deciding whether or not to accept the Offer.

Information on Amex

All information in this Bidder's Statement relating to Amex has been prepared by Waratah using information in public documents filed by Amex or published by Amex on its website. None of the information in this Bidder's Statement relating to Amex has been commented on or verified by Amex or its Directors or independently verified by Waratah or its sole Director for the purposes of the Bidder's Statement. Accordingly, subject to the Corporations Act, Waratah does not make any representation or warranty, express or implied, as to the

accuracy or completeness of this information. The information on Amex in this Bidder's Statement should not be considered comprehensive.

The Corporations Act requires the Directors of Amex to provide a Target's Statement to Amex Shareholders in respect to the Bidder's Statement, setting out certain material information concerning Amex. You should read the Target's Statement in full before accepting the Offer.

Internet site

Amex maintains an internet site <http://www.amex.net.au>.

Information contained in or otherwise accessible on or through this site does not form part of the Bidder's Statement and references to the site are for information purposes only.

Privacy disclosure

Waratah will collect information about each Amex Shareholder provided on the Acceptance Form for the purpose of processing Acceptance Forms.

By submitting an Acceptance Form, each Amex Shareholder agrees that Waratah may use the information provided on an Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to Waratah's external service providers, including mailing houses and to its professional advisers, and regulatory authorities.

If you do not provide the information required on an Acceptance Form, Waratah may not be able to accept or process your Acceptance Form.

An Amex Shareholder has a right to gain access to the information that Waratah holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to Waratah's registered or Hong Kong office.

Defined terms

Words and phrases used in this Bidder's Statement are defined in section 10.

CORPORATE DIRECTORY

BIDDER:

Waratah International (Asia) Limited (BVI Company Number 1711004)

Registered office:
263 Main Street,
Road Town,
Tortola,
British Virgin Islands

Hong Kong office:
Room 210, 2/F., Securicor Centre,
481, Castle Peak Road,
Cheung Sha Wan,
Kowloon,
Hong Kong

SOLE DIRECTOR:

Kenny Xiangdong Zhang

LEGAL ADVISERS:

Hong Kong

Kwok Yih & Chan
Suites 2103-05,
21st Floor, 9 Queen's Road Central,
Hong Kong

Australia

K&L Gates
Level 32, 44 St Georges Terrace
Perth WA 6000

WARATAH'S REGISTER AGENTS:

Security Transfer Australia Pty Ltd
770 Canning Highway,
Applecross WA 6153

KEY OFFER TERMS

Details of the Offer

Under the terms of the Offer, Amex Shareholders will be offered A\$0.50 cash for each of their Amex Shares.

Important Dates

Announcement of the Offer	13 March 2017
Bidder's Statement lodged with ASIC	16 March 2017
Date of Offer	21 March 2017
Offer Closes*	5:00pm (Perth time) 26 April 2017

*This date is indicative only and may be extended or withdrawn as permitted under the Corporations Act

Fees

No brokerage will be payable by you on acceptance of the Offer if you hold your Amex Shares in your own name. However, you may incur brokerage costs and GST on those costs if you instruct your Broker, bank or other nominee to accept this Offer on your behalf.

No stamp duty will be payable by you on acceptance of the Offer.

Conditions

The Offer will be made by way of an off-market takeover offer and is subject to the following Conditions:

- (i) Waratah and its associates having Relevant Interests in at least 90% of the aggregate of all the Amex Shares on issue by the end of the Offer Period (thereby becoming entitled to compulsorily acquire all of the outstanding Amex Shares under Part 6A.1 of the Corporations Act); in the event that Waratah has received acceptances in respect of 80% of the Amex Shares Waratah may waive this Condition without Amex's consent;
- (ii) each Amex Optionholder agreeing with Amex to the cancellation of their Amex Options for no monetary consideration;
- (iii) the Mba Delta Project Contractor agreeing with Amex to the cancellation of the Conditional Call Option for no monetary consideration;
- (iv) Amex continuing to operate its business in the ordinary course;
- (v) no Material Adverse Change in respect to Amex occurs, is announced or becomes known to Waratah (whether or not it becomes public); and
- (vi) there is no event or occurrence as set out in sections 652C(1) and (2) of the Corporations Act.

The Conditions of the Offer are set out in full in section 6.9 of this Bidder's Statement.

FREQUENTLY ASKED QUESTIONS

Question	Answer
Who is making the Offer?	<p>Waratah International (Asia) Limited, a limited liability company incorporated in British Virgin Islands, BVI Company Number 1711004.</p> <p>Waratah is controlled by Kenny Zhang, currently the largest shareholder in Amex, holding 16,973,592 Amex Shares comprising 15.71% of Amex's issued capital.</p> <p>The relationship between Kenny Zhang and Waratah is further described in section 3.3.</p>
What is the Offer?	Waratah is offering to buy all of your Amex Shares for A\$0.50 per share.
Are there any conditions to the Offer?	<p>Yes.</p> <p>These are described in detail in section 6.9.</p>
When will the Offer become unconditional?	When Waratah declares the Offer to be free of the Conditions by giving a notice to that effect to Amex.
How long is the Offer open for?	The Offer opens on 21 March 2017 and is scheduled to close at 5:00pm (Perth time) on 26 April 2017 unless it is extended or withdrawn in accordance with the Corporations Act.
What is this Bidder's Statement?	<p>It is an important document and requires your immediate attention.</p> <p>It describes the terms of the Offer and includes information that is relevant to your decision whether to accept the Offer. If you are in any doubt as to how to act, you should consult your Broker, financial, legal or other professional adviser as soon as possible.</p>
Will I receive anything from Amex in respect to the Offer?	<p>Yes.</p> <p>Included in the same package as this Bidder's Statement is Amex's Target's Statement, which contains important information which you should read before making your decision whether to accept the Offer.</p> <p>The Target's Statement includes the Amex Board's unanimous recommendation that Amex Shareholders accept the Offer in the absence of a Superior Proposal and states that the Amex Directors intend to accept the Offer in respect of their own holdings,</p>

	<p>in the absence of a Superior Proposal.</p> <p>What constitutes a Superior Proposal and what happens if one is received by Amex is explained in section 1.5.</p>
Does Waratah have any interest in Amex?	<p>Yes.</p> <p>Waratah has a Relevant Interest in 16,973,592 Amex Shares comprising 15.71% of Amex's issued capital registered in the name of Kenny Zhang, the sole Director of Waratah which arises by virtue of an understanding between Kenny Zhang as the sole Director of Waratah and himself that he will not dispose of his Amex Shares other than with Waratah's consent.</p> <p>Kenny Zhang has advised Waratah that he will not be accepting the Offer in respect of his Amex Shares.</p> <p>The relationship between Kenny Zhang and Waratah is further described in section 3.3.</p>
How do I accept the Offer?	You should refer to the instructions in section 6.5 and ensure that your completed Acceptance Form is received by Waratah at the address provided in section 6.5 before 5:00pm (Perth time) on 26 April 2017
What happens if I accept the Offer?	You will not be able to sell your Amex Shares on ASX or deal with your Rights. You will have limited statutory rights to withdraw your acceptance.
What happens if I do not accept the Offer?	You will retain all of your Amex Shares and Rights. Your Amex Shares may be acquired compulsorily by Waratah.
Can I accept the Offer for less than my total holding?	No. You may only accept the Offer for all of your Amex Shares.
When can I expect payment for my Amex Shares?	<p>You will be paid no later than the earlier of one month after the Takeover Contract becomes unconditional or 21 days after the end of the Offer Period.</p> <p>Refer to section 6.7.</p>
Do I have to pay any fees or stamp duty on the sale proceeds?	No.
What are the tax consequences of accepting the Offer?	A general description of the tax consequences for certain Amex Shareholders is set out in section 8. This does not take into account your particular circumstances. Accordingly, you should seek advice from your own taxation adviser before deciding whether to accept the Offer.

1. PROPOSED BENEFITS TO AMEX SHAREHOLDERS BY ACCEPTING THE OFFER.

Waratah believes that the Offer provides significant potential benefits to Amex Shareholders, which include:

1.1 Receiving cash for your Amex Shares

By accepting the Offer, Amex Shareholders will:

- (a) receive A\$0.50 cash per Amex Share (subject to the Conditions being satisfied or waived); and
- (b) be paid for your Amex Shares within one month after accepting the Offer, or within one month from the date that the Offer becomes unconditional whichever is the later, and in any event within 21 days after the Offer closes (assuming all Conditions are satisfied or waived).

1.2 A substantial and appealing premium for your Amex Shares

The Offer values the entire issued share capital of Amex at approximately A\$54 million and represents:

- (a) 38.89% premium to the last traded price of Amex Shares of A\$0.36 on 8 March 2017 (depicted in Table 1 below), being the last day on which Amex Shares traded prior to the announcement of the Offer; and
- (b) 37.50% premium to the 20 day volume weighted average price of Amex shares of A\$0.3636 up to and including 10 March 2017, being the last trading day for Amex Shares prior to the announcement of the Offer.

Amex Shareholders should be aware that these premium calculations are subject to variation, depending on the relative share price movements of Amex during the Offer Period.

1.3 Liquidity of Amex Shares

The Offer presents you with an opportunity to realise the value of your Amex Shares in an increasingly illiquid market for Amex Shares. An analysis of the trading patterns of Amex on ASX over the last year (depicted in Table 1 below), shows that there is limited trading in Amex Shares

Amex's average trading liquidity is low and has averaged 9,256 shares per trading day. In addition, based on ASX market statistics since 9 March 2016 to the date of the announcement of the Offer, 13 March 2017, Amex has only traded on 20% of the days the market has been open (depicted in Table 1 below).



Table 1

1.4 No brokerage costs

In accepting the Offer you will not incur any brokerage costs. If you were to sell your Amex Shares through a Broker, either online or in person, you would normally incur such costs in addition to GST.

1.5 Terms agreed between Waratah and Amex

Following discussions between the Amex Board and Kenny Zhang, Waratah, a corporate entity wholly-owned by Kenny Zhang, agreed to make the Offer on the terms described in this Bidder's Statement, including the following:

- (a) Recommendation: Amex's Board has agreed:
 - (i) to unanimously recommended that Amex Shareholders accept the Offer in the absence of a Superior Proposal; and
 - (ii) they will accept the Offer in respect of their own holdings, in the absence of a Superior Proposal.

(b) Superior Proposal:

A Superior Proposal is a bona fide Competing Proposal which the Amex Board determines, acting in good faith and in order to satisfy what the Amex Board reasonably considers to be its fiduciary or statutory duties, would, if completed substantially in accordance with its terms, be likely to result in a transaction more favourable to Amex Shareholders than the Offer, having regard to matters including consideration, conditionality, funding, certainty and timing.

(c) Exclusivity:

During the Offer Period, there is nothing preventing other parties from making unsolicited Competing Proposals to Amex.

Amex and Waratah have agreed that Amex may not:

- (i) solicit, invite, initiate or encourage any Competing Proposal or any enquiries, proposals, discussions or negotiations with any third party in relation to (or that could reasonably be expected to lead to) a Competing Proposal;
- (ii) negotiate or enter into or participate in negotiations or discussions with any person in relation to (or that could reasonably be expected to lead to) a Competing Proposal, or communicate an intention to do any of those things;
- (iii) solicit, invite, initiate, encourage, facilitate or permit any person (other than Waratah) to undertake due diligence investigations in respect of Amex or its businesses and operations, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal; or
- (iv) make available to any other person (other than Waratah) or permit any such person to receive any non-public information relating to Amex or its businesses and operations, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal.

However, these "no shop, no talk" provisions do not restrict Amex or any Amex Director from taking or refusing to take any action with respect to a Competing Proposal if:

- (i) the Competing Proposal is bona fide and is made by person of reputable commercial standing; and
- (ii) the Amex Board has determined in good faith after receiving written advice from Amex's external Australian legal adviser practising in the area of corporate law that failing to take the action or refusing to take the action (as the case may be) with respect to the Competing Proposal would be likely to constitute a breach of the fiduciary or statutory obligations of the Amex Board, that the Competing Proposal is or may reasonably be expected to lead to a Superior Proposal.

(d) A Superior Proposal is received:

If a Superior Proposal is received and as a result an Amex Director wishes to change his recommendation of the Offer, Amex must give Waratah details of it and the reasons why the relevant Director has decided to change his recommendation. If Waratah then makes a counter proposal that is no less favourable than the Superior Proposal, Amex and Waratah will use their best endeavours to agree arrangements to give effect to the counter proposal.

If no counter proposal is made, or one is made but the Amex Directors in good faith determine it is less favourable than the Superior Proposal, then the Amex Directors can decide to proceed with the Superior Proposal but in that case the break fee described below may be payable.

(e) Break Fee

Amex has agreed to pay Waratah A\$300,000 (**Break Fee**) if:

- (i) an Amex Director fails to recommend the Offer;
- (ii) an Amex Director changes, withdraws or modifies his recommendation of the Offer or makes any public statement or takes any other action that is inconsistent with his recommendation of the Offer (including where a Competing Proposal is announced and is recommended by any Director);
- (iii) a Competing Proposal is announced and, within the following twelve months the Competing Proposal results in a person obtaining control of Amex, voting power of more than 50% of the Amex Shares, merging or amalgamating with Amex or acquiring an interest in all or a substantial part of the business or assets of Amex; or
- (iv) a Condition described in section 6.9(d),(e) or (f). is not satisfied due to the act or omission of Amex, and Waratah does not waive that Condition.

This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Amex and Waratah under the documents containing those terms. The full terms are contained in the Takeover Announcement and can be obtained from Amex's website (at www.amex.net.au) or under Amex's profile on www.asx.com.au.

2. POTENTIAL DISADVANTAGES AND RISKS OF THE OFFER

2.1 Taxation

If the Offer is accepted, it may have implications for the tax position of Amex Shareholders.

A general description of the tax consequences for certain Amex Shareholders is set out in section 8. As the tax consequences of the Offer will vary depending on the individual circumstances of Amex Shareholders, you should consider your own tax position and the tax implications of the Offer for you.

Waratah recommends that you consult your accountant or other professional adviser.

2.2 Risk factors associated with not accepting the Offer

If you elect not to accept the Offer, there are certain risks that you should be aware:

- (a) if Waratah does not secure 100% Ownership of Amex under the Offer, in the absence of any alternative offer, the market for Amex Shares (if it remains a listed company) may be even less liquid than it is now and, as such, you may find it difficult to sell your Amex Shares at a later date; and
- (b) Waratah will exercise its rights to compulsorily acquire your Amex Shares if it becomes entitled under the Corporations Act to do so.

2.3 Other material information

(a) Should Waratah not be able to secure 100% Ownership under the Offer

If Amex Shareholders together holding in aggregate more than 10% of Amex Shares (which Waratah does not have a Relevant Interest in) do not accept the Offer, and Waratah waives the minimum acceptance condition (see section 6.9(a)) those Amex Shareholders will retain their current shareholdings in Amex. If that Condition is not waived the Offer will fail and all Amex Shareholders will retain their Shares. In either circumstance, Amex will continue to operate as a separate, stand-alone company, and potentially continue to incur the separate operating expenses associated with such activity in addition to the costs associated with dealing with this Offer.

(b) Potential fall in the Amex Share price

Waratah believes that if the Offer was to be rejected, and no alternative offer was made for Amex Shares, there is a risk that Amex's Share price could fall to lower levels, given the poor sentiment which is often afforded companies when an offer at a premium fails.

(c) Transfer of Amex Shares to be free of encumbrances

Amex Shareholders should note that, under the terms of the Offer, each Amex Shareholder will be taken to represent to Waratah that, as at the time of transfer:

- (i) their Amex Shares are free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind that will bind Waratah; and

- (ii) they have full power and authority to transfer their Amex Shares to Waratah under the Offer.

Amex Shareholders who wish to accept the Offer should take steps to ensure that they are in a position to give these warranties (and others set out in section 6.6) in relation to their Amex Shares.

(d) **Stamp duty**

No stamp duty will be payable in connection with the Offer and the transfer of Amex shares to Waratah. If stamp duty is or does become payable, Waratah will pay any stamp duty associated with the transfer of Amex Shares.

3. PROFILE OF WARATAH

3.1 Waratah

Waratah will be making an off-market takeover bid for Amex by making the Offer to all Amex Shareholders as described in this Bidder's Statement.

Waratah is a limited liability company incorporated in the British Virgin Islands on 8 May 2012.

The issued capital of Waratah is US\$50,000 comprising 50,000 shares with a par value of US\$1.00 each registered in the name of Kenny Zhang.

3.2 Waratah's financial resources

The total amount that Waratah will need to pay to acquire all of the Amex Shares in which Waratah (and its associates) does not have a Relevant Interest (being 91,069,488 Amex Shares) if all Amex Shareholders, other than Kenny Zhang, accept the Offer, is A\$45,534,744.

Waratah has available cash resources of its own in A\$ accounts held with Bank of Singapore Limited in excess of this amount.

3.3 Waratah's relationship with Kenny Zhang

Kenny Zhang is the sole Director and shareholder of Waratah and is an associate of Waratah under the Corporations Act.

Kenny Zhang holds 16,973,592 Amex Shares comprising 15.71% of Amex's issued capital. Waratah has a Relevant Interest in 16,973,592 Amex Shares comprising 15.71% of Amex's issued capital registered in the name of Kenny Zhang, the sole Director of Waratah which arises by virtue of an understanding between Kenny Zhang as the sole Director of Waratah and himself that he will not dispose of his Amex Shares other than with Waratah's consent.

4. PROFILE OF AMEX

4.1 Amex's Business

Amex is an iron ore focused, mineral resources development company listed on ASX (ASX code:AXZ) (www.amex.net.au).

Amex's core project is the Mba Delta ironsands magnetite project on the main island of Fiji. The project has a dedicated port site and an Indicated JORC Resource of 220 million tonnes averaging 10.9% Fe.

4.2 Mba Delta Project overview

The Mba Delta Project is an ironsands project located in the northwest of Fiji's main island, Viti Levu.

The Mba Delta orebody occurs as a simple flat lying blanket of fine to coarse magnetite-bearing black sand, approximately 15 kilometers long by up to 4 kilometers wide, located on the tidal and sub-tidal flats of the delta. It lies at the mouth of the Mba River in the northwest of Fiji's main island, Vit Levu, and is bordered by a sparsely-populated agricultural area.

The ironsand concentrate is a high-quality and low impurity magnetite product which can be readily extracted at low cost by dredging of unconsolidated sediments, without the expensive crushing and grinding required by hard rock magnetite sources.

The deposit lies in a shallow lagoon which has minimal current and wave activity and is ideally suited to extraction by conventional dredging methods, planned at a rate of 12 million tonnes annually. From the dredge, the sand will be pumped to a nearby barge-mounted process plant along a 500m long floating pipeline.

Simple chemical-free magnetic separation at the process plant will recover the magnetite concentrate, and a fleet of four barges and a pusher tug will carry the product daily to the Company's sole-use facilities nearby at Lautoka Port. The host sand will be rehabilitated immediately to the delta floor. By adopting a marine based transportation route, the building and maintenance of costly rail or road transport infrastructure will be avoided. At port, the concentrate will be unloaded as a slurry and then rinsed with fresh water to remove sea salt, followed by drying and stockpiling in a fully enclosed purpose built storage facility of 75,000 tonne capacity.

Bulk carrier vessels of Handimax size will berth at Amex's sole use wharf facility at regular intervals to accept cargoes of up to 60,000 tonnes capacity via the purpose-built shiploader facility, for export to China.

Following an initial six-month ramp up period annual production of 750,000 tonnes of magnetite concentrate targeting 58% Fe will be sold primarily to steel mills in China. Plans are being considered by the Board for potential doubling of production to 1.5 million tonnes per year during the second year of operation.

The Mba Delta Project is situated close to a major port and the international airport at Nadi. The deposit is secured by grant of a long term mining lease, with a surrounding extensive special prospecting licence. The Lautoka port site is held under a long-term lease with Fiji Ports Corporation Limited, a Government Commercial company, and all approvals are in place for construction.

4.3 Mba Delta Project update

Amex has entered into a US\$76.3 million contract with CCCC First Harbor Consultants Co. Ltd for the design, procurement and construction of the Lautoka port facilities and the Mba Delta marine operations fleet.

The contract price consists of a US\$12.8 million advance payment, a series of milestone payments and a final delayed payment in the amount of US\$15 million which becomes due for payment when a 12 month defects rectification period has been completed. The construction formally commenced on 1 May 2016. 17

As at 31 December 2016, Amex has made payments totaling approximately US\$12.8 million under that construction contract. Amex has recently agreed to defer payments due under the contract in return for an extension of time for project completion until May 2018. The next milestone payment of approximately US\$14 million is scheduled for payment by Amex by May 2017.

5. WARATAH'S INTENTIONS

5.1 Introduction

This section 5 sets out Waratah's intentions with respect to the businesses, assets and employees of Amex based on facts and information concerning Amex which are known to Waratah at the date of this Bidder's Statement. You should note the qualifications that apply to the forward-looking statements in this section 5 which are set out on page 4 of this Bidder's Statement.

5.2 Intentions of Waratah

(a) Overview of the operations

Waratah intends to immediately conduct a strategic review of the Mba Delta Project and Amex's business and operations generally, to develop a thorough understanding of them, their performance levels, and strategic growth plans.

Subject to the result of those investigations, it is the present intention of Waratah, on the basis of the information concerning Amex which is known to Waratah and the existing circumstances affecting the business of Amex, that:

- (i) the business of Amex (and in particular the Mba Delta Project) will be continued in substantially the same manner as it is presently being carried on;
- (ii) there will not be any deployment of the fixed assets of Amex; and
- (iii) the employees of Amex will continue to be employed by Amex on their current terms and conditions.

(b) Compulsory acquisition

If as a result of the Offers, Waratah becomes entitled to compulsorily acquire the outstanding Amex Shares in accordance with Part A.1 of the Corporations Act, Waratah intends to:

- (i) proceed to compulsory acquisition of the remaining Amex Shares in accordance with the provision of the Corporations Act; and
- (ii) arrange for Amex to be removed from the official list of the ASX and become a wholly-owned Subsidiary of Waratah.

Upon achieving 100% Ownership, Waratah may seek the resignation of some or all of the existing Directors on the Amex Board, appoint its own representatives to the Amex Board and operate the business of Amex as a wholly-owned subsidiary of Waratah.

(c) Amex Financing Facilities

In September 2015, Amex entered into a US\$80 million funding agreement with Fortunate Era Investments Limited for the purpose of financing the development of the Mba Delta Project. The provision of this funding agreement was facilitated by Kenny Zhang. The funding agreement comprised a US\$30 million loan and a US\$50 million underwriting facility. The US\$30 million loan was fully drawn down in November 2015 (bearing interest at 18% per annum) and was scheduled for repayment on 14 November 2016. As at 31 December 2016 Amex owed Fortunate Era Investments Limited A\$41,683,656. The lender has acknowledged that it will not demand repayment of the facility until Amex has the ability to repay the amount. The US\$50 million underwriting facility has not yet been utilised by Amex as it attracts an interest rate of 18% per annum and the next milestone payment under the construction contract has been deferred to May 2017.

Amex had intended to repay amounts outstanding under the US\$30 million loan by way of a replacement US\$60 million loan facility which was to be made available by a Hong Kong based fund associated with Kenny Zhang. However, the fund was never established such that Amex was ultimately unable to utilise funding under that agreement to refinance its existing loan obligations.

In addition to amounts owing to Fortunate Era Investments Limited:

- as at 31 December 2016, Amex owed approximately A\$2 million in an unsecured loan (bearing interest at 16% per annum) to Shenzhen Taihongtong Investment Co Ltd. The lender has acknowledged that it will not demand repayment of the loan until Amex has the ability to repay it; and
- on 24 January 2017, Amex drew down on a A\$1 million unsecured 6 month loan provided by Ms Alice Zhang (the wife of Kenny Zhang). Interest on the loan for its 6 month term (at 8% per annum) has been paid in advance.

Waratah notes that in its Half-Year Financial Statement lodged with ASX on 9 March 2017, Amex advised that it was in negotiations with Fortunate Era Investments Limited and Shenzhen Taihongtong Investment Co Ltd. with respect to their respective debt facilities. Waratah intends to continue these negotiations.

6. THE OFFER

6.1 Introduction

This section contains the terms and conditions of the Offer to acquire all of your Amex Shares together with the Rights attaching to the Amex Shares.

The date of this Offer is 21 March 2017, being the date the first Offer is made to Amex Shareholders.

The Offer is made in respect of all Amex Shares, which exist at 5.00 pm (Perth time) on 16 March 2017.

Offers on terms and conditions identical to those contained in this Offer have been dispatched or will be dispatched to all holders of Amex Shares registered as such on the Register Date.

6.2 Consideration

The consideration offered for each of your Amex Shares is A\$0.50.

6.3 Offer Period

Unless the Offer Period is extended in accordance with this section 6.3 or the Offer is withdrawn in accordance with the Corporations Act, this Offer will remain open for acceptance by you during the period commencing on the date of this Offer and ending at 5:00 pm (Perth time) on 26 April 2017.

If, within the last 7 days of the Offer Period, either:

- (a) the Offer is varied to improve the consideration offered; or
- (b) Waratah's voting power in Amex increases to more than 50%,

then the Offer Period will be automatically extended in accordance with section 624 of the Corporations Act so that it ends 14 days after the event referred to in paragraphs (a) or (b) above. If this occurs, Waratah will give to Amex and those Amex Shareholders who have not yet accepted the Offer a written notice that the extension has occurred. Waratah will give this notice within 3 days after the relevant event.

Subject to the Corporations Act as modified by ASIC Class Order 13/521, Waratah may extend the Offer Period.

6.4 Rights attaching to Amex Shares

If you accept the Offer, then you are taken to have agreed that Waratah will be entitled to all benefits and rights attaching to the Amex Shares after Bidder's Statement Date.

If Waratah becomes entitled to any Rights pursuant to an acceptance of this Offer, it may require you to give to Waratah all documents that may be necessary to vest in it title to those Rights, or otherwise to give it the benefit or value of those Rights. If you do not do so before Waratah has provided the consideration to you under the Offer, Waratah will be entitled (without limiting any other rights and remedies available to it) to reduce the amount of consideration paid to you which you would otherwise be entitled in accordance with this Offer, by the amount of the value of such Rights.

6.5 How to accept

Your acceptance must be in respect of all of your Amex Shares.

The manner by which you may accept this Offer will depend on whether your Amex Shares are:

- (a) in a CHESS Holding: your Amex Shares are in a CHESS Holding if they are sponsored by a Broker or other CHESS Participant or you are a Broker or Non-Broker Participant; or
- (b) in an Issuer Sponsored Holding: your Amex Shares are in an Issuer Sponsored Holding if they are sponsored directly by Amex as issuer.

CHESS Holdings

If any of your Amex Shares are in a CHESS Holding, acceptance of this Offer in respect of those Amex Shares can only be made in accordance with the ASX Settlement Operating Rules.

To accept this Offer in respect of those Amex Shares you must:

- (a) if you are a Participant, initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period; or
- (b) otherwise, instruct your Controlling Participant (normally your stockbroker) to initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period; or
- (c) complete and execute the **green** Acceptance Form in accordance with the instructions on it and return it (together with any other required documents) before the end of the Offer Period, at the following address:

Security Transfer Australia Pty Ltd
770 Canning Highway, Applecross WA 6153
or
PO Box 535, Applecross WA 6953

Issuer Sponsored Holdings

If any of your Amex Shares are in an Issuer Sponsored Holding, then to accept this Offer in respect of those Amex Shares you must:

- (a) complete the **blue** Acceptance Form in accordance with the instructions on it (which forms part of this Offer and must be observed in accepting the Offer in respect of any Amex Shares held in an Issuer Sponsored Holding); and
- (b) execute the **blue** Acceptance Form in accordance with the instructions and return it (together with any other required documents) before the end of the Offer Period, at the following address:

Security Transfer Australia Pty Ltd
770 Canning Highway, Applecross WA 6153
or
PO Box 535, Applecross WA 6953

Method of delivery

Holders of Amex Shares are advised that the method chosen to deliver the Acceptance Forms and other documents is at the risk of each accepting Amex Shareholder.

Where the Acceptance Form requires any additional documents to be delivered with your Acceptance Form (such as a power of attorney) the Acceptance Form may be treated by Waratah as having been delivered when those additional documents have also been delivered.

If some of your Amex Shares are held in a number of forms

If some of your Amex Shares are in different holdings, your acceptance of this Offer will require separate actions under this section 6.5 in relation to the separate portions of your Amex Shares.

Validity of your acceptance

Your acceptance will not be valid unless it is made in accordance with the procedures set out in this section 6.5 and the instructions on the Acceptance Form. The Acceptance Form forms part of this Offer.

Waratah will determine, in its sole discretion, all questions as to the form of documents, including the validity, eligibility, time of receipt, and acceptance of Amex Shares. The determination of Waratah will be final and binding on all parties.

Waratah may, in its sole discretion, at any time deem any Acceptance Form it receives to be a valid acceptance in respect of Amex Shares, even if a requirement for acceptance has not been complied with and may waive any requirement of this section 6.5. Payment of the consideration in accordance with an Offer will not be made until any irregularity has been resolved or waived and until all documents required to procure registration of Waratah as holder of the Amex Shares concerned have been received by Waratah. Subject to Waratah's other rights, Waratah may provide the consideration to you in accordance with sections 6.2 and 6.7 for any part of an acceptance determined by Waratah to be valid. Where you nonetheless have satisfied the requirements for acceptance for only some of your Amex Shares, Waratah may in its sole discretion regard the Offer to have been accepted for those Amex Shares but not the remainder.

6.6 Effect of Acceptance

By signing and returning an Acceptance Form in accordance with section 6.5 or initiating acceptance of this Offer in accordance with section 6.5, you will or will be deemed to have:

- (a) accepted this Offer (and any variation of it) irrevocably in accordance with its terms in respect of all your Amex Shares detailed in your Acceptance Form;
- (b) irrevocably agreed to transfer to Waratah your Amex Shares subject to the Conditions set out in section 6.9;
- (c) irrevocably authorised Waratah (by its sole Director or any other Officer) to complete on the Acceptance Form correct details of your Amex Shares, fill in any blanks remaining on the Acceptance Form and rectify any error in or omission from the Acceptance Form as may be necessary to make the Acceptance Form an effective acceptance of this Offer and transfer your Amex Shares to Waratah;
- (d) represented and warranted to Waratah as a fundamental condition of the Takeover Contract resulting from your acceptance that, both at the time of acceptance of this Offer and at the time of registration of the transfer of your Amex Shares to Waratah, your Amex Shares are fully paid and, together with your interest in any Rights are free from all mortgages, charges, liens, encumbrances (whether legal or equitable), adverse interests of any nature and restrictions on transfer of any kind and that you have full power, capacity and authority to accept this Offer and sell your Amex Shares (including the legal and beneficial ownership in those Amex Shares and any Rights);
- (e) represented and warranted to, and agreed with Waratah, that your Amex Shares in respect of which you have accepted this Offer will be purchased by Waratah with all Rights and that you will execute all such instruments as Waratah may require for the purpose of vesting in it any such Rights;
- (f) irrevocably appointed Waratah and its sole Director jointly and severally as your true, lawful and exclusive attorney in your name and on your behalf, with effect from the date that the Offer, or any Takeover Contract resulting from your acceptance of the Offer, becomes unconditional, to execute all such instruments as Waratah may require for the purpose of vesting in it any such Rights;
- (g) irrevocably appointed Waratah and its sole Director jointly and severally as your true and lawful exclusive attorney in your name and on your behalf, with effect from the date that the Offer, or any Takeover Contract resulting from your acceptance of the Offer, becomes unconditional, to do all things which you could lawfully do in relation to

your Amex Shares or in exercise of any Right derived from the holding of your Amex Shares including, without limitation, the rights to:

- (i) attend and vote in respect of your Amex Shares at any and all meetings of Amex;
- (ii) requisition or join with other Amex Shareholders in requisitioning and/or convening a meeting of the members of Amex;
- (iii) demand a poll for any vote to be taken at any meeting of Amex Shareholders;
- (iv) propose or second any resolutions to be considered at any and all meetings of Amex Shareholders;
- (v) execute all forms, transfers, assignments, notices, documents, assurances, instruments (including instruments appointing the sole Director of Waratah as a proxy in respect of all or any of your Amex Shares and a transfer form for your Amex Shares), proxies, consents, agreements and resolutions relating to your Amex Shares that may be necessary or desirable to convey your Amex Shares and Rights to Waratah; and
- (vi) request Amex to register in the name of Waratah or its nominee your Amex Shares which you hold on any register of Amex, and to have agreed that in exercising the powers conferred by that power of attorney, the attorney will be entitled to act in the interests of Waratah as the beneficial owner and intended registered holder of your Amex Shares in respect of which you have accepted this Offer and to have further agreed to do all such acts, matters and things that Waratah may require to give effect to the matters the subject of this section 6.6(g) (including the execution of a written form of proxy to the same effect as section 6.6(g)(v) which complies in all respects with the requirements of the constitution of Amex) if requested by Waratah.

Waratah will indemnify you and keep you indemnified in respect of all costs, expenses and obligations that might otherwise be incurred or undertaken as a result of the exercise by an attorney of any powers under this section 6.6(g). This appointment, being given for valuable consideration to secure the interest acquired in your Amex Shares, is irrevocable, and terminates upon registration of a transfer to Waratah or its nominee of your Amex Shares;

- (h) agreed that in exercising the powers conferred by the power of attorney in section 6.6(e) and 6.6(g), Waratah or its nominee is entitled to act in the interests of Waratah;
- (i) agreed not to attend or vote in person at any general meeting of Amex or to exercise or purport to exercise any of the powers conferred on Waratah or its nominee in section 6.6(g);
- (j) agreed to indemnify Waratah in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or in consequence of the transfer of your Amex Shares being registered by Amex without production of your Holder Identification Number for your Amex Shares;
- (k) authorised Waratah to notify Amex on your behalf that your place of address for the purpose of serving notices upon you in respect of your Amex Shares in respect of which you have accepted this Offer is at the address of Waratah as specified by Waratah in the notification, and that all such notices are to be marked care of Waratah and to have directed Amex to serve all correspondence, payments or notifications in respect of any Rights and other communications and documents whatsoever in respect of those Amex Shares to Waratah at that address;
- (l) if at the time of acceptance of this Offer your Amex Shares are in a CHESS Holding, with effect from the date that this Offer or any contract resulting from acceptance of

this Offer is declared free from all its Conditions, or those Conditions are satisfied, authorised Waratah to cause a message to be transmitted in accordance with ASX Settlement Operating Rule 14.17.1 so as to transfer your Amex Shares to Waratah; and

- (m) authorised Waratah to instruct your Controlling Participant on your behalf to initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules and to transfer your Amex Shares to Waratah in accordance with this Offer.

The undertakings and authorities referred to in this section 6.6 will (unless otherwise stated herein) operate even though at the relevant time the consideration has not been paid under this Offer and will remain in force after you receive the consideration for your Amex Shares acquired by Waratah and after Waratah becomes registered as holder of them.

6.7 The Offer Consideration

If you validly accept (or are treated by Waratah pursuant to section 6.5 to have validly accepted) this Offer and this Offer becomes unconditional, Waratah will cause to be paid to you the cash consideration to which you are entitled, no later than:

- (a) if Waratah is given the necessary transfer documents with the Acceptance Form, by the end of whichever of the following period ends earlier:
 - (i) one month after the Offer is accepted or, if the Offer is subject to a Condition, within one month after the Takeover Contract becomes unconditional; or
 - (ii) 21 days after the end of the Offer Period; or
- (b) if Waratah is given the necessary transfer documents after the Acceptance Form and before the end of the Offer Period and the Offer is subject to a Condition at the time that Waratah is given the necessary transfer documents, by the end of whichever periods ends earlier:
 - (i) within one month after the Takeover Contract becomes unconditional; or
 - (ii) 21 days after the end of the Offer Period; or
- (c) if Waratah is given the necessary transfer documents after the Acceptance Form and before the end of the Offer Period and the Offer is unconditional at the time that Waratah is given the necessary transfer documents, by the end of whichever periods ends earlier:
 - (i) one month after Waratah is given the necessary transfer documents; or
 - (ii) 21 days after the end of the Offer Period; or
- (d) if Waratah is given the necessary transfer documents after the Acceptance Form and after the end of the Offer Period, within 21 days after Waratah is given the necessary transfer documents but if at that the time Waratah is given the necessary transfer documents the Takeover Contract is still subject to a Condition which relates to the occurrence of an event or circumstance referred to in section 652C(1), or 652C(2) of the Corporations Act, within 21 days after the Takeover Contract becomes unconditional.

Waratah may avoid the Takeover Contract if Waratah is not given the necessary transfer documents within one month after the end of the Offer Period.

If Waratah varies the Offer to improve the consideration offered in a manner permitted under the Corporations Act, then the increased consideration will be paid in accordance with section 650B(2A) of the Corporations Act.

If, at the time you accept the Offer, any of the following:

- (i) Autonomous Sanctions Regulations 2011 (Cth);
- (ii) Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth);
- (iii) Charter of the United Nations (Sanctions – Al-Qaida) Regulations 2008 (Cth);
- (iv) Charter of the United Nations (Sanctions - Iraq) Regulations 2008 (Cth); or
- (v) any other law of Australia,

require that an authority, clearance or approval of the Reserve Bank of Australia, the Australian Taxation Office or any other government authority be obtained before you receive any consideration for your Amex Shares, or would make it unlawful for Waratah to provide any consideration to you for your Amex Shares, you will not be entitled to receive any consideration for your Amex Shares until all requisite authorities, clearances or approvals have been received by Waratah.

6.8 Entitlement

(a) Amex Shares

This Offer is made by Waratah to each Amex Shareholder registered in the register of members of Amex at 5:00pm (Perth time) on 16 March 2017.

(b) Nominee holdings

Beneficial owners whose Amex Shares are registered in the name of a Broker, investment dealer, bank, trust company or other nominee should contact that nominee for assistance in accepting this Offer.

(c) Transferred Shares

If at the time this Offer is made to you, or at any time during the Offer Period and before you accept this Offer, another person is, or is entitled to be, registered as the holder of, or is able to give good title to, some or all of your Amex Shares (the **Transferred Shares**) to which this Offer relates, then in accordance with section 653B(1)(a) of the Corporations Act:

- (i) a corresponding Offer will be deemed to have been made at that time to that other person in respect of the Transferred Shares; and
- (ii) a corresponding Offer will be deemed to have been made to you in respect of your Amex Shares other than the Transferred Shares.

(d) Parcels

If at any time during the Offer Period and before you accept this Offer, your Amex Shares consist of two or more separate parcels for the purposes of section 653B of the Corporations Act, then in accordance with that section, this Offer will be deemed at that time to consist of separate corresponding Offers made to you in relation to the respective separate parcels of Amex Shares. Acceptance by you of any of those separate corresponding Offers is ineffective unless you have given to Waratah a notice which:

- (i) if it relates to Amex Shares in a CHES Holding, must be in an electronic form approved by the ASX Settlement Operating Rules; or
- (ii) if it relates to Amex Shares held in an Issuer Sponsored Holding, must be in writing, indicating that your Amex Shares consist of separate parcels and the acceptance indicates the separate parcels to which the acceptance relates, provided that you may at the one time accept two or more such separate

corresponding Offers for your Amex Shares as if they were a single Offer in relation to separate parcels of Amex Shares.

If this applies to you, contact:

Security Transfer Australia Pty Ltd
770 Canning Highway, Applecross WA 6153
or
PO Box 535, Applecross WA 6953
Phone: 1300 992 916
Fax: +61 8 9315 2233

for such additional copies of this Bidder's Statement and Acceptance Form as are necessary.

6.9 Defeating Conditions

The Offer and each Takeover Contract is subject to the following Conditions that between the date of the Bidder's Statement and the earlier of the end of the Offer Period and the date on which Waratah declares this Offer free from such Conditions:

(a) **Minimum Acceptance Condition**

Waratah and its associates have Relevant Interests in at least 90% of the aggregate of all the Amex Shares on issue (thereby becoming entitled to compulsorily acquire all of the outstanding Amex Shares under Part 6A.1 of the Corporations Act). In the event that Waratah has received acceptances in respect of 80% of the Amex Shares, Waratah may waive this condition without Amex's consent.

(b) **Cancellation of Amex Options**

Each Amex Optionholder agreeing with Amex to the cancellation of their Amex Options for no monetary consideration.

(c) **Cancellation of Mba Delta Project Contractor Conditional Call Option**

The Mba Delta Project Contractor agreeing with Amex to the cancellation of the Conditional Call Option for no monetary consideration.

(d) **Conduct of business**

Amex Group conducting its business in the ordinary and usual course of business and:

- (i) operating those businesses consistent with past practice, in substantially the same manner as previously conducted;
- (ii) using reasonable endeavours to preserve their relationships with third parties having material business dealings with them, and to retain the services of all key employees;
- (iii) using reasonable endeavours to ensure that all assets are maintained in the normal course consistent with past practice;
- (iv) using reasonable endeavours to comply in all material respects with all material contracts to which the Amex Group is a party, and with laws, authorisations and licenses applicable to each member of the Amex Group;
- (v) not taking or failing to take any action that constitutes a Prescribed Occurrence or that could reasonably be expected to result in a Prescribed Occurrence; and

- (vi) not taking or failing to take any action that would, or would be likely to, prevent a Condition being satisfied or result in a Condition not being satisfied.

(e) **No Material Adverse Change**

No Material Adverse Change occurs, is announced or becomes known to Waratah (whether or not it becomes public).

(f) **Prescribed Occurrences**

None of the following events occurring:

- (i) Amex converting all or any of its shares into a larger or smaller number of shares;
- (ii) Amex or a Subsidiary resolving to reduce its share capital in any way;
- (iii) Amex or a Subsidiary:
 - (A) entering into a buy-back agreement; or
 - (B) resolving to approve the terms of a buy-back agreement under section 257C (1) or 257D (1) of the Corporations Act;
- (iv) Amex or a Subsidiary issuing shares, or granting an option over any of its shares, or agreeing to make such an issue or grant such an option;
- (v) Amex or a Subsidiary issuing, or agreeing to issue, convertible notes;
- (vi) Amex or a Subsidiary disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Amex or a Subsidiary charging, or agreeing to charge, the whole, or a substantial part, of its business or property;
- (viii) Amex or a Subsidiary resolving to be wound up;
- (ix) a liquidator or provisional liquidator of Amex or of a Subsidiary being appointed;
- (x) a court making an order for the winding up of Amex or of a Subsidiary;
- (xi) an administrator of Amex, or of a Subsidiary, being appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Amex or a Subsidiary executing a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, being appointed in relation to the whole, or a substantial part, of the property of Amex or of a Subsidiary.

(g) **Declaration that Offer free of Conditions**

Subject to section 650F of the Corporations Act, Waratah may declare the Offers free from any of the Conditions generally or in relation to any specific occurrence by giving notice in writing to Amex:

- (i) in relation to the Conditions set out in section 6.9(a) – (e) (inclusive), not less than 7 days before the last day of the Offer Period; and
- (ii) in relation to any of the Conditions set out in section 6.9(f), not later than 3 Business Days after the end of the Offer Period.

Waratah will give notice to Amex and the ASX on the status of the Conditions 7 days before the end of the Offer Period, being 18 April 2017.

If Waratah extends the Offer Period by a particular period, the date for giving this notice will be postponed for an equivalent period.

Each of the Conditions in this section 6.9 is a separate and distinct Condition and none of the Conditions will be taken to limit the meaning or effect of any Condition.

The Conditions are conditions subsequent to the Takeover Contract formed upon acceptance of the Offer. The non-fulfillment of such conditions subsequent does not prevent a Takeover Contract to sell your Amex Shares to Waratah being formed as a result of your acceptance of this Offer, but entitles Waratah by written notice to you, to rescind the Takeover Contract resulting from your acceptance of this Offer.

If, at the end of the Offer Period:

- (i) any Condition is not fulfilled or satisfied; and
- (ii) Waratah has not declared the Offer and the Takeover Contracts:
 - (A) free from the Conditions set out in section 6.9(a) - (e) (inclusive) not later than 7 days before the end of the Offer Period; and
 - (B) free from the Conditions set out in section 6.9(f) not later than 3 Business Days after the end of the Offer Period,

the Takeover Contracts will be automatically void.

Subject to the Corporations Act, until the end of the Offer Period, Waratah alone is entitled to the benefit of the Conditions or to rely on any non-fulfillment or non-satisfaction of any of the Conditions.

6.10 Withdrawal

In accordance with section 652B of the Corporations Act, this Offer may only be withdrawn with the written consent of ASIC which consent may be given subject to such conditions (if any) as are specified in the consent of ASIC. If that happens, Waratah will send a notice of withdrawal to Amex and to each person to whom an Offer has been made.

6.11 Variation and extension

Waratah may from time to time, vary this Offer in accordance with Part 6.6 of Chapter 6 of the Corporations Act.

Waratah expressly reserves its right under section 650C of the Corporations Act to extend the Offer Period before the end of the Offer Period.

6.12 Costs and expenses

All costs and expenses of the preparation of this Bidder's Statement, the preparation and circulation of the Offer and the transfer of Amex Shares as a result of acceptance of an Offer will be paid by Waratah. As long as your Amex Shares are registered in your name and you deliver them directly to Waratah, you will not incur any brokerage in connection with your acceptance of this Offer.

If you hold your Amex Shares through a bank, Broker or other nominee, you should ask your bank, Broker or other nominee whether it will charge any transaction fees or service charges in connection with your acceptance of this Offer. No GST is payable by you as a consequence of the acceptance of the Offer.

6.13 Notices

- (a) Subject to the Corporations Act, a notice or other communication given by Waratah to you in connection with the Offer will be deemed to be duly given if it is in writing and:
- (i) is delivered at your address as recorded on the register of members of Amex or the address shown on the Acceptance Form; or
 - (ii) is sent by prepaid ordinary mail, or in the case of any address outside Australia, by prepaid airmail, to you at either of those addresses.
- (b) If:
- (i) this Offer is withdrawn after your Acceptance Form has been sent to Waratah, but before it has been received; or
 - (ii) for any other reason Waratah does not acquire the Amex Shares to which your Acceptance Form relates,

Waratah will return at your risk your Acceptance Form together with all other documents forwarded by you to your address as shown on the Acceptance Form or such other address as you may notify in writing to Waratah by, where such address is inside Australia, prepaid ordinary post, or where such address is outside Australia, prepaid airmail.

6.14 Foreign Shareholders

(a) Cash Payments - Non-Residents

The placing of any sum to the credit of a non-resident (and the sending of currency out of Australia) is regulated by the *Banking (Foreign Exchange) Regulations (Cth)* and the rules and policies of the Reserve Bank of Australia. These regulations only affect the payment of cash consideration under a takeover offer to residents of a small number of countries. If however these regulations apply to you, any consideration payable to you will be subject to all requisite authorities and clearances. Waratah agrees to make prompt application for any required authority or clearance.

(b) Foreign Shareholders

If you are a Foreign Shareholder, and you accept this Offer, then despite any other provisions of this Offer, you will only be entitled to receive cash consideration in Australian dollars.

7. INFORMATION ABOUT AMEX SHARES AND AMEX SECURITY HOLDERS

7.1 Amex and Amex Security Holders

Based upon the documents lodged with the ASX, as at the day prior to the date of this Bidder's Statement, the total number of securities in each class of Amex Securities as at the day prior to the date of this Bidder's Statement was as follows:

Class	Number
Amex Shares – fully paid ordinary shares listed on the ASX (ASX code AZX)	108,043,080
Amex Options - each option is unlisted and is convertible into one Amex Share at prices ranging from A\$0.80 to A\$1.40	35,000,000

Based upon the documents lodged with the ASX, as at the day prior to the date of this Bidder's Statement, the substantial shareholders in Amex and the total number of Amex Shares held by, and the voting power of, those substantial shareholders, is as follows:

Substantial Shareholder	Number of Amex Shares	Voting Power
Kenny Zhang and Waratah	16,973,592	15.71%
Speedy Focus Investments Ltd	12,222,223	11.31%
Perfect Done Ltd	10,200,000	9.44%
Fortunate Era Investments Ltd	10,000,000	9.26%
Ross Arancini	8,746,967	8.10%
Yibo Qiu	5,500,000	5.09%

7.2 Amex Options

The table below describes as at the date of this Bidder's Statement, the number of Amex Options on issue, their exercise price and expiry date. Each Amex Option is unlisted and is convertible into one Amex Share at the applicable exercise price before the applicable expiry date.

Options	Exercise price (A\$)	Expiry date
1,000,000	\$1.40	4 May 2017
500,000	\$1.40	24 May 2017
500,000	\$1.40	22 July 2017
12,000,000	\$1.10	9 January 2018
10,000,000	\$0.80	17 November 2018
2,000,000	\$0.80	4 February 2019
3,000,000	\$0.80	17 November 2019
4,000,000	\$0.80	17 August 2020
2,000,000	\$0.80	30 December 2020

Waratah will not be making offers for any of the Amex Options.

Amex has agreed with Waratah to seek the agreement of each Amex Optionholder to the cancellation of all their Amex Options for no monetary consideration.

It is a Condition of the Offer that all Amex Options and the Conditional Call Option (refer to section 6.9(c)) are cancelled for no monetary consideration.

7.3 Relevant Interest of Waratah in Amex Shares

As at the date of this Bidder's Statement, Waratah had a relevant interest in 16,973,592 Amex Shares (refer to section 3.3).

Immediately before the first Offer was sent to a Amex Shareholder, Waratah had a relevant interest in 16,973,592 Amex Shares.

Kenny Zhang, the sole Director of Waratah, is the registered holder of these 16,973,592 Amex Shares

7.4 Voting power

Waratah's voting power in Amex as at the date of this Bidder's Statement is 15.71% of the total votes that may be cast at a meeting of Amex Shareholders. This percentage is calculated based on the Relevant Interests of Waratah and its associate, Kenny Zhang, in Amex Shares as at the date of this Bidder's Statement.

Immediately before the first Offer was sent to an Amex Shareholder, Waratah's voting power in Amex is 15.71% of the total votes that may be cast at a meeting of Amex Shareholders. This percentage is calculated based on the Relevant Interests of Waratah and its associate, Kenny Zhang, in Amex Shares as at the date of this Bidder's Statement.

7.5 Consideration in previous 4 months

In the 4 months ending on the date of this Bidder's Statement neither Waratah nor any of its associates has provided, or agreed to provide, consideration for any Amex Share under a purchase or agreement.

7.6 Benefits given, offered or Agreed

During the 4 months ending on the date of this Bidder's Statement, neither Waratah nor any of its associates, gave, offered to give or agreed to give a benefit to another person, which was likely to induce the other person or an associate to:

- (a) accept an Offer; or
- (b) dispose of Amex Securities,

which benefit was not offered to all Amex Shareholders.

7.7 Amex Directors' interests in Amex Securities

Details of the Amex Directors and the interests of each Amex Director in Amex Securities as at the day prior to this Bidder's Statement are (based on information obtained from Amex's public disclosures as at the date prior to this Bidder's Statement) are as follows:

The current Directors of Amex are:

- (a) The Hon Richard Alston
- (b) Matthew Collard
- (c) Yibo Qiu

The Amex Directors' interests in Amex Securities are as follows:

Director	Amex Shares	Amex Options
The Hon Richard Alston	Nil	2,000,000
Matthew Collard	1,310,000	3,000,000
Yibo Qiu	5,500,000	1,000,000

8. AUSTRALIAN TAX CONSIDERATIONS

8.1 Introduction

The following is a general description of the Australian tax consequences for the registered holders of Amex Shares upon the disposal of their Amex Shares to Waratah pursuant to this Offer.

This summary is a general guide and is based on the law at the date of this Bidder's Statement. It does not take into account the tax issues of every registered holder and each registered holder should obtain their own independent tax and financial advice as to how the Offer will affect them given their circumstances. Amex Shareholders should not rely on the comments contained in this description.

Amex Shareholders (and any other persons who may benefit from this Offer) who may be subject to tax in a jurisdiction other than Australia should also obtain independent advice as to how the Offer affects them given their circumstances.

The description below assumes that Amex Shareholders are holding the Amex Shares as capital assets and are not holding those Shares as trading stock, on revenue account (that is as part of a profit making scheme) or under a scheme that constitutes an employee share plan.

The description below does not address the particular tax rules that may apply to registered holders who:

- (a) are subject to special tax rules such as:
 - (i) banks;
 - (ii) insurance companies;
 - (iii) tax exempt organisations; or
 - (iv) superannuation funds;
- (b) acquired their Amex Shares through a permanent establishment in Australia; or
- (c) are subject to the "taxation of financial arrangements" rules in Division 230 of the *Income Tax Assessment Act 1997*.

8.2 Capital gains tax implications

(a) Capital gains tax (CGT) event

For CGT purposes, a "CGT event" will occur when the Amex shareholder disposes of its Amex Shares to Waratah. If the Offer is not accepted and the Amex Shares are compulsorily acquired, the Amex Shareholder will also be treated as having disposed of its Amex Shares for CGT purposes.

For CGT purposes, the Amex Shareholder will be taken to have disposed of the Amex Shares when it signs the contract to sell the Amex Shares i.e. the Acceptance Form. If the Amex Shares are compulsorily acquired, the disposal will be taken to take place on the date the Amex Shares are acquired.

If the Offer does not proceed, there will be no CGT consequences.

(b) Determining your capital gain or loss

Amex Shareholders who dispose of their Amex Shares by accepting the Offer or as a result of a compulsory acquisition, may make a capital gain or a capital loss from the disposal equal to the difference between:

- (i) the capital proceeds received for the disposal of their Amex Shares (i.e. the cash received under the Offer); and
- (ii) the CGT cost base (or, in the case of a capital loss, reduced cost base) of their Amex Shares (which would generally include the amount paid to acquire the Amex Shares plus any incidental costs of acquisition such as brokerage fees and stamp duty).

The CGT cost base does not include costs that were deductible to the Amex Shareholder (such as interest on money borrowed to acquire the Amex Shares), or were subject to any adjustments arising from any transactions in respect of the Amex Shares such as capital reductions, rollovers or prior restructures of Amex.

Amex Shareholders will make a capital gain from the disposal of the Amex Shares to Waratah to the extent that their capital proceeds exceed their cost base in the Amex Shares. Any capital gain may be reduced by other concessions, such as the discount capital gains tax rules which are discussed below.

Amex Shareholders will make a capital loss from the disposal of their Amex Shares to Waratah to the extent that their capital proceeds are less than their cost base in the Amex Shares.

If Amex Shareholders make a capital loss from the disposal of their Amex Shares, the capital loss may be used to offset capital gains made in the same or subsequent years of income (subject to satisfying any applicable conditions) but cannot be offset against ordinary income. Capital gains cannot be carried back to offset net capital gains arising in earlier income years.

Each Amex Share constitutes a separate asset for CGT purposes. As such Amex Shareholders will need to consider the consequences of the disposal of their Amex Shares if they acquired their Amex Shares in different parcels at different times.

The tax treatment of the capital gain or capital loss arising from the disposal of the Amex Shares depends on whether the Amex Shareholder is an Australian resident for tax purposes and whether it holds the Amex Shares as an individual, trustee of the a trust, complying superannuation fund or company.

(c) **Australian residents**

An Australian resident taxpayer may be entitled to a CGT discount where the taxpayer:

- (i) is an Australian resident, individual trust or complying superannuation fund;
- (ii) has held the Amex Shares for at least 12 months; and
- (iii) makes a capital gain from the disposal of the Amex Shares.

In calculating the 12 month period, the day of acquisition and day of disposal are excluded.

The CGT discount results in the capital gain being reduced by the applicable "discount percentage" which is:

- (i) 50% for individuals and trusts; and
- (ii) 33 1/3% for complying superannuation funds.

Companies are not entitled to a CGT discount.

The CGT discount provisions may also apply to the beneficiaries of trusts disposing of Amex Shares. These provisions are complex and independent advice should be sought in this regard.

Any capital gain made on the disposal of the Amex Shares will be added to any other capital gains made by the taxpayer in that same financial year. Any available capital losses will then be deducted from the total capital gain (before applying any CGT discount) made in that year. The CGT discount will then be applied to any remaining capital gain. The remaining net capital gain will then be included in the shareholder's assessable income for the year.

If a capital loss is made on the disposal of the Amex Shares, that capital loss can only be offset against capital gains made in the current income year. Any capital loss remaining after offset against any capital gain will be carried forward and can be applied against capital gains made in subsequent income years, subject to satisfying any applicable conditions.

(d) **Non-residents**

Non-residents disposing of Amex Shares will be subject to Australian CGT, if:

- (i) the taxpayer and its associates hold 10% or more of the Amex Shares:
 - (A) at the time of disposal; or
 - (B) throughout a 12 month period that begins no earlier than 24 months before the date of disposal; and
- (ii) the market value of Amex's assets that are "taxable Australian real property" (which includes real property in Australia, shares in companies holding real property, mining, quarrying or prospecting rights, where the minerals, petroleum or quarry materials are in Australia) is greater than the market value of Amex's assets that are not taxable Australian real property.

8.3 Stamp Duty and GST

No stamp duty or GST will be payable by you on the disposal of your Amex Shares to Bidder pursuant to the Offer.

You may be charged GST on costs incurred in disposing of your Amex Shares such as accountants fees. You may be entitled to claim an input tax credit for such costs. You should seek professional advice as to your entitlement.

9. ADDITIONAL INFORMATION

9.1 Consents

K&L Gates has given, and has not, before the issue of this Bidder's Statement, withdrawn its written consent to be named in this Bidder's Statement in the form and context in which it is named in the Corporate Directory. K&L Gates has not caused or authorised the issue of this Bidder's Statement, does not make any statement that is included in this Bidder's Statement and there is no statement in this Bidder's Statement, which is based on any statement by K&L Gates. K&L Gates specifically disclaims any responsibility for any statements included in this Bidder's Statement.

Kwok Yih & Chan has given, and has not, before the issue of this Bidder's Statement, withdrawn its written consent to be named in this Bidder's Statement in the form and context in which it is named in the Corporate Directory. Kwok Yih & Chan has not caused or authorised the issue of this Bidder's Statement, does not make any statement that is included in this Bidder's Statement and there is no statement in this Bidder's Statement, which is based on any statement by Kwok Yih & Chan. Kwok Yih & Chan specifically disclaims any responsibility for any statements included in this Bidder's Statement.

Security Transfer Australia Pty Ltd has given, and has not, before the issue of this Bidder's Statement, withdrawn its written consent to be named in this Bidder's Statement in the form and context in which it is named in the Corporate Directory. Security Transfer Australia Pty Ltd has not caused or authorised the issue of this Bidder's Statement, does not make any statement that is included in this Bidder's Statement and there is no statement in this Bidder's Statement, which is based on any statement by Security Transfer Australia Pty Ltd. Security Transfer Australia Pty Ltd specifically disclaims any responsibility for any statements included in this Bidder's Statement.

This Bidder's Statement includes or may be accompanied by statements which are made, or based on, statements made in documents lodged with ASIC or ASX. In including such statements in this Bidder's Statement, Bidder has relied on ASIC Class Order 01/1543. In accordance with the terms of that Class Order the parties making those statements are not required to consent to, and have not consented to the inclusion of the relevant statements in this Bidder's Statement. If you would like a copy of the documents containing the statements please contact:

Matthew Collard, Managing Director, Amex Resource Limited on: (08) 9480 0455 from within Australia or on +61 8 9480 0455 from outside Australia and a copy will be provided to you free of charge.

9.2 Authorisation

This Bidder's Statement was approved by the resolution of Waratah's sole Director, Kenny Zhang on 16 March 2017.

9.3 Changes to Amex's financial position

Other than as disclosed by Amex in its public announcements filed with the ASX, Waratah does not know of any material change to the financial position of Amex since 9 March 2017 when the Half-Year Financial Statements of Amex were lodged with ASX.

9.4 No other material information

This Bidder's Statement is required to include all the information that Amex Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer, but:

- (a) only to the extent to which it is reasonable for investors and their professional advisers to expect to find this information in this Bidder's Statement; and
- (b) only if the information is known to Waratah's sole Director.

Kenny Zhang, the sole Director of Waratah is of the opinion that the information that Amex Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer is:

- (a) the information contained in this Bidder's Statement; and
- (b) the information which it would be unreasonable to require Waratah to disclose because it has previously been disclosed to Amex Shareholders in Amex's releases to the ASX prior to the date of this Bidder's Statement.

9.5 ASIC relief

Waratah reserves the right, at any time to:

- (a) make an application to ASIC for it to exercise any power or discretion conferred on it under the Corporations Act, including the power to grant relief and including to allow Waratah to withdraw the Offer; and
- (b) extend the Offer Period for the Offer or otherwise vary the Offer in accordance with Chapter 6 of the Corporations Act.

9.6 Governing Law

This Bidder's Statement is governed by the laws of the State of Western Australia.

10. DEFINITIONS AND INTERPRETATION

10.1 Definitions

In this Bidder's Statement and each Acceptance Form, unless the context otherwise requires, the following words have these meanings:

"100% Ownership" means circumstances where, following the completion of the Offer, Waratah has received acceptances from Amex Shareholders which give Waratah and its associates Relevant Interests, and voting power, in at least 90% of the Amex Shares on issue as at the date of this Bidder's Statement and Waratah and its associates have acquired at least 75% (by number) of the Amex Shares the subject of the Offer, and is entitled to proceed to compulsory acquisition of the remaining Amex Shares in accordance with the provisions of the Corporations Act.

"Acceptance Form" means an acceptance and transfer form accompanying this Bidder's Statement.

"Amex" means Amex Resources Limited ABN 55 089 826 237.

"Amex Group" means Amex and its Subsidiaries.

"Amex Option" means an option to subscribe for Amex Shares.

"Amex Optionholder" means a holder of Amex Options as set out in section 7.2.

"Amex Security" means, as the context requires, an Amex Share or an Amex Option or both.

"Amex Security Holder" means a holder of Amex Securities.

"Amex Share" means a fully paid ordinary share in the capital of Amex.

"Amex Shareholder" means a holder of Amex Shares.

"ASIC" means the Australian Securities and Investments Commission.

"ASX" means Australian Stock Exchange Limited ABN 98 008 624 691.

"ASX Settlement Operating Rules" means the ASX Settlement Operating Rules made by ASX Settlement Pty Limited CAN 008 504 532.

"Bidder's Statement" means this bidder's statement dated 16 March 2017.

"Bidder's Statement Date" or **"the date of this Bidder's Statement"** means the date on which this Bidder's Statement was lodged with ASIC, being 16 March 2017.

"Board" means the board of Directors of Waratah or Amex (as the case may be).

"Broker" means a person who is a share broker and a Participant in CHESS.

"Business Day" means any day that is not a Saturday or Sunday on which banks are open for general banking business in Perth, Western Australia.

"Competing Proposal" means any proposal, offer or transaction by a third party that, if completed, would mean:

- (a) a person would acquire a relevant interest or voting power in 20% or more of the Amex Shares;
- (b) a person would enter into, buy, dispose of, terminate or otherwise deal with any cash settled equity swap or other synthetic, economic or derivative transaction connected with or relating to 20% or more of the Amex Shares;

- (c) a person would directly or indirectly acquire or obtain an interest (including an economic interest) in all or a substantial part or material part of the business conducted by, or a assets or property of, Amex;
- (d) a person would acquire control of Amex;
- (e) a person may otherwise acquire, or merge with, Amex (including by way of takeover bid, scheme of arrangement, capital reduction, sale of assets, sale of securities, strategic alliance, dual listed company structure, joint venture or partnership); or
- (f) Amex will issue, on a fully diluted basis, 20% or more of its issued share capital as consideration for the assets or share capital or another person,

or any proposal by Amex to implement any reorganisation of capital. Each successive material modification or variation of any proposal, offer or transaction in relation to a Competing Proposal will constitute a new Competing Proposal.

"Conditional Call Option" means the option granted by Amex to the Mba Delta Project Contractor under the lump sum procurement, construction and management contract for the Mba Delta Project as security for the payment of the final milestone payment of US\$15,000,000 under that contract, for the issue of Amex Shares (to a limit of 19.9% of Amex's issued capital) which was approved by Amex Shareholders in general meeting on 17 August 2016.

"CHESS" means the Clearing House Electronic Subregister System administered by SCH.

"CHESS Holding" means a holding of Amex Shares on the CHESS subregister of Amex.

"Conditions" means the defeating conditions set out in section 6.9.

"Controlling Participant" means the Participant who is designated as the controlling participant for shares in a CHESS Holding in accordance with the ASX Settlement Operating Rules.

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

"Date of the Offer" means the date on which the first Offer is sent to Amex Shareholders, being 21 March 2017.

"Director" means a director of Waratah or Amex (as the case may be).

"Foreign Shareholder" means an Amex Shareholder whose address shown in Amex's register of members is a place outside Australia or its external territories (as defined in the *Acts Interpretation Act 1901 (Cth)*).

"GST" means the Goods and Services Tax within the meaning of the GST Act.

"GST Act" means the *A New Tax System (Goods and Services Tax) Act 1999 (Cth)*.

"Issuer Sponsored Holding" means a holding of Amex Shares on the issuer sponsored subregister of Amex.

"Kenny Zhang" means Kenny Xiangdong Zhang, the sole Director and shareholder of Waratah.

"Listing Rules" means the Listing Rules of ASX.

"Material Adverse Change" means an event, occurrence or matter that occurs, is announced, is disclosed or otherwise becomes known to Waratah (whether it becomes public or not) after the Bidder's Statement Date and which (individually or when aggregated with other events, occurrences or matters) has or could reasonably be expected to have:

- (a) the result that the business of Amex is unable to be carried on substantially in the way it is carried on as at the Bidder's Statement Date; or

- (b) one or more of the following effects (in each case determined in accordance with Accounting Standards):
 - (i) for an event, occurrence or matter with a one-off impact – a diminution in the net assets of the Amex Group by A\$10,000,000 million or more; or
 - (ii) in all other cases – the incurring of any liabilities, costs or expenses (contingent or otherwise) where the quantum exceeds A\$10,000,000 million (on a pre-tax basis), other than events, occurrences or matters:
- (c) resulting directly from changes in general economic and political conditions or changes that affect the resources industry generally; or
- (d) fairly disclosed to the ASX before the Bidder's Statement Date or which may arise from an event, occurrence or matter which was so disclosed.

“Mba Delta Project Contractor” means CCCC First Harbour Consultants Co., Ltd of 1472 Dagu Road (South), Tianjin, China P.C. 300222, People's Republic of China.

“Offer” means the offer by Waratah to each Amex Shareholder on the terms set out in section 6 (or all of those Offers taken together).

“Offer Period” means the period commencing on 21 March 2017 until 26 April 2017 at 5:00 pm (Perth time), unless extended.

“Officer” has the meaning given in the Corporations Act.

“Participant” has the meaning given in the ASX Settlement Operating Rules.

“Prescribed Occurrences” means any of the events referred to in section 6.9(e).

“Relevant Interest” has the meaning given in the Corporations Act.

“Rights” means all accretions, benefits and rights attaching to or arising from Amex Shares directly or indirectly after the date of this Bidder's Statement, including all dividends and other distributions, all rights to receive dividends and other distributions, or to receive or subscribe for shares, options or other securities declared, paid or made by Amex.

“Subsidiary” has the meaning given in the Corporations Act.

“Superior Proposal” is defined in section 1.5.

“Takeover Announcement” means the announcement of the Offer lodged by Amex with ASX on 13 March 2017.

“Takeover Contract” means a contract that results from the acceptance of an Offer made under this Offer.

“Waratah” means Waratah International (Asia) Limited a company incorporated in and existing under the laws of the Territory of the British Virgin Islands, Registration Number 1711004.

“your Amex Shares” means the Amex Shares in respect of which you are able to give good title at 8:00am (Perth time) on the date of the Offer or subsequently during the Offer Period and, where applicable, the number of such Amex Shares specified in an Acceptance Form.

10.2 Interpretation

In this Bidder's Statement and the Acceptance Forms, the following principles of interpretation apply unless the context otherwise requires:

- (a) Annexures to this Bidder's Statement form part of the Bidder's Statement as do the Acceptance Forms.

- (b) References to a section, annexure or paragraph are to a section, annexure or paragraph of this Bidder's Statement.
- (c) Where an expression is defined, another part of speech or grammatical form of that expression has a corresponding meaning.
- (d) Words and phrases to which a meaning is given by the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules have that meaning in this Bidder's Statement and in the Acceptance Forms unless that meaning is inconsistent with the context in which the word or phrase is used.
- (e) A reference to any document or instrument includes any variation or replacement of it.
- (f) A reference to any legislation or legislative provisions includes any statutory modification or re-enactment of, or any legislative provision substituted for, and any subordinate legislation issued under, that legislation or legislative provision.
- (g) Headings are for convenience only and do not affect the interpretation of this Bidder's Statement.
- (h) The singular includes the plural and vice versa.
- (i) Words importing any gender include the other gender.
- (j) A reference to an individual or person includes a corporation, partnership, joint venture, association, authority, trust, state or government, and vice versa.
- (k) References to "A\$" are to Australian currency.
- (l) References to "US\$" are to currency of the United States of America.
- (m) A reference to time is a reference to Perth, Western Australia time.
- (n) A reference to a period of time (including, without limitation, a year, a quarter, a month or a day) is to a calendar period.
- (o) A statement made in this Bidder's Statement is made as at the Bidder's Statement Date.
- (p) A reference to a right or obligation of any two or more persons confers that right, or imposes that obligation, as the case may be, jointly and severally.
- (q) A reference to writing includes facsimile transmissions.
- (r) A reference to a Condition being fulfilled is to it being fulfilled as a matter of fact or the Offer becoming free of the Condition under the Corporations Act as it applies to this Offer.
- (s) A term referred to in this Offer that relates to CHES and is not specifically defined in this Offer, has the meaning given to it in the Corporations Act or the ASX Settlement Operating Rules (if any).

APPROVAL OF BIDDER'S STATEMENT

This Bidder's Statement has been approved by a resolution of the sole Director of Waratah International (Asia) Limited.

Dated: *16* March 2017

Signed for and on behalf of Waratah International (Asia) Limited by:

Kenny Xiangdong Zhang

Sole Director

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CHESSE ACCEPTANCE FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

WARATAH INTERNATIONAL (ASIA) LIMITED

(Incorporated in the British Virgin Islands; Company Registration number 1711004)

REGISTERED OFFICE:
263 MAIN STREET
ROAD TOWN
TORTOLA
BRITISH VIRGIN ISLANDS

All Correspondence to:

Security Transfer Australia Pty Ltd
PO Box 535
Applecross WA 6953

T: 1300 992 916 F: +61 8 9315 2233

E: registrar@securitytransfer.com.au

W: www.securitytransfer.com.au

«Company_code» «Sequence_number»

«Holder_name»
«Address_line_1»
«Address_line_2»
«Address_line_3»
«Address_line_4»
«Address_line_5»

Holder Number:

«Holder_Number»

Your total holding of Amex Resources Limited Shares as at 5:00pm (Perth time) on 16 March 2017:

«Securities_1»

Cash payment to be issued as consideration on the basis of \$0.50 for every 1 Amex Share held:

«Consideration_____»

Use this form to accept the Waratah International (Asia) Limited Offer to acquire all of your Amex Resources Limited Shares.

If any of the above details are incorrect, please amend them and initial the alterations.

For CHESSE Holdings

If your Amex Resources Limited Shares are held on the CHESSE Sub register, to accept this Offer you can either:

a. Contact your Controlling Participant - normally your broker (if you do that, you do not need to return this form)

OR

b. If you want us to contact your Controlling Participant on your behalf, please insert their details below

Controlling Participant's name

Address

Your acceptance must be received by us no later than 5.00 pm WST on the second last day of the Offer Period to effect acceptance of the Offer on CHESSE during business hours.

By signing in the box below you accept the Offer from Waratah International (Asia) Limited and subject to the terms of the Offer (as set out in the Bidder's Statement from Waratah International (Asia) Limited dated 16 March 2017, as replaced or supplemented) and you acknowledge the effect of your acceptance is as set out in Section 6.6 of Waratah International (Asia) Limited Bidder's Statement (including that you agree to transfer all of your Amex Resources Limited Shares to Waratah International (Asia) Limited in return for the consideration to be provided to you pursuant to the Offer). If you have a CHESSE Holding, you authorize us to contact and give instructions directly to your Controlling Participant (including via the CHESSE system). By accepting the Offer you are accepting for all Waratah International (Asia) Limited Shares registered as held by you at the date your acceptance is processed (even if different to the number stated above). You cannot accept the Offer for only part of your holding.

SECURITY HOLDER(S) SIGNATURE(S) This section must be signed for your instructions to be executed.

Individual/Security Holder 1

Sole Director & Company Secretary

Individual/Security Holder 2

Director/Company Secretary

Individual/Security Holder 3

Director

My/Our contact details in case of enquiries are:

NAME

TELEPHONE NUMBER

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You must complete, sign and return this CHESSE Acceptance Form to one of the addresses shown overleaf BEFORE the Offer closes. Neither Security Transfer Australia Pty Ltd nor Waratah International (Asia) Limited will be responsible for any delays incurred by this process - you must allow sufficient time for Waratah International (Asia) Limited to initiate acceptance of the Offer on your behalf.

REGISTRY DATE STAMP

E & O.E.

HOW TO ACCEPT THE OFFER



Please refer to Section 6.5 of Waratah International (Asia) Limited Bidder's Statement and the definitions in the Bidder's Statement. Terms defined in the Bidder's Statement have the same meanings when used in this form. If you have any queries about how to accept the Offer or about how to complete this Acceptance Form, please contact your financial advisor or the Amex Resources Limited Share Registry on 1300 992 916.

Sold all your Amex Resources Limited Shares? – if you have sold all your Amex Resources Limited Shares, you need not take any further action. We suggest you destroy this form for security reasons.

SIGNING INSTRUCTIONS

Individuals - where the holding is in one name, the registered holder must sign.

Joint holdings - where the holding is in more than one name, all of the securityholders should sign.

Companies - this form must be signed by a Director jointly with either another Director or a Company Secretary. Alternatively, where the company has a Sole Director who is also the Sole Company Secretary, this form may be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may also sign alone. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Power of Attorney - If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

LODGEMENT INSTRUCTIONS

IF YOU HAVE A CHESSE HOLDING, THE SIGNED AND COMPLETED FORM SHOULD BE RETURNED TO YOUR BROKER.

If you wish to accept the offer, you must complete this Acceptance Form and it must be mailed, delivered or faxed to the below address:

Security Transfer Australia Pty Ltd

PO BOX 535
Applecross, Western Australia 6953

Street Address:

Alexandrea House, Suite 1
770 Canning Highway
Applecross, Western Australia 6153

Facsimile:

+61 8 9315 2233

Email:

registrar@securitytransfer.com.au

Your acceptance must be received by Security Transfer Australia Pty Ltd no later than 5.00pm WST on the second last day of the Offer Period to effect acceptance of the Offer on CHESSE during business hours.

ENQUIRIES

All enquiries should be directed to Amex Resources Limited's share registry:

Security Transfer Australia Pty Ltd

PO Box 535, Applecross WA 6953 AUSTRALIA

770 Canning Highway, Applecross WA 6153 AUSTRALIA

Telephone 1300 992 916

Facsimile +61 8 9315 2233

Email: registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.



ISSUER SPONSORED ACCEPTANCE FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

WARATAH INTERNATIONAL (ASIA) LIMITED

(Incorporated in the British Virgin Islands; Company Registration number 1711004)

REGISTERED OFFICE:
263 MAIN STREET
ROAD TOWN
TORTOLA
BRITISH VIRGIN ISLANDS

All Correspondence to:

Security Transfer Australia Pty Ltd
PO Box 535
Applecross WA 6953

T: 1300 992 916 F: +61 8 9315 2233

E: registrar@securitytransfer.com.au

W: www.securitytransfer.com.au

«Company_code» «Sequence_number»

«Holder_name»
«Address_line_1»
«Address_line_2»
«Address_line_3»
«Address_line_4»
«Address_line_5»

Holder Number:

«Holder_Number»

Your total holding of Amex Resources Limited Shares as at 5:00pm (Perth time) on 16 March 2017:

«Securities_1»

Cash payment to be issued as consideration on the basis of \$0.50 for every 1 Amex Share held:

«Consideration_____»

Use this form to accept the Waratah International (Asia) Limited Offer to acquire all of your Amex Resources Limited Shares.

If any of the above details are incorrect, please amend them and initial the alterations.

By signing in the box below you accept the Offer from Waratah International (Asia) Limited and subject to the terms of the Offer (as set out in the Bidder's Statement from Waratah International (Asia) Limited dated 16 March 2017, as replaced or supplemented) and you acknowledge the effect of your acceptance is as set out in Section 6.6 of Waratah International (Asia) Limited Bidder's Statement (including that you agree to transfer all of your Amex Resources Limited Shares to Waratah International (Asia) Limited in return for the consideration to be provided to you pursuant to the Offer).

SECURITY HOLDER(S) SIGNATURE(S) This section must be signed for your instructions to be executed.

Individual/Security Holder 1

[Signature box for Individual/Security Holder 1]

Sole Director & Company Secretary

Individual/Security Holder 2

[Signature box for Individual/Security Holder 2]

Director/Company Secretary

Individual/Security Holder 3

[Signature box for Individual/Security Holder 3]

Director

Individual/Joint Holding: This form must be signed by all securityholders. **Power of Attorney:** To sign as power of attorney, you must have already lodged it with the registry. Alternatively, attach a certified copy of the power of attorney to this form. **Companies:** This form must be signed in accordance with the company's constitution and the Corporations Act 2001 and attested by two directors (or a director and a secretary) or by a sole director/company secretary. Please indicate the office held by signing in the appropriate space.

My/Our contact details in case of enquiries are:

NAME

[Name input field]

TELEPHONE NUMBER

([Area code box]) [Telephone number box]

You must complete, sign and return this Issuer Sponsored Acceptance Form to one of the addresses shown overleaf BEFORE the Offer closes.

Your acceptance must be received by us no later than 5.00 pm WST on the last day of the Offer Period

REGISTRY DATE STAMP

E & O.E.



HOW TO ACCEPT THE OFFER

Please refer to Section 6.5 of Waratah International (Asia) Limited Bidder's Statement and the definitions in the Bidder's Statement. Terms defined in the Bidder's Statement have the same meanings when used in this form. If you have any queries about how to accept the Offer or about how to complete this Acceptance Form, please contact your financial advisor or the Amex Resources Limited Share Registry on 1300 992 916.

Sold all your Amex Resources Limited Shares? – if you have sold all your Amex Resources Limited Shares, you need not take any further action. We suggest you destroy this form for security reasons.

SIGNING INSTRUCTIONS

Individuals - where the holding is in one name, the registered holder must sign.

Joint holdings - where the holding is in more than one name, all of the securityholders should sign.

Companies - this form must be signed by a Director jointly with either another Director or a Company Secretary. Alternatively, where the company has a Sole Director who is also the Sole Company Secretary, this form may be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary; a Sole Director may also sign alone. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Power of Attorney - if you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

LODGEMENT INSTRUCTIONS

If you wish to accept the offer, you must complete this Acceptance Form and it must be mailed, delivered or faxed to the below address:

Security Transfer Australia Pty Ltd

PO BOX 535

Applecross, Western Australia 6953

Street Address:

Alexandrea House, Suite 1

770 Canning Highway

Applecross, Western Australia 6153

Facsimile:

+61 8 9315 2233

Email:

registrar@securitytransfer.com.au

Your acceptance must be received by Security Transfer Australia Pty Ltd no later than 5.00pm WST on the Closing Date.

ENQUIRIES

All enquiries should be directed to Amex Resources Limited's share registry:

Security Transfer Australia Pty Ltd

PO Box 535, Applecross WA 6953 AUSTRALIA

770 Canning Highway, Applecross WA 6153 AUSTRALIA

Telephone 1300 992 916

Facsimile +61 8 9315 2233

Email: registrar@securitytransfer.com.au

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TARGET'S STATEMENT ISSUED BY AMEX RESOURCES LIMITED (ABN 55 089 826 237)

This Target's Statement is issued in relation to the off-market takeover bid by Waratah International (Asia) Limited for all the ordinary shares in Amex Resources Limited at \$0.50 per Share.

ACCEPT

Your Directors unanimously recommend you ACCEPT the Offer in the absence of a Superior Proposal.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about how to deal with this document, you should contact your broker, financial adviser or legal adviser immediately.

Key dates

Announcement of Offer	13 March 2017
Offer opens	21 March 2017
Date of this Target's Statement	16 March 2017
Offer closes (unless extended or withdrawn)*	5.00 pm (Perth time) on 26 April 2017

* These dates are subject to change. Please also refer to **section 5.6** of this Target's Statement for further details regarding the extension of the Offer.

Important notices

Nature of this document

This document is a Target's Statement issued by Amex Resources Limited ACN 089 826 237 (**Amex**) under Part 6.5 Division 3 of the Corporations Act in response to the Bidder's Statement and the Offer.

A copy of this Target's Statement was lodged with ASIC and given to ASX on 16 March 2017. None of ASIC or ASX nor any of their respective officers, take any responsibility for the content of this Target's Statement.

Defined terms

A number of defined terms are used in this Target's Statement. Unless the contrary intention appears, the context requires otherwise or words are defined in **section 9** of this Target's Statement, words and phrases in this Target's Statement have the same meaning and interpretation as in the Corporations Act.

No account of personal circumstances

This Target's Statement does not take into account your individual objectives, financial situation or particular needs. It does not contain personal advice. Your Directors encourage you to seek independent financial and taxation advice before making a decision as to whether or not to accept the Offer.

Disclaimer as to forward looking statements

Some of the statements appearing in this Target's Statement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement.

Disclaimer as to information

The information on Waratah International (Asia) Limited contained in this Target's Statement has been obtained from publicly available sources, including the Bidder's Statement filed by Waratah International (Asia) Limited. None of the information contained in this Target's Statement relating to Waratah International (Asia) Limited has been verified by Amex or its Directors for the purposes of this Target's Statement. Accordingly, and to the extent permitted by law, Amex makes no representation or warranty (either express or implied) as to the accuracy or completeness of this information.

Foreign jurisdictions

The release, publication or distribution of this Target's Statement in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. This Target's Statement has been prepared in accordance with Australian law and the information contained in this Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with the laws and regulations outside Australia.

Privacy

Amex has collected your information from the Amex register of Shareholders (including name, contact details and shareholding details) for the purpose of providing you with this Target's Statement. Your information may be disclosed on a confidential basis to external service providers (such as Amex's share registry and print and mail service providers) and may be required to be disclosed to regulators (such as ASIC and the ASX). If you would like to obtain details of the information held about you by Amex, please contact Security Transfer Australia Pty Ltd at 770 Canning Highway, Applecross, Western Australia 6153.

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Chairman's Letter

16 March 2017

Dear Shareholder

Takeover offer by Waratah International (Asia) Limited

On 13 March 2017, Amex Resources Limited (**Amex**) announced that it had received an off-market takeover offer by Waratah International (Asia) Limited (**Waratah** or the **Bidder**) under which Waratah proposes to acquire all of the Amex Shares on issue for **\$0.50 cash** per Amex Share.

Included with this Target's Statement is the Bidder's Statement from Waratah which encloses the details of Waratah's Offer. This Target's Statement sets out the response of the Directors to the Offer.

After careful consideration, your Directors unanimously recommend that you **ACCEPT** the Offer in the absence of a Superior Proposal. The Directors who hold Amex Shares intend to accept the Offer in full, in the absence of a Superior Proposal.

In making their recommendation, the Directors have carefully considered the following matters:

- the cash offer of \$0.50 per Amex Share values the entire issued capital of Amex at approximately \$54 million and represents a 38.9% premium to the last traded price of Amex Shares on ASX on 8 March 2017 of \$0.36 (being the last day on which Amex Shares traded prior to the announcement of the Offer), and a 37.5% premium to the 20 day volume weighted average price of Amex Shares of \$0.3636 up to and including 10 March 2017 (being the last trading day prior to the announcement of the Offer);
- Shareholders are being offered cash consideration at an attractive value, providing you with the ability to lock in a guaranteed cash return as compared to the risks and uncertainties associated with remaining a Shareholder in the Company;
- there has not been any other takeover offer or change of control proposal for Amex and, as at the date of this Target's Statement, the Directors believe that the likelihood of a Superior Proposal emerging is remote; and
- there are material risks which may affect the value of your investment in Amex if you do not accept the Offer. See section 6.5 of this Target's Statement for more details of these risk factors.

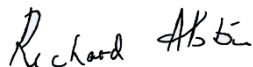
The Directors recommend that you read this Target's Statement in its entirety and in conjunction with the Bidder's Statement which is also enclosed.

If you wish to accept the Offer, you should follow the instructions in the Bidder's Statement and on the Acceptance Form. The Offer is scheduled to close at **5.00pm (Perth time) on 26 April 2017**, unless extended by Waratah.

If you have any questions in relation to the Offer, I encourage you to seek independent advice from your investment, financial, tax or other professional adviser, or contact the Company Secretary of Amex on +61 8 9480 0455.

I would also like to take this opportunity to thank you for your support of Amex.

Yours sincerely,



Hon Richard Alston
Non-Executive Chairman

1 Reasons you should ACCEPT the Offer

The Board has considered the advantages and disadvantages of the Offer and unanimously recommends that you **ACCEPT** the Offer in the absence of a Superior Proposal. The reasons for this recommendation are set out in this section 1 of this Target's Statement.

As at the date of this Target's Statement, each Director who has a Relevant Interest in Amex Shares intends to accept the Offer in relation to those Amex Shares in the absence of a Superior Proposal.

The Directors also acknowledge there are risks associated with accepting the Offer which are highlighted in **section 6.9** of this Target's Statement.

1.1 The Offer represents a significant premium to recent market prices for Amex Shares

The consideration offered under the Offer of \$0.50 per Share represents a significant premium to recent market prices for Shares, including a premium of:

- 38.9% premium to the last traded price of Amex Shares of \$0.36 on 8 March 2017, being the last day on which Amex Shares traded prior to the announcement of the Offer; and
- 37.5% premium to the 20 day volume weighted average price of Amex Shares of \$0.3636 up to and including 10 March 2017, being the last trading day prior to the announcement of the Offer.

The Offer also represents an attractive premium to Amex's Share price over the last 12 months. Amex Shares traded as low as \$0.20 per Share on 27 June and 10 October 2016 and only recently traded as high as \$0.40 per Share on 1 March 2017. Historically there have only been low levels of liquidity in trading in Amex Shares.

1.2 The Offer provides cash consideration at an attractive and certain value compared to the risks and uncertainties associated with remaining a Shareholder in the Company

In addition to offering a significant premium, the Offer provides Shareholders with a liquidity event whereby all Shareholders are given the opportunity to crystallise immediate value for their investment in Amex.

By accepting the Offer:

- You will obtain the certainty of receiving \$0.50 cash for each Share you hold (subject to the Conditions to the Offer being satisfied or waived).
- You will be paid by the earlier of 21 days after the end of the Offer Period or one month after the later of receipt of your valid acceptance and the date on which the Offer becomes unconditional.
- You will not incur any brokerage charges (if your Shares are registered in your name).

The certainty of this cash offer should be compared to the risks of remaining a Shareholder. These include:

- the risks associated with financing the development of the Mba Delta Project (including the financial risks relating to the Company's existing financial obligations);
- iron ore price volatility which may significantly impact upon the viability of, and the potential returns available from, the Mba Delta Project; and
- project development and regulatory risks associated with conducting an ironsands mining operation in Fiji.

In particular, as at 31 December 2016, Amex owes \$44,659,097 to its lenders. As disclosed in its audit-reviewed 31 December 2016 half-yearly financial statements, the ability of the Company to continue as a going concern is dependent on the Company refinancing these facilities or alternatively raising additional finance through debt or equity to continue its exploration and development activities. Amex remains reliant on the ongoing support of its lenders.

These and other risks are described in more detail in **sections 6.5** and **6.6** of this Target's Statement.

However, Shareholders should be aware that if the Offer is successful, they will forgo the ability to participate in any benefits that may ultimately be realised by Amex arising out of the arbitration proceedings commenced against MCC Overseas Ltd in respect of the failure to pay damages awarded to Amex in August 2015 for non-performance under a contract (now terminated).

1.3 Remote likelihood of a Superior Proposal

Over the last 12 months, the Company has spent considerable time assessing potential opportunities to raise new equity or debt funding to provide cheaper sources of capital to fund the development of the Mba Delta Project. However, to date, Amex has been unable to secure any new equity or lower interest rate debt proposals that would be sufficient to enable the Company to repay its outstanding loans.

Further, as at the date of this Target's Statement, there has not been any other takeover offer or any other binding proposal to seek to acquire control of Amex. Given the extent of enquiries the Board has made to identify any such proposals, the Board believes that the prospect of a Superior Proposal now emerging is remote.

1.4 There are risks in doing nothing and not accepting the Offer

If the 90% minimum acceptance condition is waived, the Offer is successful and Waratah obtains control of Amex or otherwise results in Waratah acquiring a significant interest in Amex, the nature of your investment in Amex may change.

This will have a number of possible consequences, including:

- Waratah may obtain control of Amex and be in a position to cast the majority of votes at a general meeting and control the composition of the Board. This will mean that the strategic direction of the business of Amex may change.
- The Share price may fall following the end of the Offer Period.
- The liquidity of Shares may be lower than at present.
- If the number of Shareholders is less than that required by the ASX Listing Rules to maintain an ASX listing then Waratah may seek to have Amex removed from the official list of ASX.

Shareholders should take these possible implications into account in considering whether to accept the Offer.

If the Offer does not proceed, Amex is likely to require significant new capital within the short to medium term. Even if such new capital was able to be raised by issuing new equity, any such equity issue is likely to be at a significant discount to current market prices of Amex Shares.

2 Frequently asked questions

This section answers some commonly asked questions about the Offer. It is not intended to address all relevant issues for Shareholders. This section should be read together with all other parts of this Target's Statement.

Question	Answer
1 What is Waratah's offer for my Shares?	Waratah has made an offer of \$0.50 cash for each Share held by you. Further details of the terms of the Offer (including the Conditions) are set out in section 5 of this Target's Statement.
2 Who is Waratah?	Waratah is a limited liability company incorporated in the British Virgin Islands on 8 May 2012. The sole director and shareholder of Waratah is Mr Kenny Zhang. Mr Zhang is currently the largest shareholder in Amex, holding 16,973,592 Shares which comprises 15.71% of Amex's issued capital. Further information regarding Waratah is set out in section 3 of Waratah's Bidder's Statement.
3 What is the Bidder's Statement?	The Bidder's Statement was prepared by Waratah. The Bidder's Statement describes the terms of the Offer for your Shares and other information that Waratah considers relevant to your decision as to whether or not to accept the Offer.
4 What is this Target's Statement?	This Target's Statement has been prepared by Amex and provides Amex's response to the Bidder's Statement and the Offer.
5 What are the Directors recommending?	The Directors recommend that you ACCEPT the Offer in the absence of a Superior Proposal. If there is a change to these recommendations or any material development in relation to the Offer, your Directors will inform you. See sections 1 and 3 of this Target's Statement for the reasons for these recommendations.
6 What choices do I have as a Shareholder?	As a Shareholder, you have the following choices in respect of your Shares: <ul style="list-style-type: none">• ACCEPT the Offer. Your Directors unanimously recommend that you ACCEPT the Offer in the absence of a Superior Proposal;• sell your Shares on market (unless you have previously accepted the Offer and you have not validly withdrawn your acceptance); or• reject the Offer, by doing nothing. Refer to section 4 of this Target's Statement for further details.
7 How do I ACCEPT the Offer?	To ACCEPT the Offer, you should follow the instructions set out in section 6.5 of the Bidder's Statement and printed on the acceptance form that accompanies the Bidder's Statement.
8 Can I accept the Offer for part of my shareholding?	No. You cannot accept the Offer for part of your shareholding. You may only accept the Offer for all of the Shares held by you.

Question	Answer
9 If I accept the Offer now, can I withdraw my acceptance?	You may only withdraw your acceptance in certain prescribed circumstances, such as where Waratah varies the Offer in a way that postpones the time when Waratah is required to satisfy its obligations by more than one month. See section 5.9 of this Target's Statement for further details.
10 When does the Offer close?	The Offer is presently scheduled to close at 5.00 pm (Perth time) on 26 April 2017, but the Offer Period can be extended in certain circumstances. See section 5.6 of this Target's Statement for details of the circumstances in which the Offer Period can be extended.
11 What happens if the consideration payable under the Offer is increased?	If you accept the Offer and the Offer Price is subsequently increased and the Offer becomes unconditional, you will receive the increased price for your Shares.
12 What are the Conditions to the Offer?	<p>The Offer is subject to a range of Conditions including:</p> <ul style="list-style-type: none"> • Waratah and its associates having a Relevant Interest in at least 90% of the aggregate of all the Shares on issue by the end of the Offer Period; • each Amex Optionholder agreeing with Amex to the cancellation of their Amex Options for no monetary consideration; • FHC agreeing with Amex to the cancellation of the Conditional Call Option for no monetary consideration; • Amex continuing to operate its business in the ordinary course; • no Material Adverse Change in respect to Amex occurs, is announced or becomes known to Waratah (whether or not it becomes public); and • there is no event or occurrence as set out in sections 652C(1) and (2) of the Corporations Act. <p>The Conditions are set out in full in section 6.9 of the Bidder's Statement and summarised in section 5.2 of this Target's Statement.</p>
13 What happens if the Conditions are not satisfied or waived?	If the Conditions are not satisfied or waived before the Offer closes ¹ , the Offer will lapse and acceptances will be cancelled. You would then be free to deal with your Shares even if you had accepted the Offer.
14 When will I be paid if I accept the Offer?	<p>If you accept the Offer and the Offer becomes unconditional, Waratah will pay you the consideration under the Offer by the earlier of:</p> <ul style="list-style-type: none"> • 21 days after the end of the Offer Period; or • one month after the later of receipt of your valid acceptance and the date on which the Offer becomes unconditional. <p>See section 5.10 of the Target's Statement for further details on when you will be sent your consideration.</p>

¹ In the case of the no prescribed event or occurrence condition, by the end of three Business Days after the Offer Period.

Question	Answer
<p>15 What are the tax implications of accepting the Offer?</p>	<p>The taxation consequences of accepting the Offer depend on a number of factors and will vary according to your particular circumstances.</p> <p>A general outline of the Australian taxation consequences of accepting the Offer is set out in section 7 of this Target's Statement. If you are not subject to Australian taxation laws, you should consult your personal tax advisor regarding the tax consequences under taxation law applicable to you resulting from accepting the Offer.</p>
<p>16 Do I pay brokerage or stamp duty if I accept?</p>	<p>For Australian shareholders, you will not pay stamp duty on the disposal of your Shares if you accept the Offer.</p> <p>If your Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Waratah, you will not incur any brokerage in connection with your acceptance of the Offer.</p> <p>If your Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Shares are registered in the name of a broker, bank, custodian or other nominee, you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transaction fees or service charges in connection with acceptance of the Offer.</p>
<p>17 What happens if I do nothing?</p>	<p>You will remain a Shareholder.</p> <p>However, Waratah has stated that if it acquires 90% or more of Shares and becomes entitled to compulsorily acquire all Shares, it intends to do so. See section 5.12 of this Target's Statement for more details.</p> <p>If Waratah acquires between 50.1% and 90% of Shares and the Offer becomes unconditional, you will be a minority Shareholder in Amex. The implications of this are described in section 6.7 of this Target's Statement.</p>
<p>18 Is there a number that I can call if I have further queries in relation to the Offer?</p>	<p>If you have any further queries in relation to the Offer, you can call the Company Secretary on +61 8 9480 0455 between 8.30am and 5.00pm (Perth time) on Business Days.</p>

3 Directors' recommendation and intentions

3.1 Directors of Amex

As at the date of this Target's Statement, your Directors are:

Name	Position
Hon Richard Alston	Non-Executive Chairman
Matthew John Collard	Managing Director
Yibo Qiu	Executive Director

3.2 Unanimous views in respect of the Offer

Your Directors are unanimous in the view that the Offer should be considered by Shareholders given that it represents a significant premium to the Share price prior to the Announcement Date.

The recommendations of each Director and reasons for them are set out below.

In considering whether to accept the Offer, your Directors encourage you to:

- read the whole of this Target's Statement and the Bidder's Statement;
- have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances; and
- obtain financial advice from your broker or financial adviser on the Offer and taxation advice on the effect of accepting the Offer.

3.3 Directors' recommendation to ACCEPT the Offer

Having considered the advantages and disadvantages of the Offer, each of the Directors consider that the Offer is in the best interests of Shareholders and accordingly recommend that you **ACCEPT** the Offer in the absence of a Superior Proposal.

3.4 Directors' reasons for their recommendation

The Directors have considered in detail the advantages, disadvantages and merits of the Offer.

In making their recommendation, the Directors have resolved that the advantages of the Offer outweigh the disadvantages of it. The reasons for the Directors' recommendation are set out in **section 1** of this Target's Statement, being:

- the Offer represents a significant premium to the unaffected trading price for Shares;
- the Offer provides Shareholders with cash consideration at an attractive value, compared to the risks and uncertainties associated with remaining a Shareholder in the Company;
- the likelihood of a Superior Proposal emerging is remote; and
- there are risks in doing nothing and not accepting the Offer.

3.5 Intentions of the Directors in respect of their own Shares

Details of the Relevant Interests of the Directors are set out in **section 8.2** of this Target's Statement.

As at the date of this Target's Statement, each Director who has a Relevant Interest in Amex Shares intends to accept the Offer in relation to those Amex Shares in the absence of a Superior Proposal.

4 Your choices as a Shareholder

As a Shareholder you have three choices currently available to you:

4.1 **ACCEPT the Offer**

Section 6.5 of the Bidder's Statement contains details of how to accept the Offer.

If you decide to accept the Offer, your acceptance must be received before the close of the Offer Period at 5.00 pm (Perth time) on 26 April 2017 unless the Offer Period is extended in accordance with the Corporations Act.

This is what the Directors recommend you do in the absence of a Superior Proposal.

4.2 **Sell your Shares on market**

Shareholders can sell their Shares on market for the market price at the time (unless you have previously accepted the Offer and you have not validly withdrawn your acceptance). The latest price for Shares may be obtained from the ASX website www.asx.com.au.

Shareholders who sell their Shares on market may be liable for capital gains tax and may incur a brokerage charge. Shareholders who wish to sell their Shares on market should contact their broker for information on how to effect that sale.

4.3 **Reject the Offer and do nothing**

If you do not wish to accept the Offer or sell your Shares on market, you can choose to do nothing. By doing nothing you will continue to remain a Shareholder. Shareholders should note that if Waratah acquires 90% of Shares during or at the end of the Offer Period, Waratah will be entitled to compulsorily acquire the Shares it does not already own. See **section 5.12** of this Target's Statement for more details.

5 Key features of the Offer

5.1 Consideration under the Offer

The consideration being offered by Waratah is \$0.50 cash for each Share.

5.2 Conditions to the Offer

The Offer is subject to a number of conditions which are set out in full in section 6.9 of the Bidder's Statement.

By way of summary, the conditions to the Offer are:

- Waratah and its associates having a Relevant Interest in at least 90% of the aggregate of all the Amex Shares on issue by the end of the Offer Period;
- each Amex Optionholder agreeing with Amex to the cancellation of their Amex Options for no monetary consideration;
- FHC agreeing with Amex to the cancellation of the Conditional Call Option for no monetary consideration;
- Amex continuing to operate its business in the ordinary course;
- no Material Adverse Change in respect to Amex occurs, is announced or becomes known to Waratah (whether or not it becomes public); and
- there is no event or occurrence as set out in sections 652C(1) and (2) of the Corporations Act.

As at the date of this Target's Statement, Amex is not aware of any act, omission, event or fact that would result in any of the Conditions to the Offer being triggered (or not being satisfied, as appropriate).

5.3 Implications of Conditions not being satisfied

Any Conditions which are not satisfied (or triggered, as appropriate) may be waived by Waratah.

If, at the close of the Offer Period, any Condition has not been satisfied (or has been triggered) and has not been waived², the Offer will lapse.

If the Offer lapses, all contracts resulting from acceptance of the Offer and all acceptances that have not resulted in binding contracts are void. In that situation, you will be free to deal with your Shares as you see fit.

5.4 Notice of Status of Conditions

Section 6.9(g) of the Bidder's Statement indicates that Waratah will give a Notice of Status of Conditions to ASX and Amex 7 days before the end of the Offer Period, being 18 April 2017.

Waratah is required to set out in its Notice of Status of Conditions:

- whether the Offer is free of any or all of the Conditions;
- whether, so far as Waratah knows, any of the Conditions have been fulfilled; and
- Waratah's voting power in Amex.

If the Offer Period is extended by a period before the time by which the Notice of Status of Conditions is to be given, the date for giving the Notice of Status of Conditions will be taken to be postponed for the same period. In the event of such an extension, Waratah is required, as soon as practicable after the extension, to give a notice to the ASX and Amex that states the new date for the giving of the Notice of Status of Conditions.

² In the case of the no prescribed event or occurrence condition, by the end of three Business Days after the Offer Period.

If a Condition is fulfilled (so that the Offer becomes free of that Condition) during the Offer Period but before the date on which the Notice of Status of Conditions is required to be given, Waratah must, as soon as practicable, give the ASX and Amex a notice that states that the particular Condition has been fulfilled.

As at the date of this Target's Statement, Waratah has not given notice that any of the Conditions have been fulfilled.

5.5 Offer Period

Unless the Offer is extended or withdrawn, it is open for acceptance from 21 March 2017 until 5.00 pm (Perth time) on 26 April 2017.

The circumstances in which Waratah may extend or withdraw the Offer are set out in **section 5.6** and **section 5.7** respectively of this Target's Statement.

5.6 Extension of the Offer Period

Waratah may extend the Offer Period at any time before giving the Notice of Status of Conditions (referred to in **section 5.4** of this Target's Statement) while the Offer is subject to conditions. However, if the Offer is unconditional (that is, all the Conditions are fulfilled or freed), Waratah may extend the Offer Period at any time before the end of the Offer Period.

In addition, there will be an automatic extension of the Offer Period if, within the last 7 days of the Offer Period:

- Waratah improves the consideration offered under the Offer; or
- Waratah's voting power in Amex increases to more than 50%.

If either of these two events occurs, the Offer Period is automatically extended so that it ends 14 days after the relevant event occurs.

5.7 Withdrawal of Offer

Waratah may not withdraw the Offer if you have already accepted it. Before you accept the Offer, Waratah may withdraw the Offer with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

5.8 Effect of acceptance

The effect of acceptance of the Offer is set out in section 6.6 of the Bidder's Statement. Shareholders should read these provisions in full to understand the effect that acceptance will have on their ability to exercise the rights attaching to their Shares and the representations and warranties they give by accepting the Offer.

5.9 Your ability to withdraw your acceptance

You have limited rights to withdraw your acceptance of the Offer.

You may withdraw your acceptance of the Offer only if Waratah varies the Offer in a way that postpones, for more than one month, the time when Waratah needs to meet its obligations to pay for Shares under the Offer. This will occur if Waratah extends the Offer Period by more than one month and the Offer is still subject to the Conditions at the time of your purported withdrawal.

5.10 When you will receive your consideration if you accept the Offer

You will be issued your consideration on or before the later of:

- one month after the date the Offer becomes or is declared unconditional; and
- one month after the date you accept the Offer if the Offer is, at the time of acceptance, unconditional,

but, in any event (assuming the Offer becomes or is declared unconditional), no later than 21 days after the end of the Offer Period.

However, there are certain exceptions to the above timetable for the issuing of consideration. Full details of when you will be issued your consideration are set out in section 6.7 of the Bidder's Statement.

5.11 Effect of an improvement in consideration on Shareholders who have already accepted the Offer

If Waratah improves the consideration offered under its takeover bid, all Shareholders, whether or not they have accepted the Offer before that improvement in consideration, will be entitled to the benefit of that improved consideration.

5.12 Compulsory acquisition

(a) Compulsory acquisition following takeover

Waratah has indicated in section 5 of the Bidder's Statement that if it satisfies the required thresholds, it intends to compulsorily acquire any outstanding Shares.

Waratah will be entitled to compulsorily acquire any Shares in respect of which it has not received an acceptance of the Offer on the same terms as the Offer if, during or at the end of the Offer Period:

- Waratah and its associates have a Relevant Interest in at least 90% (by number) of the Shares; and
- Waratah and its associates have acquired at least 75% (by number) of the Shares that Waratah offered to acquire.

If this threshold is met, Waratah will have one month after the end of the Offer Period within which to give compulsory acquisition notices to Shareholders who have not accepted the Offer. Shareholders have statutory rights to challenge the compulsory acquisition, but a successful challenge will require the relevant Shareholder to establish to the satisfaction of a court that the terms of the Offer do not represent 'fair value' for their Shares.

(b) Later compulsory acquisition by 90% holder

Even if Waratah does not satisfy the compulsory acquisition threshold referred to in **section 5.12(a)** of this Target's Statement, it is possible that Waratah will, at some time after the end of the Offer Period, become the beneficial holder of 90% of the Shares. Waratah would then have rights to compulsorily acquire Shares not owned by it within 6 months of becoming the beneficial holder of 90% of Shares. Waratah's offered price for compulsory acquisition under this procedure would have to be considered in a report of an independent expert.

5.13 Effect of the Offer on Amex Options

The Offer is subject to defeating conditions to the effect that:

- each Amex Optionholder agrees to the cancellation of their Amex Options for no monetary consideration; and
- FHC agrees to the cancellation of the Conditional Call Option for no monetary consideration.

Accordingly, to facilitate the Offer, Amex intends to seek to enter into option cancellation deeds with the holders of Amex Options (including FHC in relation to the Conditional Call Option) in respect of the cancellation of those options, conditional upon:

- the Offer being declared or otherwise becoming free from all defeating conditions to that takeover offer proceeding;
- Waratah obtaining a Relevant Interest in at least 90% of the issued shares in Amex at the end of the Offer Period; and
- the relevant Amex Options not having lapsed, expired, terminated, or ceased to exist prior to their cancellation.

6 Important information for Amex Shareholders to consider

6.1 The Offer

The key features of the Offer are summarised in **section 5** of this Target's Statement.

The Offer is scheduled to close at 5.00 pm (Perth time) on 26 April 2017 (unless extended). To accept the Offer, follow the instructions outlined in section 6.5 of the Bidder's Statement and printed on the acceptance form that accompanies the Bidder's Statement.

6.2 Information about Waratah

The information set out in this section of the Target's Statement in relation to Waratah has been prepared by Amex using publicly available information (principally the Bidder's Statement) and has not been independently verified. Accordingly, Amex does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information. Further information on Waratah can be found at section 3 of the Bidder's Statement.

(a) Overview of Waratah

Waratah is a limited liability company incorporated in the British Virgin Islands on 8 May 2012.

The Bidder's Statement indicates that:

- the sole director and shareholder of Waratah is Mr Kenny Zhang; and
- the issued capital of Waratah is US\$50,000 comprising 50,000 shares with a par value of US\$1.00 each registered in the name of Mr Zhang.

Mr Zhang is a major shareholder of Amex and holds 16,973,592 Shares comprising 15.71% of Amex's issued share capital.

(b) Waratah's funding arrangements related to the Offer

Section 3.2 of the Bidder's Statement summarises how Waratah intends to fund the consideration payable for the acquisition of Amex Shares under the Offer.

In summary, the Bidder's Statement specifies these funds will be sourced from Waratah's own A\$ accounts held with Bank of Singapore Limited.

(c) Waratah's intentions in respect of Amex

Section 5 of the Bidder's Statement sets out Waratah's intentions in respect of the future business and operations of Amex (assuming that the Offer results in Waratah acquiring Shares).

Shareholders should carefully consider these intentions when deciding whether to accept the Offer (noting that these are statements of current intention only and may change).

In summary:

- Waratah intends to immediately conduct a strategic review of the Mba Delta Project and Amex's business and operations generally.
- If as a result of the Offers, Waratah becomes entitled to compulsorily acquire the outstanding Shares in accordance with Part A.1 of the Corporations Act, Waratah intends to:
 - proceed to compulsory acquisition of the remaining Shares in accordance with the Corporations Act; and
 - arrange for Amex to be removed from the official list of the ASX and become a wholly-owned subsidiary of Waratah.

6.3 Overview of Amex

(a) Overview

Amex is an Australian incorporated advanced mining exploration and development company which is listed on the ASX. Amex is focused on the development of its 100% owned ironsands Mba Delta Project, situated in Fiji.

There is further information concerning Amex and its Mba Delta Project on its website at www.amex.net.au.

(b) The Mba Delta Project

The Mba Delta Project is an ironsands project located in the northwest of Fiji's main island, Viti Levu.

The Mba Delta Project has been designed to produce magnetite concentrate over a 20 year mine-life, by dredge operation and magnetic separation on the adjacent floating process plant. The recovered magnetite product is to be transported by barge to Amex's nearby Lautoka port site which is to comprise an unloading facility, washing plant to remove sea salts, enclosed stockpile shed, ship loading infrastructure, a dedicated export berth for vessels, workshops and offices.

Amex holds special mining lease SML60 which covers the Mba Delta Project deposit and is surrounded by a larger exploration area held as special prospecting licence SPL1463, which together cover more than 130km² at the mouth of the Ba River. Amex believes that this strategic location offers a transport cost advantage to key Asian markets.

(c) Status of tenements

Tenement	Location	Project	Interest	Expiry
SML60	Ba, Fiji	Mba Delta	100%	11-Jun-33
SPL1463	Ba, Fiji	Mba Delta	100%	11-Aug-19
SSR13	Lautoka, Fiji	Mba Delta	100%	19-Mar-34

(d) Major contracts

Construction contract with CCCC First Harbor Consultants Co. Ltd

Amex has entered into a US\$76.3 million contract with CCCC First Harbor Consultants Co. Ltd for the design, procurement and construction of the Lautoka port facilities and the Mba Delta marine operations fleet.

The contract price consists of a US\$12.8 million advance payment, a series of milestone payments and a final delayed payment in the amount of US\$15 million which becomes due for payment when a 12 month defects rectification period has been completed. The construction formally commenced on 1 May 2016.

As at 31 December 2016, Amex has made payments totalling approximately US\$12.8 million under that construction contract. Amex has recently agreed to defer payments due under the contract in return for an extension of time for project completion until May 2018. The next milestone payment of approximately US\$14 million is scheduled for payment by Amex by May 2017.

Debt facilities

In September 2015, Amex entered into a US\$80 million funding agreement with Fortunate Era Investments Limited for the purpose of financing the development of the Mba Delta Project. The provision of this funding agreement was facilitated by Mr Kenny Zhang, a major shareholder of the Company and the sole director and shareholder of the Bidder. The funding agreement comprised a US\$30 million loan and a US\$50 million underwriting facility. The US\$30 million loan was fully drawn down in November 2015 (bearing interest at 18% per annum) and was scheduled for repayment on 14 November 2016. As of 31 December

2016 the Company owes Fortunate Era Investments Limited \$41,683,656. The lender has acknowledged that it will not demand repayment of the facility until the Company has the ability to repay the amount. The US\$50 million underwriting facility has not yet been utilised by the Company as it attracts an interest rate of 18% per annum and the next milestone payment under the FIDIC contract has been deferred to May 2017.

Amex had intended to repay amounts outstanding under the US\$30 million loan by way of a replacement US\$60 million loan facility which was to be made available by a Hong Kong based fund associated with Mr Kenny Zhang. However, the fund was never established such that Amex was ultimately unable to utilise funding under that agreement to refinance its existing loan obligations.

In addition to amounts owing to Fortunate Era Investments Limited:

- as at 31 December 2016, Amex owed approximately \$2 million in an unsecured loan (bearing interest at 16% per annum) to Shenzhen Taihongtong Investment Co Ltd. The lender has acknowledged that it will not demand repayment of the loan until the Company has the ability to repay it; and
- on 24 January 2017, Amex drew down on a \$1 million unsecured 6 month loan provided by Ms Alice Zhang (the wife of Mr Kenny Zhang). Interest on the loan for its 6 month term (at 8% per annum) has been paid in advance.

Mr Zhang facilitated the provision of both of these loans.

(e) **Statement of Mineral Resource estimate**

Amex's Mineral Resource estimate is set out below:

JORC Resource Category	Tonnes	Grade Fe %
Indicated Mineral Resource	220,000,000	10.9%

The information set out in the table above is a summary of the Mineral Resource estimate set out in Amex's ASX announcement dated 25 October 2010 and reported in accordance with the JORC Code 2004. This estimate has not been updated to JORC 2012 as all material assumptions and technical parameters underpinning this estimate continue to apply and have not materially changed.

(f) **Material litigation**

Amex initiated arbitration proceedings on 11 December 2015 through the International Chamber of Commerce in response to MCC Overseas Ltd's failure to pay damages awarded to Amex in August 2015 for non-performance under a contract (now terminated). The final hearing is scheduled for August 2017.

Shareholders should be aware that they will forgo the opportunity to participate in any benefits realised as a result of these arbitration proceedings if the Offer is successful.

6.4 **Historical financial information**

The following historical financial information for Amex is extracted from the audited consolidated financial statements of Amex and its controlled entities for the year ended 30 June 2016 and the audit reviewed consolidated financial statements for the half-year ended 31 December 2016.

The financial information has been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board (**AASB**) and the Corporations Act. The financial information also complies with the recognition and measurement requirements of International Financial Reporting Standards (**IFRSs**) and interpretations issued by the International Accounting Standards Board.

The financial information presented below does not represent complete financial statements and should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial

statements and the notes to those financial statements. Where appropriate, adjustments may have been made to headings and classifications of historical data to provide a consistent basis of presentation.

In the interval between the release of the audited financial accounts for the year ended 30 June 2016 and the date of this Target's Statement, there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years other than as disclosed in the 30 June 2016 full year financial statements and subsequent filings with ASX.

Further information regarding Amex is also available in the audited financial statements of Amex for the years ended 30 June 2016, 30 June 2015 and 30 June 2014, and its quarterly activities and cash flow reports. Copies of these reports are on ASX's website at www.asx.com.au, or in the "Investor Centre" section of the Amex website at www.amex.net.au.

(a) Financial information

Amex's annual report (comprising the full financial accounts) for the financial year ending 30 June 2016 (**2016 Annual Report**) was released to ASX on 18 October 2016. Further, Amex's 31 December 2016 audit reviewed half year consolidated financial statements were lodged with ASX on 9 March 2017, which includes the statement of financial position as at 31 December 2016 extracted below.

	December 2016 \$	June 2016 \$
Current Assets		
Cash and cash equivalents	1,040,667	3,254,482
Trade and other receivables	2,137	50,729
Other assets	54,975	54,975
Prepayments	-	2,126,872
Total current assets	<u>1,097,779</u>	<u>5,487,058</u>
Non-current Assets		
Property, plant and equipment	70,282	84,031
Prepayments	-	17,365,822
Exploration expenditure	241,284	107,273
Development expenditure	34,111,514	9,572,861
Total non-current assets	<u>34,423,080</u>	<u>27,129,987</u>
Total Assets	<u>35,520,860</u>	<u>32,617,045</u>
Current liabilities		
Trade and other payables	7,531,078	399,422
Short term borrowings	43,683,656	40,420,228
Total current liabilities	<u>51,214,734</u>	<u>40,819,650</u>
Total liabilities	<u>51,214,734</u>	<u>40,819,650</u>
Net Assets	<u>(15,693,874)</u>	<u>(8,202,604)</u>

Equity

Contributed equity	42,215,894	42,215,894
Option reserve	13,407,425	13,263,425
Foreign exchange translation reserve	646,749	529,289
Accumulated losses	(71,963,941)	(64,211,212)
Total equity	(15,693,874)	(8,202,604)

As set out above, as at 31 December 2016, Amex's liabilities exceeded its assets by \$15,693,874, due primarily to amounts outstanding under Amex's various loan agreements being characterised as current liabilities under relevant accounting standards. The ability of Amex to continue as a going concern is dependent on Amex refinancing its existing loan facilities or alternatively raising additional finance through equity or debt to continue its exploration and development activities.

Amex released its quarterly cash flow report and quarterly activities report for the quarter ended 31 December 2016 on 24 January 2017 and 30 January 2017, respectively. Copies of these reports and the 2016 Annual Report are on ASX's website at www.asx.com.au.

Amex has since drawn down on a \$1 million unsecured six month loan bearing interest at 8% per annum. Further details in respect of this loan are set out in **section 6.3(d)** above.

(b) Capital structure

As at 13 March 2017, being the last practicable date prior to lodgement of this Target's Statement, the issued capital of Amex consisted of 108,043,080 fully paid ordinary shares and the following Amex Options:

Options	Exercise Price	Expiry Date
1,000,000	\$1.40	4 May 2017
500,000	\$1.40	24 May 2017
500,000	\$1.40	22 July 2017
12,000,000	\$1.10	9 January 2018
10,000,000	\$0.80	17 November 2018
2,000,000	\$0.80	4 February 2019
3,000,000	\$0.80	17 November 2019
4,000,000	\$0.80	17 August 2020
2,000,000	\$0.80	30 December 2020

Amex has also issued the Conditional Call Option to its construction contractor, FHC. The Conditional Call Option is only capable of exercise if Amex fails to pay the final US\$15 million deferred payment under the construction contract entered into with FHC. In such circumstances, FHC may elect to convert the balance owing under the construction contract into Shares up to a maximum of 19.9% of Amex's issued share capital.

(c) Substantial shareholders

As at 13 March 2017, being the last practicable date prior to lodgement of this Target's Statement, there were the following substantial shareholders of Amex.

Shareholder	Number of Shares	% of issued capital
Kenny Zhang	16,973,592	15.71%
Speedy Focus Investments Ltd	12,222,223	11.31%
Perfect Done Ltd	10,200,000	9.44%
Fortunate Era Investments Ltd	10,000,000	9.26%
Ross James Arancini	8,746,967	8.10%
Yibo Qiu	5,500,000	5.09%

6.5 Risks relating to Amex, its business and assets

In considering whether to accept the Offer, Shareholders should be aware of the risks relating to Amex, its business and assets. These risks include those specific to the industry in which Amex operates and general economic conditions which may affect the future operating and financial performance of Amex. Set out below is a summary of some, but not all, of the more material risks Amex believes may impact it and its prospects.

This section 6.5 does not take into account the investment objectives, financial circumstances, taxation position or particular needs of individual Shareholders and is not exhaustive. Prior to deciding whether or not to accept the Offer, Shareholders should carefully consider the risk factors in this section 6.5 and the Bidder's Statement and seek independent professional advice.

(a) Operational risks

Financing risks

As at 31 December 2016, Amex's liabilities exceeded its assets by \$15,693,874. This was primarily due to the amount of \$44,659,097 which Amex owed to its lenders as at 31 December 2016 being treated as a current liability of the Company (despite the Company being in discussions with its lenders to renegotiate these facilities). The ability of the Company to continue as a going concern is dependent on the Company refinancing these facilities or alternatively raising additional finance through debt or equity to continue its exploration and development activities. As such, Amex remains reliant on the ongoing support of its lenders.

Amex is in discussions with its lenders to refinance or extend the terms of its existing loan facilities. However, there is no guarantee that the Company will obtain lower cost financing in the current economic climate should the Offer be unsuccessful.

Economic and commodity risks

There is a risk of economic volatility arising out of movements in the price of commodities, geopolitical instability or natural disasters. Governments may have limited resources to respond to future economic crises and may implement interest rate increases to contain inflation. This may have a negative impact on Amex's ability to obtain future equity or debt financing on favourable terms.

Negative cash flow

As an advanced-stage exploration company with no source of operating cash flow, Amex has not recorded any revenues from its operations. Amex anticipates its negative operating cash flow will continue whilst the Mba Delta Project is in the construction phase and does not expect to generate any profit until the Mba Delta Project enters into commercial production and is able to generate sufficient revenues to fund continuing operations (commercial

production is expected to begin in May 2018, including a six month ramp-up period to full production).

Mining and exploration risks

For Amex to ultimately become a profitable operating entity, it must be successful in developing, commercialising and operating the Mba Delta Project. If Amex is not successful in developing this project, this is likely to have a material adverse effect on Amex and the value of its Shares.

Amex's exploration and development of the Mba Delta Project faces common risks for a company of this nature including:

- Construction may be delayed for a variety of reasons including equipment unavailability, engineering complexity, permitting or financing delays, adverse weather conditions or other unforeseen circumstances. These and other delays may result in additional costs being incurred as variations to the FIDIC Contract.
- Major weather events, particularly heavy rainfall, flooding and cyclones, may result in delays in the development and construction of the Mba Delta Project, cost overruns and may limit future production. For example, in February 2016 parts of Fiji were devastated by category five tropical cyclone. Although the cyclone only caused minor damage at Amex's Lautoka port and mining lease sites, Amex's Sorokoba based camp facility lost much of its roof and suffered damage to fences and outbuildings. Any future extreme weather events may materially adversely affect Amex's operations and the Mba Delta Project.
- Exploration and development activities depend upon access to adequate infrastructure. Adverse weather conditions or any other interference in access to or maintenance of infrastructure may also have an adverse effect on Amex's operations.
- Fire, explosions, environmental hazards, injury to persons and damage to property may impact operations at the Mba Delta Project and Amex more generally.

Resource estimates

Resource estimates are based on knowledge, experience and industry practice. Estimates are a necessary practice, and though valid when originally calculated, may change significantly and cease to be accurate when new information becomes available through additional fieldwork or analysis. This may result in alterations to development and mining plans which may in turn adversely affect Amex's operations.

Environmental regulation

Resource exploration, development and production, including the development of related infrastructure, can be potentially environmentally hazardous, giving rise to substantial costs for environmental rehabilitation, damage control and losses.

Reliance on key personnel

Amex's future success largely depends on attracting and retaining persons skilled in the acquisition, exploration and development of mining projects. As Amex continues to grow, it will require additional key personnel with financial, administrative, geological and mining expertise as well as additional operations staff. Amex cannot guarantee that it will be successful in attracting, training and retaining appropriately qualified personnel with the skills necessary to meet its objectives.

The efficiency of Amex's operations may be impaired if Amex does not attract and retain qualified and skilled personnel which in turn may have an adverse impact on its business, financial condition and operations.

Insurance

Insurance of all risks associated with resource exploration, development and production is not always available and, where available, the cost can be high. Amex will not be insured against all possible losses, whether because of the unavailability of cover or because the premiums may be excessive relative to the benefits that would accrue.

Litigation

In the future, Amex may be the subject of complaints or litigation by customers, suppliers, government agencies or other third parties. Such matters may have an adverse effect on Amex's reputation, divert its financial and management resources from operational matters or have a material adverse effect on Amex's future results and financial performance.

Foreign exchange risk

As a result of Amex's operating activities in Fiji and the ongoing funding of operations in that country, Amex's balance sheet is affected by movements in the Fijian dollar, Australian dollar and US dollar exchange rates.

Iron ore is sold primarily in US dollars. Fluctuations in exchange rates, particularly between the US dollar and Australian dollar may have an impact on the Australian dollar amount of net income realised from future ironsands sales.

Approvals, licenses and permit requirements

Various governmental approvals, licenses and permits are required in connection with the Mba Delta Project and Amex's operations in Fiji. In addition, Amex must satisfy the mining legislation in Fiji and comply with conditions on its licences and leases. There is no assurance that the government of Fiji will not make material changes to the mining legislation or that leases or licences approvals or renewals will be given as a matter of course or on similar economic terms.

There is no guarantee that any leases or licences going under renewal in the future will be granted. There is the additional risk that there could be changes to government policy and mining legislation in Fiji that could materially and adversely affect Amex's rights and costs associated with holding the leases and licences.

To the extent any required approvals are not obtained, Amex may be restricted or prohibited from proceeding with planned exploration and development activities and the future operation of the Mba Delta Project.

Regulatory risks

Amex's exploration and development activities and future operations are subject to various Fijian laws and regulations. Whilst Amex believes its activities comply with all applicable laws and regulations, these laws and regulations may be amended from time to time.

Sovereign risk

The Mba Delta Project is located in Fiji. As such, Amex's operations are exposed to various risks associated with operating in foreign emerging countries including, but not limited to, political instability and natural and other man-made risks and uncertainties. Since independence in 1970, Fiji has experienced a number of coups d'état, which have resulted in the removal of elected governments. Although there were no changes to the legislative or regulatory regimes in respect of the minerals sector consequent upon the coups, there can be no assurance that adverse change will not occur in the future.

(b) Risks relating to the ironsands industry

Volatility in the price of iron ore may adversely affect future revenues of Amex

In recent years the iron ore price has fluctuated and is affected by a number of factors beyond Amex's control. Amex's future economic viability, and the value of Shares, will be highly sensitive to changes in the iron ore price. Macroeconomic factors may also affect the price of iron ore, including interest rates, inflation, changes in the supply of iron ore and the strength of the US dollar (the currency in which iron ore prices are generally quoted).

Any substantial decline in the price for iron ore or an increase in transportation or infrastructure costs could have a material adverse effect on Amex and the value of Shares.

Competition in the ironsands and iron ore industries may adversely affect Amex

Amex competes with other mining companies in the ironsands and iron ore industries, many of which have greater resources and experience in exploring for and extracting ironsands and iron ore, but also conduct refining and marketing operations on a worldwide basis. Such

competition may affect Amex's ability to acquire desired projects, develop and integrate new technologies, recruit or retain qualified employees or acquire the capital necessary to fund operations and develop its projects.

Any inability to compete with these companies for resources would have a material adverse effect on Amex's business and operations.

Commercialisation

If Amex recovers commercial quantities of ironsands from the Mba Delta Project, there is no guarantee that Amex will be able to successfully transport the ironsands to commercially viable markets or sell the ironsands to customers to achieve a commercial return. This may include defaults by offtake parties.

(c) Investment risks

There are general risks associated with an investment in securities markets. Such risks may affect the value of the Shares which may fluctuate with movements in equity capital markets in Australia and overseas. Such movements may be caused by, amongst other things, the economic conditions in Australia and overseas, investor sentiment in local and international stock markets, consumer sentiment, changes in fiscal, monetary, regulatory and other government policies, global political and economic stability, interest and inflation rates and foreign exchange rates.

6.6 Amex's financing in the absence of the Offer

The ability of the Company to continue as a going concern is dependent on the Company refinancing its existing loan facilities or alternatively raising additional finance through debt or equity to continue its exploration and development activities. However, there is no guarantee that the Company will be successful in renegotiating more attractive financing terms with its existing lenders, or in obtaining new lower cost financing, should the Offer be unsuccessful.

If the Offer does not proceed, Amex is likely to require significant new capital within the short to medium term. Even if such new capital was able to be raised by issuing new equity (which there is no guarantee), any such equity issue is likely to be at a significant discount to current market prices of Amex Shares.

6.7 Minority ownership consequences

The Offer is subject to a minimum acceptance condition of 90%. If Waratah waives the minimum acceptance condition and acquires more than 50.1% but less than 90% of the Shares then, assuming all other Conditions to the Offer are fulfilled or waived, Waratah will acquire a majority shareholding in Amex.

In these circumstances, Shareholders who do not accept the Offer will become minority shareholders in Amex with a new controlling Shareholder. This has a number of possible implications, including:

- Waratah will be in a position to cast the majority of votes at a general meeting of Amex. This will enable it to control the composition of Amex's Board and senior management, determine Amex's dividend policy and control the strategic direction of the businesses of Amex and its subsidiaries;
- the Share price may fall immediately following the end of the Offer Period;
- liquidity of Shares may be lower than at present;
- Waratah may consider whether to seek to have Amex removed from the official list of ASX. Waratah's ability to do so will depend on the number of remaining Shareholders. If this occurs, Shares will not be able to be bought or sold on the ASX; and
- if Waratah acquires 75% or more of the Shares it will be able to pass a special resolution of Amex. This will enable Waratah to, among other things, change Amex's constitution.

6.8 Alternatives to the Offer

As at the date of this Target's Statement, the Board is not aware of any alternative proposal that is available to be accepted by Shareholders.

6.9 Risks associated with accepting the Offer

(a) You will no longer have exposure to Amex's assets and operations

If you accept the Offer and the Offer becomes unconditional, you will no longer be a Shareholder. This will mean that you will not participate in any potential upside that may result from Amex remaining a stand-alone entity, including any increase in the Share price or any benefits that may ultimately be realised by Amex arising out of the arbitration proceedings commenced against MCC Overseas Ltd in respect of the failure to pay damages awarded to Amex in August 2015 for non-performance under a contract (now terminated).

You will also cease to have a right to influence the future direction of Amex through your voting rights as a Shareholder.

(b) You will not be able to sell your Amex Shares on the market

If you accept the Offer, you will no longer be able to trade your Shares on the market (subject to statutory withdrawal rights). This may be an extended period of time given the Offer remains subject to certain Conditions. There is a possibility that the Share price may exceed the price under the Offer during part of this period.

(c) Possibility of a Superior Proposal emerging

Once you have accepted the Offer, you will not be able to accept into any Superior Proposal that may emerge unless the Offer lapses or you are able to withdraw your acceptance due to extensions to the Offer Period.

7 Australia taxation consequences

7.1 Introduction

This section provides a general statement of the Australian income tax, goods and services tax and stamp duty consequences for a Shareholder that holds Shares on capital account (ie the Shareholder does not hold Shares in connection with a business or otherwise on revenue account) and disposes of them by accepting the Offer.

The statement provided in this section is necessarily general in nature. It does not take into account the specific circumstances of any Shareholder. In particular, it does not take into account the circumstances of a Shareholder that holds Shares on revenue account or acquired Shares in respect of any employment or the provision of any services. It also does not take into account any non-Australian taxation consequences.

Shareholders are advised to obtain professional tax advice that takes into account their specific circumstances before deciding to accept the Offer.

7.2 Income tax consequences

(a) Capital gain or loss

The disposal of Shares by accepting the Offer will be a CGT event.

Australian resident Shareholder

An Australian resident Shareholder will make either:

- a capital gain to the extent the capital proceeds from the disposal of the Shares are greater than the cost base of the Shares; or
- a capital loss to the extent the capital proceeds from the disposal of the Shares are less than the reduced cost base of the Shares.

An Australian resident Shareholder must include a net capital gain (ie. after taking into account any applicable discounts such as the CGT discount outlined in **section 7.2(d)** below and any available capital losses) in assessable income for the income year in which the Offer is accepted.

A net capital loss may not be deducted against other income for income tax purposes but an Australian resident Shareholder may generally carry forward a net capital loss to offset capital gains made in a later income year (subject to satisfaction of loss recoupment tests for certain taxpayers).

Non-Australian resident Shareholder

A non-Australian resident Shareholder will only make a taxable capital gain on the disposal of Shares by accepting the Offer if:

- the Shareholder holds (either alone or together with associates) 10% or more of all the Shares in Amex at the time of accepting the Offer or throughout a 12 month period in the 24 months before that time; and
- Amex's underlying value is principally derived from real property situated in Australia and/or mining, quarrying or prospecting rights (to the extent that the rights are no real property) where the minerals, petroleum or quarry materials are situated in Australia.

On the basis that Amex's underlying value is principally derived from the Mba Delta Project in Fiji, the second of the above conditions will not be satisfied such that a non-Australian resident Shareholder may disregard a capital gain made on the disposal of Shares by accepting the Offer for Australian income tax purposes.

(b) Capital proceeds

For the purposes of working out the capital gain or loss on the disposal of Shares, the capital

proceeds will be the cash consideration received or receivable by an Australian resident Shareholder pursuant to the Offer.

(c) Cost base

The cost base of the Shares for the purpose of working out a capital gain on disposal will generally include the money paid to acquire the Shares plus any incidental costs of acquisition and disposal.

The reduced cost base of the Shares for the purpose of working out a capital loss on disposal will also generally include the money paid to acquire the Shares plus any incidental costs of acquisition and disposal and excluding certain items, such as deductible expenditure.

(d) CGT discount

An Australian resident Shareholder that is an individual, a complying superannuation entity or a trust may be entitled to the CGT discount on the disposal of Shares that have been held for at least 12 months before the date of accepting the Offer.

The CGT discount reduces the net capital gain otherwise assessable by:

- 50% in the case of an individual or a trustee of a trust (other than a trust that is a complying superannuation entity); or
- 33½% in the case of a complying superannuation entity.

Shareholders that are companies (not acting as trustees) are not entitled to any discount in respect of their net capital gains on disposal of the Shares.

Note that the CGT discount only reduces the net capital gain remaining after any capital losses have been applied.

Although trustees of trusts may be entitled to the above CGT discount, special rules apply in respect of beneficiaries of such trusts. Shareholders that are trustees should consult with their own independent tax advisers regarding the income tax consequences of distributions attributable to discount capital gains.

7.3 Goods and services tax consequences

A Shareholder should not be liable to pay GST as a consequence of disposing of Shares by accepting the Offer. However, a Shareholder that is registered, or required to be registered, for GST may not be entitled to input tax credits in respect of any inputs to the supply of the Shares to Waratah on the basis that the supply is a financial supply and therefore input taxed.

7.4 Stamp duty consequences

A Shareholder should not be liable to pay stamp duty as a consequence of disposing of Shares by accepting the Offer.

8 Additional information

8.1 Deal protection arrangements and break fee obligations

In order to facilitate the implementation of the Offer, Amex agreed to grant Waratah certain exclusivity arrangements. Amex has also agreed to pay Waratah a break fee of \$300,000 under certain circumstances.

A summary of these terms is set out in section 1.5 of the Bidder's Statement. The summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Amex and Waratah under the documents containing those terms. A complete copy of those documents were lodged with ASX on 13 March 2017 and can be obtained from Amex's website (at www.amex.net.au) or under Amex's profile on www.asx.com.au.

8.2 Interests and dealings in Amex securities

(a) Interests in Amex securities

As at the date of this Target's Statement, Amex's Directors had the following Relevant Interests in Amex securities:

Director	Number of Shares	Number of Options
Hon Richard Alston	Nil	2,000,000
Matthew Collard	1,310,000	3,000,000
Yibo Qiu	5,500,000	1,000,000

(b) Dealings in Shares

Except as otherwise set out in this Target's Statement, no Director has acquired or disposed of a Relevant Interest in any Shares in the four month period ending on the date immediately before the date of this Target's Statement.

(c) Intentions of the Directors in relation to the Offer

The intentions of the Directors in relation to the Offer and their own Shares are set out in **section 3.5** of this Target's Statement.

8.3 Interests and dealings in securities of the Bidder

(a) Interests in the Bidder's securities

As at the date of this Target's Statement, no Director had a Relevant Interest in any securities in the Bidder.

(b) Dealings in the Bidder's securities

No Director has acquired or disposed of a Relevant Interest in any securities in the Bidder in the four month period ending on the date immediately before the date of this Target's Statement.

Neither Amex nor any associate of Amex has acquired or disposed of a Relevant Interest in any securities in the Bidder in the four month period ending on the date immediately before the date of this Target's Statement.

8.4 Benefits and agreements

(a) Benefits in connection with retirement from office

No person has been or will be given any benefit (other than a benefit which can be given without member approval under the Corporations Act) in connection with the retirement of that person, or someone else, from a board or managerial office of Amex or related body corporate of Amex.

(b) Agreements connected with or conditional on the Offer

Except as otherwise set out in this Target's Statement, there are no agreements made between any Director and any other person in connection with, or conditional upon, the outcome of the Offer other than in their capacity as a holder of Shares.

(c) Benefits from the Bidder

None of the Directors has agreed to receive, or is entitled to receive, any benefit from the Bidder which is conditional on, or is related to, the Offer, other than in their capacity as a holder of Shares as outlined in **section 8.2(a)** of this Target's Statement.

(d) Interests of Directors in contracts with the Bidder

Except as otherwise set out in this Target's Statement, none of the Directors has any interest in any contract entered into by the Bidder.

(e) Other

The Company's Chairman, the Honourable Richard Alston and the Company's Managing Director, Mr Matthew Collard, hold certain positions and interests with companies associated with Mr Kenny Zhang, the sole director and shareholder of the Bidder and the major shareholder of Amex.

In particular:

- Mr Alston is a director of Waratah Group (Australia) Pty Ltd ACN 603 905 808 (**Waratah Group**). Mr Alston does not have any equity interest in Waratah Group. Mr Zhang is a director and shareholder of Waratah Group.
- Mr Collard is the resident director, company secretary and tax officeholder for Clydesdale Property Development Group Pty Ltd ACN 169 433 309 (**Clydesdale**). Mr Collard has no equity interest in Clydesdale. Mr Zhang is a director and shareholder of Clydesdale.
- Mr Collard is a director, company secretary and sole shareholder of Waratah Agriculture Investments Pty Ltd ACN 615 514 595 (**Waratah Agriculture**). Waratah Agriculture has not undertaken any activities. Mr Zhang is a director of Waratah Agriculture.
- Mr Alston is a director of Waratah Group Enterprises Pty Ltd ACN 612 056 792 (**Waratah Enterprises**) and Mr Collard is a director and the company secretary of Waratah Enterprises. Mr Alston owns 13% of Waratah Enterprises and Mr Collard owns 8% of Waratah Enterprises. Waratah Enterprises in turn owns 50% of SR Op Co Pty Ltd ACN 610 202 509 (**SR Op Co**), a strawberry producer with operations in Victoria and Queensland. Mr Alston is the Chairman of SR Op Co. Mr Zhang is a shareholder and director of both Waratah Enterprises and SR Op Co.
- Mr Alston is a director and 10% shareholder of Waratah Investment Partners Pty Ltd ACN 612 056 612 (**Waratah Investment**) and Mr Collard is a director, company secretary and 5% shareholder of Waratah Investment. Waratah Investment is directly involved in SR Op Co's strawberry operations. Mr Zhang is a director and shareholder of Waratah Investment.

Each of Clydesdale, Waratah Agriculture, Waratah Group, Waratah Enterprises, SR Op Co and Waratah Investment are companies registered in Australia. While none of these entities have any interest in the Bidder or, to Amex's knowledge, are in any way connected with the

Offer, Amex believes that it is prudent to disclose Mr Collard's and Mr Alston's involvement in these entities (being entities in which Mr Zhang is a director and/or shareholder) given that Mr Zhang is the sole director and shareholder of the Bidder.

Each of Mr Alston and Mr Collard have informed Amex that they do not regard the above positions and interests to have any material impact on their recommendation to Amex Shareholders in respect of the Offer.

8.5 Consents

Security Transfer Australia Pty Ltd have given and have not, before the date of this Target's Statement, withdrawn their consent to be named in this Target's Statement as Amex's share registry in the form and context in which it is so named.

However, Security Transfer Australia Pty Ltd:

- does not make, or purport to make, any statement in this Target's Statement other than those statements referred to above and as consented to by them; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Target's Statement other than as described in this section with their consent.

As permitted by ASIC Class Order 13/521, this Target's Statement contains statements which are made, or based on statements made, in documents lodged by Waratah with ASIC or given to the ASX, or announced on the Company Announcements Platform of the ASX, by Waratah. Pursuant to the Class Order, the consent of Waratah is not required for the inclusion of such statements in this Target's Statement. Any Shareholder who would like to receive a copy of any of those documents may obtain a copy (free of charge) during the Offer Period by contacting the Company Secretary between 8.30am and 5.00pm (Perth time) on Business Days on +61 8 9480 0455.

In addition, as permitted by ASIC Class Order 13/523, this Target's Statement may include or be accompanied by certain statements:

- fairly representing a statement by an official person; or
- from a public official document or a published book, journal or comparable publication.

8.6 Continuous disclosure

Amex is a disclosing entity under the Corporations Act and subject to regular reporting and disclosure obligations. Specifically, as an ASX listed company, Amex is subject to the ASX Listing Rules which require continuous disclosure of any information Amex has that a reasonable person would expect to have a material or significant effect on the price or value of Shares.

Copies of announcements made by Amex may be obtained from the ASX website at www.asx.com.au and Amex's website at www.amex.net.au.

In addition, Amex will make copies of the following documents available for inspection at the Company's registered office at 22 Emerald Terrace West Perth WA 6005 (between 9.00am and 5.00pm on Business Days):

- its 2016 Annual Report;
- its constitution; and
- any document lodged by Amex with the ASX between the lodgement of its 2016 Annual Report on 18 October 2016 and the date of this Target's Statement. A list of these documents is included in **annexure 1**.

A copy of these documents may be requested to be provided free of charge by contacting the Company Secretary between 8.30am and 5.00pm (Perth time) on Business Days on +61 8 9480 0455.

Copies of documents lodged with ASIC in relation to Amex may be obtained from, or inspected at, an ASIC office.

8.7 Early dispatch of takeover documents

Amex has agreed that Waratah could send the Bidder's Statement to Shareholders earlier than would otherwise be permitted under item 6 of section 633(1) of the Corporations Act.

8.8 No other material information

This Target's Statement is required to include all the information that Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer, but:

- only to the extent to which it is reasonable for investors and their professional advisers to expect to find this information in this Target's Statement; and
- only if the information is known to any Director.

Your Directors are of the opinion that the information that Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer is:

- the information contained in the Bidder's Statement (to the extent that the information is not inconsistent or superseded by information in this Target's Statement);
- the information contained in Amex's releases to the ASX and in the documents lodged by Amex with ASIC before the date of this Target's Statement; and
- the information contained in this Target's Statement.

Your Directors have assumed, for the purposes of preparing this Target's Statement, that the information in the Bidder's Statement is accurate. However, your Directors do not take any responsibility for the contents of the Bidder's Statement and are not to be taken as endorsing, in any way, any or all statements contained in it.

In deciding what information should be included in this Target's Statement, your Directors have had regard to:

- the nature of the Shares;
- the matters that Shareholders may reasonably be expected to know;
- the fact that certain matters may reasonably be expected to be known to Shareholders' professional advisers; and
- the time available to Amex to prepare this Target's Statement.

9 Glossary and Interpretation

9.1 Glossary

In this Target's Statement defined terms have the meanings set out below:

Term	Meaning
\$, A\$ or AUD	Australian dollars
Acceptance Form	the form used to accept the Offer contained in the Bidder's Statement
Amex or the Company	Amex Resources Limited ACN 089 826 237
Amex Group	Amex and its Subsidiaries
Amex Option	an option to subscribe or acquire one or more Shares as described in section 6.4(b)
Announcement Date	the date of announcement of the Offer to ASX
ASIC	the Australian Securities and Investments Commission
ASX	ASX Limited or the Australian Securities Exchange, as appropriate
ASX Listing Rules	the listing rules of the ASX
ASX Settlement	ASX Settlement Pty Limited
ASX Settlement Rules	the operating rules of the settlement facility provided by ASX Settlement
Bidder or Waratah	Waratah International (Asia) Limited, a limited liability company incorporated in the British Virgin Islands, BVI Company Number 1711004
Bidder's Statement	the bidder's statement of Waratah dated 16 March 2017
Board	the board of Directors of Amex
Business Day	a day on which banks are open for business in Perth, Western Australia, excluding a Saturday, Sunday or public holiday
CGT	capital gains tax
CHESS Holding	a holding of Shares which is registered on Amex's Share register being a register administered by ASX Settlement and which records uncertificated holdings of shares

Term	Meaning
Competing Proposal	<p>means any proposal, offer or transaction by a third party that, if completed, would mean:</p> <ul style="list-style-type: none"> • a person would acquire a relevant interest or voting power in 20% or more of the Shares; • a person would enter into, buy, dispose of, terminate or otherwise deal with any cash settled equity swap or other synthetic, economic or derivative transaction connected with or relating to 20% or more of the Shares; • a person would directly or indirectly acquire or obtain an interest (including an economic interest) in all or a substantial part or material part of the business conducted by, or assets or property of, Amex; • a person would acquire control of Amex; • a person may otherwise acquire, or merge with, Amex (including by way of takeover bid, scheme of arrangement, capital reduction, sale of assets, sale of securities, strategic alliance, dual listed company structure, joint venture or partnership); or • Amex will issue, on a fully diluted basis, 20% or more of its issued share capital as consideration for the assets or share capital or another person, <p>or any proposal by Amex to implement any reorganisation of capital. Each successive material modification or variation of any proposal, offer or transaction in relation to a Competing Proposal will constitute a new Competing Proposal.</p>
Conditions	the conditions set out in section 6.9 of the Bidder's Statement
Conditional Call Option	The conditional call option granted to FHC, the details of which are contained in the explanatory statement to resolution 1 and annexure D of the notice of general meeting announced to the ASX on 14 July 2016
Controlling Participant	the meaning set out in the ASX Settlement Rules
Corporations Act	the <i>Corporations Act 2001</i> (Cth) (as modified or varied by ASIC)
Director	a director of Amex
FHC	CCCC First Harbor Consultants Co., Ltd of 1472 Dagu Road (South), Tianjin, China P.C. 300222 Peoples Republic of China
FIDIC	the International Federation of Consulting Engineers (commonly known as FIDIC, an acronym for its French name Fédération Internationale Des Ingénieurs-Conseils)
Indicated	has the meaning given in the JORC Code
Inferred	has the meaning given in the JORC Code
Issuer Sponsored Holding	a holding of Shares on Amex's issuer sponsored subregister

Term	Meaning
JORC Code	the Australian Code for Reporting of Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia, as amended or replaced from time to time
Material Adverse Change	has the meaning given in the Bidder's Statement
Mba Delta Project	Amex's ironsands resource at the Mba Delta, located in the northwest of Fiji's main island, Viti Levu and associated port site at Lautoka
Measured	has the meaning given in the JORC Code
Mineral Reserve	has the meaning given in the JORC Code
Mineral Resource	has the meaning given in the JORC Code
Notice of Status of Conditions	Waratah's notice disclosing the status of the conditions to the Offer which is required to be given by subsection 630(3) of the Corporations Act
Offer	the offer by Waratah for all Shares, the terms of which are contained in section 6 of the Bidder's Statement
Offer Period	the period during which the Offer will remain open for acceptance in accordance with section 6.3 of the Bidder's Statement
Offer Price	\$0.50 cash for each Share
Optionholder	a holder of Amex Options as set out in section 6.4(b)
Probable	has the meaning given in the JORC Code
Proven	has the meaning given in the JORC Code
Related Bodies Corporate	the meaning given to that term in the Corporations Act
Relevant Interest	has the meaning given in sections 608 and 609 of the Corporations Act
Share	a fully paid ordinary share in the capital of Amex
Shareholder	a holder of one or more Shares
Security	has the meaning given to that term in section 6.3(d)

Term	Meaning
Subsidiary	has the meaning given in section 9 of the Corporations Act
Superior Proposal	means a bona fide Competing Proposal which the Board determines, acting in good faith and in order to satisfy what the Board reasonably considers to be its fiduciary or statutory duties, would, if completed substantially in accordance with its terms, be likely to result in a transaction more favourable to Shareholders than the Offer having regard to matters including consideration, conditionality, funding, certainty and timing
Target's Statement	this document (including the annexures), being the statement of Amex under Part 6.5 Division 3 of the Corporations Act
US\$ or USD	United States dollar
Voting Power	the meaning given to that term in section 610 of the Corporations Act
VWAP	volume-weighted average share price

9.2 Interpretation

In this Target's Statement:

- Other words and phrases have the same meaning (if any) given to them in the Corporations Act;
- Words of any gender include all genders;
- Words importing the singular include the plural and vice versa;
- An expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- A reference to a section, clause, annexure and schedule is a reference to a section of, clause of and an annexure and schedule to this Target's Statement as relevant;
- A reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them;
- Headings and bold type are for convenience only and do not affect the interpretation of this Target's Statement;
- A reference to time is a reference to Perth, Western Australia time unless otherwise stated.

10 Authorisation

This Target's Statement has been approved by a resolution passed by your Directors. Each of your Directors voted in favour of that resolution.

Signed for and on behalf of Amex:

16 March 2017



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Mr Matthew Collard
Managing Director

Annexure 1 – ASX Announcements

The following announcements have been made to the ASX concerning Amex since the release of its 2016 Annual Report on 18 October 2016.

Date	Announcement
13/03/2017	Takeover Offer
09/03/2017	Half Year Accounts
03/02/2017	Project Update
30/01/2017	Quarterly Activities Report
25/01/2017	Quarterly Cashflow Report
30/11/2016	Results of Meeting
11/11/2016	Appendix 3B
31/10/2016	Quarterly Activities Report
28/10/2016	Quarterly Cashflow Report
21/10/2016	Notice of Annual General Meeting/Proxy Form

Corporate Directory

Board of Directors

Hon Richard Alston – Non-Executive Chairman

Matthew John Collard – Managing Director

Yibo Qiu – Executive Director

Company Secretary

James Gary Dunlop

Registered Office

22 Emerald Terrace

West Perth WA 6005

Share Registry

Security Transfer Australia Pty Ltd

770 Canning Highway

Applecross WA 6153

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