ANNUAL REPORT

2014

LETTER FROM THE CHAIRMAN

Dear Shareholder

As the recently appointed Chairman of Amex Resources, It is my pleasure to present to you the Company's 2014 Annual Report.

Significant steps have been made towards development and production at our wholly-owned Mba Delta Ironsands Project in Fiji during the year in review. Although the current commodity cycle has seen ore prices fall to levels not experienced since 2009, when Amex began exploring in Fiji, the project remains economically robust due to the very low projected operating cost of US$26/tonne.

A 10 year off-take agreement for two-thirds of annual production was secured, followed in December 2013 by signing of a fixed price sum US$100 million FIDIC construction and procurement contract inclusive of US$80 million funding. The contractor is MCC Overseas Ltd, a subsidiary of the Metallurgical Corporation of China.

The contracted works encompass all construction activities at Amex's Lautoka Port and include supply of the marine fleet including a dredge, floating concentrator, transport barges and pusher tug. The Company made an initial payment under the contract of US$20 million in January this year, financed by way of a short term loan.

Recognition of the Project's importance is confirmed by the groundbreaking ceremony at Amex's Lautoka port site in March officiated by the Fijian Prime Minister, Rear Admiral Voreqe Bainimarama. The event was an auspicious occasion, marking his first official engagement as a civilian Prime Minister. Guests from numerous government departments, community stakeholders and local businesses attended the ceremony, including the acting Australian High Commissioner Glenn Miles.

The Fijian Government has provided strong support for the Mba Delta Project since commencement in 2009 and this was further demonstrated by the attendances at the official ceremony. It is important to note that Prime Minister Bainimarama and his Fiji First party were convincingly elected in September at the country's first democratic elections since 2006, leading to readmission of Fiji to the Commonwealth and full recognition by the Australian and New Zealand Governments. This increase in international standing is seen as a major advance for Fiji and consequently for Amex's investment and future in the country.

Further environmental approvals for the construction phase have been granted during 2014, as have all the necessary building and town planning approvals. However, since March the Company has been assisting the Contractor on restructuring its finance to incorporate a lease component of US$48 million through a Chinese based leasing company. Although these Contractor delays have resulted in scheduled production being deferred to April 2016, the Company notes that the Contractor has now mobilised a team of experts to Fiji in preparation for the works.

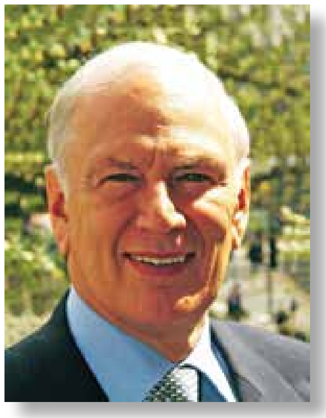
Amex has completed site office construction at Lautoka, and senior staff appointments have been made to build the local team required to bring the project through the development phase and into production. I would like to take this opportunity to thank the executive group both in Perth and Fiji for their unstinting efforts throughout the year and I look forward to their continuing dedication throughout the construction period.

The Amex Board is confident that iron ore prices will continue to recover in the lead up to production. Our capital costs remain lower than many iron ore industry competitors, due to the simple extraction and processing methods which will be employed and the fixed contract terms. The Company is well positioned to become a very low-cost producer of iron ore, with low operating costs ensuring the ability to absorb commodity price cycles.

I thank all who have patiently supported the Company and welcome the ongoing interest of others as we continue to rapidly advance this exciting project over the next twelve months.

Richard Alston

RICHARD ALSTON
NON-EXECUTIVE CHAIRMAN



Department of Foreign Affairs and Trade, file photo

OPERATIONS

PART ONE

AMEX RESOURCES LIMITED

2014

OPERATIONS REPORT

The year under review has seen Amex's wholly-owned Mba Delta Ironsands project in Fiji make significant advances towards construction and production. Commencement of building the port and related infrastructure at Lautoka is imminent, to be followed by placing of orders for purchase of the long-leadtime items of the marine mining fleet.

Detailed engineering design for the port, infrastructure and marine fleet was completed at the beginning of the financial year and tenders were called for the port construction phase of the project. In December 2013, the Company awarded a fixed price US$100 million procurement, management and construction contract to MCC Overseas Ltd, an international engineering service company which is a subsidiary of Metallurgical Corporation of China Ltd – a Fortune 500 company.

Importantly, the contract includes a funding component of US$80 million. During 2014, Amex has agreed for the contractor to rearrange its internal funding arrangements, which has caused delays to the start and completion dates of the works but without contractual penalty to the Company. The contractor has recently mobilised a team of experts and subcontractors to Lautoka and is making the necessary preparations to begin site works.

Other milestones achieved during the year include signing of a long-term offtake agreement with a major Chinese corporation for two-thirds of annual production, and an official groundbreaking ceremony at the port site by the Prime Minister of Fiji to celebrate the beginning of a new chapter in the history of Fiji's mining sector. Amex has further strengthened its presence in Lautoka with completion of site office construction, and appointment of senior staff who will be responsible for building the local team through the development phase of the project.

With a very low operating cost of US$26/tonne of magnetite concentrate and a planned 20 year mine life as defined by the Bankable Feasibility Study, Amex's Mba Delta Project remains extremely well positioned to move to profitable production despite the current commodity cycle.

MBA DELTA IRONSANDS PROJECT

Overview

The Company's Mba Delta orebody lies at the mouth of the Ba River in the northwest of Fiji's main island, Viti Levu. It is simple flat lying blanket of fine to coarse magnetite-bearing black sand, approximately 15 kilometres long by up to 4 kilometres wide, located on the tidal and sub-tidal flats of the delta.

Ironsands are an increasingly sought-after iron ore feedstock for steelmaking, particularly in China, as a low-cost alternative. Amex's ironsands concentrate is a high-quality and low impurity product which can be readily extracted at low cost from unconsolidated sediments, without the expensive crushing and grinding required by hard rock magnetite sources.

The Company's owner-operated dredging operation will feed 12 million tonnes each year along a 500m long pipeline to a nearby floating process plant. The ironsands deposit lies in a shallow lagoon which has minimal current and wave activity and is ideally suited to extraction by conventional dredging methods.

Operations Report (continued)

Simple chemical-free magnetic separation on the process plant will recover the magnetite concentrate, and a fleet of up to 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 Company's Mba Delta Project is ideally situated, close to a major port and the international airport at Nadi. A large deposit of magnetite-rich ironsands has been defined by Amex and 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.

Groundbreaking Ceremony

In March 2014, Fijian Prime Minister Voreqe Bainimarama officiated as Chief Guest at a groundbreaking ceremony at Amex's port site, attended by over 200 community and business leaders, Government and Consular representatives including the acting Australian High Commissioner, and Amex local staff.

In his speech, Commodore Bainimarama noted that it was as auspicious occasion to participate in ground breaking for Fiji's first ever ironsand mining project and construction of a new wharf and ship loading infrastructure, on his first day as a civilian Prime Minister.

"The Lautoka Port facility will include a berth, a barge unloading facility, a washing plant, a stockpile area, ship loading infrastructure, as well as workshops and offices" he said.

"I am also very pleased to note that MCCO, one of the top 5 mining facility construction companies in the world, is partnering in this project".

Fiji's Prime Minister Voreqe Bainimarama at the Groundbreaking Ceremony

Operations Report (continued)

"The concentrate that is dredged from the Ba Delta will be transported here, where it will be exported to markets overseas. Production could rise as high as 1.5 million tonnes a year." Local community leaders from the Vanua of Vitogo in Lautoka welcomed the project as good news for the people of the Western Division, noting that the provision of 300 skilled and unskilled jobs would greatly assist Fijians in the Ba and Lautoka areas and have positive benefits for the Fijian economy.

Construction Tender

An important step towards development of the Project was marked by signing of a fixed price lump sum procurement, construction and management contract by the Company in December 2013.

Tenders had been invited from local and international suitably qualified contracting firms, following completion of the detailed engineering design phase at the beginning of the financial year. The Company was encouraged by the level of response from local groups. Competitive bids were received and evaluated, leading to award of the contract.

The successful tenderer, MCC Overseas, is a wholly owned subsidiary of a major Chinese State Owned entity with wide-ranging international experience.

An advance party of marine and construction experts was mobilized to Fiji in mid-January for numerous meetings with local Fijian sub-contractors and suppliers, for evaluation of potential participation in the contract works.

Material terms and conditions of the contract are as follows:

- Construction agreement – the works include purchase of an owner–operated mining and marine transport fleet as well as construction of wharf and shiploading infrastructure at Amex's Lautoka port site.
- The contract is based on the internationally recognized Federation Internationale Des Ingeneurs-Conseils (FIDIC) Yellow Book terms and conditions and is for a total of US$100m, with a construction period of up to 18 months.
- An independent engineering consulting group based in Lautoka has been appointed to the role of "Engineer" under the contract.
- Financing under the contract comprises a US$80 million primary debt facility with the contractor, to be drawn down progressively during construction, and a US$20 million initial payment by Amex raised by way of a short term loan.

Operations Report (continued)

The contract terms require MCCO to develop and optimise the existing detailed engineering design undertaken by Amex, prior to commencing site works. International expert marine consultants Applied Technology & Management Inc and their subcontractors WorleyParsons completed design of the marine works, while Engenium Pty Limited and WesEng Consulting Limited were responsible for design of the land based infrastructure and administration facilities.

Preliminary site earthworks have been undertaken and detailed review of design of wharf, infrastructure and administration facilities has been completed. Commencement of the major civil works has been delayed, following extensive negotiations with MCCO to allow the contractor to rearrange its funding arrangements, without contractual penalty to Amex. The revised site construction works commencement date will cause a delay in project timing and completion, but has been agreed by the Company in order to expedite construction activity on the ground in Fiji.

The contractor has nominated CCCC First Harbour Consultants as subcontractor to carry out construction of the wharf and associated marine facilities of the project. Amex welcomes this appointment, as CCCC are world renowned for their expertise and ability in port construction.

Marketing

A landmark Offtake Agreement was signed in September 2013 and provides for sale of two-thirds of planned production annually, for a minimum period of 10 years. Subject to negotiation, there is a provision to extend the contract for a further 10 years.

Pricing will be determined by benchmarking against the international 62% Platt Index CFR, with a discount applied, largely in recognition of the iron content of Amex's product which has averaged 58% from pilot plant production.

The Board continues be encouraged by the high level of interest received from groups which have evaluated ironsands concentrate produced from the Company's Fiji-based pilot plant, and intends entering into further offtake agreements closer to commencement of production.

Annual Mineral Resources and Ore Reserves Statement

Mineral resources and ore reserves of the Company are reviewed annually, as required under the JORC code 2012, and reported as at the end of each financial year. Resources and reserves at 30 June, 2014 are as follows:

PROJECT	JORC CATEGORY	TONNES	GRADE FE%
Mba Delta	Indicated Resource	220,000,000	10.9%

The resource estimate remains unchanged from the previous year, as no additional drilling has been carried out. This estimate was first reported on 25 October, 2010 in accordance with the JORC Code 2004 and has not been be updated to JORC 2012 as the information on which it is based has not materially changed.

Estimation of the resource has been based on a detailed grid drilling programme using a barge-mounted sonic coring rig. The resource as currently defined lies in an intertidal to shallow lagoon, between the shoreline and a line marking approximately two metres water depth below mean sea level which was the operational limit of the drill rig utilised.

The mineralised ironsands host in-situ heavy mineral grades typically ranging from 10-25% HM, containing magnetite, pyroxene, amphibole and lesser amounts of chlorite and quartz. Magnetite mineralisation is developed from surface to depths of up to 9.4 metres, and averages a thickness of 4.3 metres. Geological and mineralisation continuity of this deltaic sand deposit, which covers an area 29.6 square kilometres, is excellent.

Operations Report (continued)

Exploration Target

Extensions to the known resource and within Amex's tenure have yet to be drilled and present an attractive exploration target, with potential to add substantially to the existing resource.

Reconnaissance sampling and geological mapping has shown that the ironsands mineralisation extends both seawards and landwards from the present Indicated Resource boundaries, leading to definition of an additional exploration target of 200-300 million tonnes @ 10-15% Fe.

Amex has planned further programmes of reconnaissance sampling and sonic and banka drilling to test the validity of this exploration target within SML60 and SPL1463. It is anticipated that these programmes will be completed during the next 18 months, subject to availability of a suitable drill rig for mobilisation to Fiji.

As required under the JORC Code, it is stated that:

> *"the potential quantity and grade of this exploration target is conceptual in nature and there has been insufficient exploration to define a Mineral Resource outside the current Indicated Resource boundaries. It is uncertain that further exploration will result in the determination of additional Mineral Resources within this exploration target."*

Tenure and Approvals

Amex's ironsands orebody and surrounding exploration area of the Mba Delta Project are held under Special Mining Lease SML60 and Special Prospecting Licence SPL1463, near the regional town of Ba. The Company's sole use Port Site CG1584 at nearby Lautoka is held under lease with Fiji Ports Corporation Ltd and is also the subject of a Special Site Right SSR13, under the Mining Act.

SML60 was granted as conversion of part of Amex's existing Special Prospecting Licence SPL1463, for a 21 year period from 12th June, 2012. The Special Mining Lease totals 3,612.60 hectares in area and covers the Indicated Resource. The Company has made payment of an environmental bond, performance guarantee and compensation to traditional fishing rights holders within the SML area for the term of the lease and mining operation.

SPL1463 was originally granted on 9th February, 2009 over an area of 13,225 hectares. The term was further extended on 6th March, 2013 for a further three year period over an area of 9,674.01 hectares which reflects the excision of SML60 from within the SPL. Amex is continuing exploration on additional exploration targets within the Special Prospecting Licence, under an approved work programme.

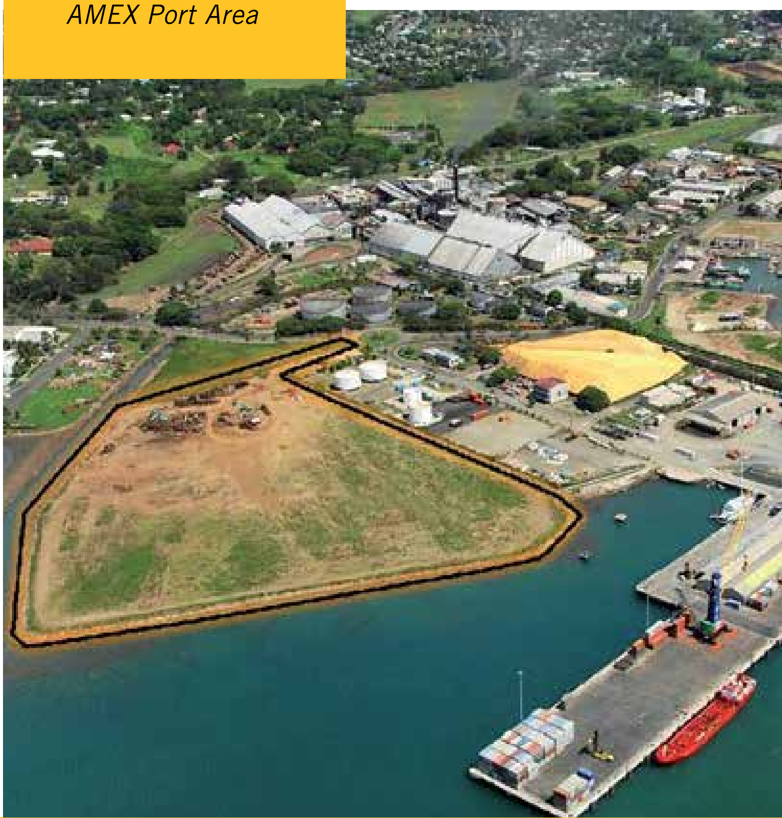
CG1584 is the Company's registered lease over Crown Grant 1584 at the Port of Lautoka. Fiji Ports Corporation Limited, a Government Commercial Company, is the lessee of the 5.9190 hectares parcel which has a term of 15 years, with two further 15 year options taking the total lease period to 45 years.

SSR13 covers the same area as CG1584. Under the Fijian Mining Act, the Special Site Right is required to cover the activities of washing, stockpiling and loading for export of the magnetite concentrate to be produced from SML60. The Mineral Resources Department has advised that SSR13 has been approved for grant, but the title has yet to be issued.

The port lease/SSR13 is located at Lautoka, Fiji's second largest city as well as the largest bulk commodity export port in the country. Nadi International Airport is located less than 30 kilometres from Lautoka, southwest along the major national highway. The Mba Delta ironsands resource is just 30 kilometres northeast along existing shipping channels from Amex's port site.

Regulatory Approvals for the Project have been received from the Mineral Resources Department, Department of Environment, Fiji Ports Corporation Limited, Maritime Safety Authority of Fiji and the Lautoka City Council.

AMEX Port Area



Operations Report (continued)

Under the Environment Management Act (2005), the Department of Environment (DoE) undertakes evaluation site visits and draws up detailed Terms of Reference. The proponent is then required to follow these in preparation of a comprehensive Environmental Impact Assessment Report (EIA) which must include stakeholder consultation and public awareness meetings. Two separate EIA Reports were prepared, for both the dredging and port operations, by EnviGreen Pacific Ltd which is an independent Suva-based environmental consultancy with particular expertise in coastal systems. Environmental approvals were granted by DoE following assessment of these reports, also taking into account comments from local stakeholders and other inputs.

Further environmental approval was granted by DoE during the 2013-14 year for a Construction Environmental Management/ Monitoring Plan (CEMP) for the port construction, which is required to detail the appointed Contractor, equipment to be used, works plans and procedures, monitoring and mitigation measures and social responsibilities. The CEMP was prepared by EnviGreen Pacific Ltd.

Other approvals received during the year include detailed Planning Approval for construction of the wharf, stockpile shed and facilities, loadout system and all support infrastructure from the Lautoka City Council and other relevant government agencies. Both Fiji Ports Corporation Limited and the Maritime Safety Authority of Fiji provided approvals of the planned port infrastructure and access dredging.

All approvals required to undertake construction of the project have now been received.

The Company continues to work with all stakeholders including Government and local communities to ensure that legislative requirements are met and that best-practice environmental performance is maintained. Baseline monitoring studies have been continued throughout the year, prior to construction, to provide a reliable database of local environmental conditions. No breaches of or non-compliance with environmental conditions by Amex were notified during the year under review.

As part of the Company's commitment to the local community, Amex offered use of its Lautoka port site as a venue for World Maritime Day open day celebrations organised by the Maritime Safety Authority of Fiji. The site is ideal for the event, having access to the foreshore where most of the sea sports events and sea survival demonstrations were conducted.

Operations Report (continued)

WESTERN AUSTRALIAN PROJECTS

Exploration of Amex's Western Australian projects continued at a low level during the year, as the Company's focus remains firmly on advancement of the Mba Delta Ironsands Project towards production.

Pilbara Iron Ore

Amex's tenure at Mt Maguire comprises two granted exploration licences just south of Rio Tinto's Paraburdoo East iron ore open pit mining operations. The licence area includes a faulted inlier of Hamersley Group sediments prospective for iron ore mineralisation, on the southern margin of the Pilbara Craton. A number of targets have been identified for potential field evaluation next year.

Copper-Gold-Nickel Projects

Geological field reconnaissance, geophysical data reprocessing and research were conducted in order to rank exploration targets on several projects. Prospecting licences of the Hampton project were surrendered, as they neared the end of their four year term.

Since the end of the financial year, the Board has resolved to accept an offer to sell its non-core tenure at Bonnie Vale North and Breakaway Dam for $500,000 cash.

Amex retains a 10% free carried interest in E69/2747 in the Musgrave region of Western Australia, considered highly prospective for nickel although underexplored.

Western Areas Ltd (ASX: WSA) is earning up to 70% interest by conducting exploration on a number of tenements in the region, including E69/2747 with the balance being held by Traka Resources Limited.

Western Areas reported that they had "successfully completed Phase 1 of the earn-in period by spending $1.3M on exploration." and that "recent work on the project tenure has indicated that there is potential for the area to host significant nickel and/or copper sulphide mineralisation." (WSA Qtly Report 30 June 2014).

COMPETENT PERSONS DECLARATION

Information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves for the Mba Delta Ironsands Project is based on information compiled by consulting geologist Geoffrey Richards of Lionhart Consulting Services, who is a Member of the Australian Institute of Geoscientists. Mr. Richards has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves -the JORC Code, 2004 Edition. Mr. Richards consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves other than for the Mba Delta Ironsands Project is based on information compiled by consulting geologist Ian Cowden of Iana Pty Ltd, who is a Fellow of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Ian Cowden has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves -the JORC Code, 2012 Edition. Ian Cowden consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

FORWARD-LOOKING STATEMENTS

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Amex Resources Limited's planned exploration, development and production programmes and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although Amex Resources Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

FINANCIALS

PART TWO

TABLE OF CONTENTS

AMEX RESOURCES LIMITED

2014

DIRECTORS' REPORT

Your directors present their report on the Company and the Group for the year ended 30 June 2014, consisting of Amex Resources Limited and the entities it controlled at the end of, or during the year ended 30 June 2014.

Directors
The names of the directors in office at any time during the year or since the end of the year and up to the date of this report are:

Matthew Collard
Dr Qin Xiao (resigned 31 July 2014)
Yibo Qiu
Alan Senior
Hon Richard Alston (appointed 5 August 2014)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities
The principal activity of the Group is mineral exploration and development.

Results of operations
The Group incurred a net loss of $13,839,682. (2013: loss of $3,473,797).

Dividends
No dividends have been declared or paid during the financial year. No recommendation to pay dividends has been made since the end of the financial year to the date of this report.

Review of operations
During the year the Group made an operating net loss of ($13,839,682) (30 June 2013: ($3,473,797)). ($9,873,957) relates to non-cash transactions (2013: nil).The main component of this larger than usual loss is expenses associated with a US$25 million short term loan in the amount of AU$11,935,817. Directors decided to expense these costs as required by accounting standards due to the delay in the commencement of construction activities on site. Included in this short term loan expense is a non-cash component consisting of 12,000,000 $1.10 unlisted options and 3,500,000 fully paid ordinary shares valued at AU$9,557,000. Additionally directors impaired the value of WA tenements by an amount of $316,957. The Group has made substantial progress during the year, including;

The execution of a US$100 million construction contract in December 2013 with MCC Overseas Limited (MCCO) for the construction of port infrastructure in Fiji and the supply and delivery of the marine fleet for the Mba Delta operation.

The construction contract includes a funding component for US$80 million of the total US$100 million agreement. Subsequent developments to accommodate MCCO internal processes has seen the funding component mix amended, at no contractual penalty to Amex other than an extension to the start and completion dates of the project.

Additionally the Company borrowed US$25 million on a short term basis to provide a US$20 million deposit to the construction contract. This loan is due for repayment in November 2014, after the company exercised its option to extend the loan period.

The Company has agreed a term sheet with a private equity firm based in Hong Kong to raise debt funds to refinance the short term loan. As at reporting date this firm is nearing completion of its due diligence process.

The Company hosted the Prime Minister of Fiji and many local dignitaries and guests at an official ground breaking ceremony at the Lautoka port in March.

A Fijian based engineering consultancy group has been appointed as the Engineer to oversee the FIDIC construction contract.

Significant changes in the state of affairs
Significant changes in the state of affairs of the Group during the financial year were as follows:

The Group has progressed from solely exploration activities to commencing development activities at the Mba Delta project prior to becoming a commodity producer.

Events since the end of the financial year
The Company elected, at its discretion, to extend the repayment date for the short term loan facility from 5 July 2014 to 5 November 2014.The cost of funds includes an interest rate for the extension period of 15%pa and the issue of 6,500,000 ordinary shares in the Company.

The Hon Richard Alston accepted a position as a non-executive Director and Chairman of the Board of the Company on 5 August 2014.

The Board resolved to accept an offer to sell its non-core Coolgardie and Breakaway Dam tenements on 5 August 2014 for $500,000 cash consideration.

Directors' Report (continued)

Events since the end of the financial year (continued)
Except for those items discussed above, no other matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect:

(a) the Group's operations in future financial years, or
(b) the results of those operations in future financial years, or
(c) the Group's state of affairs in future financial years.

Likely developments and expected results of operations
Further information on possible developments in the operations of the Group and the expected results of operations have not been included in this annual report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

Environmental regulations
The Group's operations are subject to significant environmental regulation under the law of the Commonwealth of Australia, State and Local Authorities as well as the regulations of the Republic of Fiji. Details of the Group's exposure in relation to environmental regulation are as follows:

Exploration activities are subject to significant environmental regulation under the Western Australia Mining Act 1978 and Environmental Protection Act 1986. Similarly Fijian exploration activities are regulated by the Environment Management Act 2005 and the Mining Act 1966. These regulations affect amongst other issues, waste disposal, water and air pollution.

There have been no instances of material non-compliance with the regulation governing the exploration activities during the financial year.

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. For the measurement period 1 July 2013 to 30 June 2014 the directors have assessed that there are no current reporting requirements, but may be required to do so in the future.

Information on directors

Hon Richard Alston – Non-Executive Chairman – Age 72 – appointed 5 August 2014
Hon Richard Alston is a member of the global advisory board of London based hedge fund CQS LLP, a director of CQS Investment Management (Australia) Pty Ltd, Nanuk Asset Management Pty Ltd, and Balmoral Gardens Pty Ltd. Since 2004 he has been an Adjunct Professor in the Business School at Bond University, Queensland. His previous corporate positions have included non-executive chairman and director of a number of listed public and private companies both in Australia and overseas.

From 2005-08 he was Australian High Commissioner (Ambassador) to the United Kingdom and a Commissioner of the Commonwealth War Graves Commission. From March 1996 to October 2003 he served as Minister for Communications, Information Technology and the Arts in the Australian Federal Parliament. Prior to entering Parliament, he practised as a barrister, with extensive experience in common law, commercial and administrative law. He holds Masters Degrees in Law and Business Administration from Monash University and Bachelor degrees in Law

Other current directorships - Nil

Former directorships in the last 3 years
Chime PLC 2008 – 2013.

Interest in shares and options
Nil

Dr Qin Xiao – Non-Executive Chairman – Age 67 - appointed 2 April 2012 – resigned 31 July 2014

Experience and expertise
Dr Qin Xiao has extensive experience in senior commercial roles and advisory positions to Chinese Government bodies. Dr Qin Xiao is Independent Non-Executive Director of AIA Group Ltd. Dr Qin Xiao served as Chairman of China Merchants Bank Co., Ltd. from April 2001 to September 2010 and as Chairman of China Merchants Group Limited from December 2000 to August 2010; President of China International Trust and Investment Corporation (CITIC) from April 1995 to July 2000; Vice Chairman of CITIC from July 2000 to December 2001 and Chairman of CITIC Industrial Bank from 1998 to 2000. Dr Qin Xiao has served as Independent Non-executive Director of HKR International Limited since 2009 and of China Telecom Corporation Limited and China World Trade Center Co. Ltd since 2008 and 2010, respectively. He has been a member of the Eleventh Session of the Chinese People's Political Consultative Conference since 2008, a member of Lafarge's International Advisory Board since 2007 and Chairman of the Asia Business Council since 2009. Dr Qin Xiao was appointed as an Independent Non-executive Chairman of the Company on 2 April 2012.

Directors' Report (continued)

Information on directors (continued)

Other current directorships
AIA Group Limited: Non - Executive Director
China Telecom Corporation Limited: Non-Executive Director
HKR International Limited: Non-Executive Director
China World Trade Centre Co. Ltd: Non- Executive Director

Former directorships in the last 3 years - Nil

Interest in shares and options
2,000,000 unlisted options in Amex Resources Limited

Matthew Collard B.AgEc, SDSS (Oxon) – *Managing Director. Age 40*
Experience and expertise
Executive director since November 2005, Managing Director since June 2007.

Other current directorships - None

Former directorships in the last 3 years - Nil

Interest in shares and options
1,310,000 ordinary shares in Amex Resources Limited
1,450,000 unlisted options in Amex Resources Limited

Y Qiu B.Ec *executive director of marketing*: Age 37.
Experience and expertise
Non-executive director since 20 September 2007, appointed executive director May 2012. Significant debt and capital raising expertise throughout the Chinese province of Nanjing.

Other current directorships - None

Former directorships in the last 3 years - Nil

Special responsibilities
Mr Qiu was appointed executive director of marketing in May 2012

Interest in shares and options
5,500,000 ordinary shares in Amex Resources Limited
795,000 unlisted options in Amex Resources Limited

Alan Senior *non-executive director*: Age 67.

Experience and expertise
Mr Senior, appointed to the board 1 July 2012, is a consulting engineer with over forty years' experience in design and project development, mainly associated with the mining and mineral processing industry in Australia. Mr Senior has extensive experience at all stages of project development, from pre-feasibility through to commissioning and ongoing operations.

Other current directorships
Non-executive Chairman - Talisman Mining Limited

Former directorships in the last 3 years
Non-executive director – Tanami Gold NL

Special responsibilities - None

Interest in shares and options
500,000 unlisted options in Amex Resources Limited

Directors' Report (continued)

Information on directors (continued)

Company Secretary
The Company Secretary is Gary Dunlop. Mr Dunlop was appointed to the position of Company Secretary on 20 September 2007. Mr Dunlop is responsible for preparation of financial statements and management reports including the maintenance of accounts and Company records. In addition, he is responsible for lodgement of statements with ASIC and co-ordination of independent audits of the Company accounts. Mr Dunlop has an interest in 1,292,098 ordinary shares and 700,000 unlisted options in Amex Resources Limited.

Meetings of directors
The number of meetings of the Company's board of directors held during the year and the numbers of meetings attended by each director were:

Name of director	Number of meetings attended	Number of meetings held during term of office
Dr Qin Xiao – resigned 31 July 2014	4	4
M J Collard	5	5
Y Qiu	5	5
A Senior	4	5
Hon R Alston – appointed 5 August 2014	1	1

Audit committee meetings
The Audit committee was disbanded in 2012 on the resignation of two WA based non-executive members. The responsibilities of the audit committee continue to be undertaken by the Board of Directors.

Remuneration report
The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001.

The report contains the following sections:

a) Key management personnel disclosed in this report
b) Remuneration policy
c) Contracts with Directors
d) Use of remuneration consultants
e) Voting and comments made at the company's 2013 Annual General Meeting
f) Details of remuneration
g) Share based compensation
h) Equity instrument disclosures relating to key management personnel
i) Other transactions with key management personnel

a) Key management personnel disclosed in this report

Non-executive and executive directors – see directors report for information on each director		
Hon R Alston (from 5 August 2014)	A Senior	M J Collard
Y Qiu	Dr Qin Xiao (until 31 July 2014)	
Other key management personnel		
C Ure	General Manager	
G Crockford	General Manager – Fiji	from 1 November 2013
G Dunlop	Company Secretary	

Directors' Report (continued)

Remuneration report (continued)

b) Remuneration policy

The remuneration policy of Amex Resources Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component. The board of Amex Resources Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and director's to run and manage the Company, as well as create goal congruence between directors, executives and shareholders.

The board manages the remuneration policy, setting the terms and conditions for executive directors and other senior executives. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. Further remuneration including fringe benefits, options and performance incentives may be paid dependent upon individual performance, contract terms and the discretion of the board.

Directors and top executive remuneration is detailed below in this director's report.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes methodology.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the Company. However to align directors' interests with shareholder interests, directors are encouraged to hold shares in the Company and may be offered options at the discretion of the board.

The nature and amount of emoluments as detailed in this report reflects the remuneration policy above. Since remuneration is fixed there is no link in remuneration as a result of company performance during the reporting period, however the Chairman, as part of his annual remuneration review, may propose that unlisted options over shares be granted to the management team on the achievement of significant company milestones which provide benefit to shareholders and with the further aim of retaining key management personnel.

c) Contracts with Directors

Mr. Collard is in the second year of a three year contract at an annual salary of $390,000 plus statutory superannuation contributions, reviewed annually. Other than unused annual leave entitlement and a notice period no termination benefits exist.

Dr. Qin provided his services as non-executive Chairman of the board, without contract, for annual remuneration of $78,480, reviewed annually. Resigned 31 July 2014

Mr. Qiu is providing his services as an executive director, without contract, for annual remuneration of $150,000 plus statutory superannuation contributions, reviewed annually.

Mr. Senior is providing his services as a non-executive director, without contract, for annual remuneration of $42,000 plus statutory superannuation contributions, reviewed annually.

Hon. Alston is providing his services as non-executive Chairman of the Board, without contract, for annual remuneration of $100,000 plus statutory superannuation contributions, reviewed annually - appointed 5 August 2014.

d) Use of Remuneration Consultants

In October 2013 the company engaged Beilby Consultants Pty Ltd to review board and select key management personnel remuneration. The scope of the engagement was to provide a remuneration range for similar organisations for similar roles. The cost of the engagement was $5,500.

The Company Secretary engaged the consultants and presented their report directly to the Board. The Board is comfortable the report is free from undue influence by members of the groups key management personnel because the Company Secretary's remuneration was not subject to review by the report, no member of the key management group, other than the Company Secretary saw a copy of the report before it was presented to the Board and the report was presented directly to the full Board.

Beilby Consultants Pty Ltd has confirmed the review report was prepared free from undue influence by members of the Group's key management personnel.

As a consequence the Board is satisfied the recommendations were made free from undue influence from any member of the key management personnel.

Directors' Report (continued)

Remuneration report (continued)

e) Voting and comments made at the company's 2013 Annual General Meeting

The company received more than 95% of yes votes on its remuneration report for the 2013 financial year. The company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

f) Details of remuneration

Amount of remuneration

Details of the remuneration of directors and key management personnel of the Group (as defined in AASB 124 Related Party Disclosures) are set out in the following tables. The key management personnel of the Group are the directors listed in the table below, the General Manager of Operations, the General Manager Fiji Operations and the Company Secretary. No other personnel are engaged in managing the Group.

Remuneration of Key management personnel

2014 - Table one of two – Cash Based Remuneration

Name	Short-term benefits	Performance Bonus	Post-employment benefits	Unused annual leave benefits paid out	Consultant fee benefits	Total Cash based remuneration
Non-executive directors						
Dr Qin Xiao *Chairman* – resigned 31 July 2014	-	-	-	-	78,480	78,480
A Senior	42,000	-	3,885	-	-	45,885
Hon R Alston – appointed 5 August 2014	-	-	-	-	-	-
Sub-total non-executive directors	**42,000**	-	**3,885**	**-**	**78,480**	**124,365**
Executive directors						
M J Collard *Managing director*	390,000	-	25,000	36,000	-	451,000
Y Qiu *Marketing director*	150,000	-	13,875	-	-	163,875
Other key management personnel (Group)						
C Ure *General Manager*	200,000	-	18,500	-	-	218,500
G Crockford – *General Manager Fiji operations –* appointed 1 November 2014	241,808	-	20,512	-	-	262,320
G Dunlop *Company Secretary*	-		-	-	180,000	180,000
Total key management personnel compensation (Group)	**1,023,808**	**-**	**81,772**	**36,000**	**258,480**	**1,400,060**

Directors' Report (continued)

Remuneration Report (continued)
Remuneration of Key management personnel

2014 - Table two of two – Equity Based Remuneration – options issued

Name	Remuneration value of options	Total Remuneration	Option value as a percentage of total remuneration
Dr Qin Xiao – resigned 31 July 2014	nil	78,480	0%
A Senior	nil	45,885	0%
Hon R Alston – appointed 5 August 2014	nil	nil	0%
M J Collard - *Managing director*	nil	451,000	0%
Y Qiu – *Marketing director*	nil	163,875	0%
C Ure - *General Manager*	nil	218,500	0%
G Crockford - *General Manager Fiji Operations* – appointed 1 November 2013	nil	262,320	0%
G Dunlop - *Company Secretary*	nil	180,000	0%
Total key management personnel compensation (Group)	**Nil**	**1,400,060**	**0%**

None of the key management personnel of the Group received any Other Long Term Benefits or any Termination Benefits or any other benefits not listed above. Further details of the Consultancy Benefits detailed in table one above are disclosed at Note 26: Related party transactions. Further details of the equity based compensation detailed in table two above follow the comparative tables below.

Shares provided on exercise of remuneration options
No shares were provided to Directors on exercise of remuneration options.

2013 - Table one of two – Cash Based Remuneration

Name	Short-term benefits	Performance Bonus	Post-employment benefits	Unused annual leave benefits paid out	Consultant fee benefits	Total Cash based remuneration
Non-executive directors						
Dr Qin Xiao *Chairman*	-	-	-	-	78,480	78,480
A Senior – appointed 1 July 2012	42,000	-	3,780	-	101,638	147,418
T Putt resigned 31 August 2012	7,000	-	630	-	-	7,630
Sub-total non-executive directors	**49,000**	**-**	**4,410**	**-**	**180,118**	**233,528**
Executive directors						
M J Collard *Managing director*	325,833	50,000	32,983	20,923	-	429,739
Y Qiu *Marketing director*	150,000	-	13,500	-	20,000	183,500
Other key management personnel (Group)						
C Ure *General Manager*	200,000	20,000	19,800	-	-	239,800
R Mansfield *Chief Operating Officer – Fiji* - ceased 13 December 2012	210,000	-	19,805	10,058	-	239,863
G Dunlop *Company Secretary*	-		-	-	254,000	254,000
Total key management personnel compensation (Group)	**934,833**	**70,000**	**90,498**	**30,981**	**454,118**	**1,580,430**

Directors' Report (continued)

Remuneration Report (continued)
Remuneration of key management personnel

2013 - Table two of two – Equity Based Remuneration – options issued

Name	Remuneration value of options	Total Remuneration	Option value as a percentage of total remuneration
Dr Qin Xiao	882,800	961,280	92%
A Senior	212,100	359,518	59%
T Putt resigned 31 August 2012	nil	7,630	0%
M J Collard *Managing director*	nil	429,739	0%
Y Qiu *Marketing director*	nil	183,500	0%
C Ure *General Manager*	nil	239,800	0%
R Mansfield *Chief Operating Officer – Fiji*	nil	239,863	0%
G Dunlop *Company Secretary*	233,050	487,050	48%
Total key management personnel compensation (Group)	**1,327,950**	**2,908,380**	**46%**

None of the key management personnel of the Group received any Other Long Term Benefits or any Termination Benefits or any other benefits not listed above. Further details of the Consultancy Benefits detailed in table one above are disclosed at Note 26: Related party transactions. Further details of the equity based compensation detailed in table two above follow the comparative tables below.

Additional information is disclosed at Note 22 – share based payments.

h) Equity instrument disclosures relating to key management personnel
(i) Option holdings
The number of options over ordinary shares in the Company held by each director of Amex Resources Limited and other key management personnel of the Group, including their personally related parties, are set out below.

2014	Balance at start of year	Granted as compensation	Exercised	Other changes	Balance at end of the year	Vested and exercisable
Name						
Directors of Amex Resources Limited						
Dr Qin Xiao – resigned 31 July 2014	2,000,000	-	-	-	2,000,000	2,000,000
M J Collard	1,450,000	-	-	-	1,450,000	1,450,000
A Senior	500,000	-	-	-	500,000	500,000
Y Qiu	795,000	-	-	-	795,000	795,000
Hon R Alston – appointed 5 August 2014	-	-	-	-	-	-
Other key management personnel of the Group						
C Ure	150,000	-	-	-	150,000	150,000
G Dunlop	700,000	-	-	-	700,000	700,000

All vested options are exercisable immediately.

Directors' Report (continued)

Remuneration Report (continued)

(ii) Share holdings
The numbers of shares in the Company held during the financial year by each director of Amex Resources Limited and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2014	**Balance at the start of the year**	**Received during the year on the exercise of options**	**Other changes during the year**	**Balance at the end of the year**	**Balance nominally held**
Name					
Directors of Amex Resources Limited					
Ordinary shares					
Dr Qin Xiao – resigned 31 July 2014	-	-	-	-	-
Hon R Alston – appointed 5 August 2014	-	-	-	-	-
M J Collard	1,310,000	-	-	1,310,000	1,310,000
A Senior	-	-	-	-	-
Y Qiu	5,500,000	-	-	5,500,000	4,500,000
Other key management personnel of the Group					
Ordinary shares					
G Dunlop	1,170,098	-	122,000	1,292,098	-

i) Other transactions with key management personnel
No loans have been made by the Group to any director or key management personnel. No loans have been received from any director or key management personnel.

This is the end of the audited remuneration report.

Shares under option
There were 25,475,000 shares under option at the date of this report. 12,500,000 options were granted in 2014. (2013: 9,000,000) 275,000 options were exercised (2013: 1,650,000). No options were forfeited or lapsed during the year. Refer Note 22 (b) for further information.

Insurance of officers
During the financial year, Amex Resources Limited paid a premium of $6,520 to insure the directors and secretaries of the Company and its Australian-based controlled entities. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Proceedings on behalf of the Company
No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the court under section 237 of the *Corporations Act 2001*.

Non-audit services
The Company has not employed BDO Audit (WA) Pty Ltd on any assignments additional to the audit and review of the financial statements during the year. The Company has engaged an associate Company, BDO Corporate Tax (WA) Pty Ltd to provide corporate tax advice and to prepare the Groups tax returns for a fee of $16,320 (2013: $22,376).

Directors' Report (continued)

The board has considered the independence of the auditor and is satisfied the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Auditor
BDO Audit (WA) Pty Ltd continues in office in accordance with section 327 of the *Corporations Act 2001*.

Auditor's independence declaration
BDO Audit (WA) Pty Ltd.'s independence declaration as required by section 307C of the *Corporations Act 2001* can be found on page 18.

This report is made in accordance with a resolution of the directors.

MATTHEW COLLARD
Director

Dated at Perth on this the 25th day of September 2014

CORPORATE GOVERNANCE STATEMENT

The Group is committed to maintaining the highest standards of corporate governance. The Directors of the Group are responsible for the corporate governance practices of the Group.

This Corporate Governance Statement is consistent with the Principles of Good Corporate Governance and Best Practice Recommendations (**Recommendations**) released by the ASX Corporate Governance Council and described in the 2nd edition of the Corporate Governance Principles and Recommendations with 2010 Amendments. The Group has adopted those recommendations where appropriate based on the size and complexity of the Group and its operations. The Directors regularly reviews the Groups corporate governance practices as the Group matures and its operations develop.

Amex Resources Limited (the Company) and the board are committed to achieving and demonstrating the highest standards of corporate governance. The board continues to review the framework and practices to ensure they meet the interests of shareholders. The Company and its controlled entities together are referred to as the Group in this statement.

Principle 1: Lay solid foundations for management and oversight

The relationship between the board and senior management is critical to the Group's long term success. The directors are responsible to the shareholders for the performance of the Group in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Group as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Group is properly managed.

The responsibilities of the board include:

- providing strategic guidance to the Company including contributing to the development of and approving the corporate strategy
- reviewing and approving business plans, the annual budget and financial plans including available resources and major capital expenditure initiatives
- overseeing and monitoring:
    - organisational performance and the achievement of the Group's strategic goals and objectives
    - compliance with the Company's Code of Conduct
    - progress of major capital expenditures and other significant corporate projects including any acquisitions or divestments
- monitoring financial performance including approval of the annual and half-year financial statements and liaison with the Company's auditors
- appointment, performance, assessment, counselling and, if necessary, removal of the Managing Director
- ratifying the appointment and/or removal and contributing to the performance assessment for the members of the senior management team including the CFO and the Company Secretary
- ensuring there are effective management processes in place and approving major corporate initiatives
- enhancing and protecting the reputation of the organisation
- overseeing the operation of the Group's system for compliance and risk management reporting to shareholders.
- ensuring appropriate resources are available to senior management.

Day to day management of the Group's affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the board to the Managing Director and senior executive as set out in the Group's delegations policy. These delegations are reviewed on an annual basis.

The Chairman of the board, on behalf of the full board, regularly reviews the performance of the Managing Director, the Marketing Director and the Company Secretary.

Due to the small size of the executive team there is always difficulty in implementing control checks and balances within the executive Group. The board accepts this and assumes a greater role in this area than it otherwise would in order to satisfy itself in this regard.

Principle 2: Structure the board to add value

The board operates in accordance with the broad principles set out in its charter which is available from the corporate governance information section of the Company website. The charter details the board's composition and responsibilities.

Board composition

The charter states:

- the board is to be comprised of both executive and non-executive directors with a majority of non-executive directors. Non-executive directors bring a fresh perspective to the board's consideration of strategic, risk and performance matters and are best placed to exercise independent judgement and review and constructively challenge the performance of management

Corporate Governance Statement (continued)

Principle 2: Structure the board to add value (continued)

Board composition (continued)

- in recognition of the importance of independent views and the board's role in supervising the activities of management, the Chairman must be an independent non-executive director, the majority of the board must be independent of management and all directors are required to bring independent judgement to bear in their board decision making
- the Chairman is elected by the full board and is required to meet regularly with the Managing Director
- the Company is to maintain a mix of directors on the board from different backgrounds with complementary skills and experience
- the board is required to undertake an annual board performance review and consider the appropriate mix of skills required by the board to maximise its effectiveness and its contribution to the Group.

The board seeks to ensure that:

- at any point in time, its membership represents an appropriate balance between directors with experience and knowledge of the Group and directors with an external or fresh perspective
- the size of the board is conducive to effective discussion and efficient decision-making.

Directors' independence

The board has adopted specific principles in relation to directors' independence. These state that when determining independence, a director must be a non-executive and the board should consider whether the director:

- not be a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company
- within the last three years, not have been employed in an executive capacity by the Company or any other Group member, or been a director after ceasing to hold any such employment
- within the last three years not have been a principal of a material professional adviser or a material consultant to the Company or any other Group member, or an employee materially associated with the service provided
- not be a material supplier or customer of the Company or any other Group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer
- must have no material contractual relationship with the Company or a controlled entity other than as a director of the Group
- not have been on the board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company
- be free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

Materiality for these purposes is determined on both quantitative and qualitative bases. An amount of over 5% of annual turnover of the Company or Group or 5% of the individual directors' net worth is considered material for these purposes. In addition, a transaction of any amount or a relationship is deemed material if knowledge of it may impact the shareholders' understanding of the director's performance. Recent thinking on corporate governance has introduced the view that a director's independence may be perceived to be impacted by lengthy service on the board. To avoid any potential concerns, the board has determined that a director will not be deemed independent if he or she has served on the board of the Company for more than ten years. The board will continue to monitor developments on this issue.

Directors' independence

Board members
Details of the members of the board, their experience, expertise, qualifications, term of office and independent status are set out in the directors' report under the heading "Information on directors". There are two non-executive directors, both of whom are deemed independent under the principles set out below and two executive directors at the date of signing the directors' report.

Non-executive directors
The Board currently comprises of two non- executive directors both of whom meet the definition for independence as defined under Director's Independence in the preceding section.

Term of office
The Company's Constitution specifies that all non-executive directors must retire from office no later than the third annual general meeting (AGM) following their last election. Where eligible, a director may stand for re-election.

Corporate Governance Statement (continued)

Principle 2: Structure the board to add value (continued)

Chairman and Chief Executive Officer (CEO)
The Chairman is responsible for leading the board, ensuring directors are properly briefed in all matters relevant to their role and responsibilities, facilitating board discussions and managing the board's relationship with the Company's senior executives.

The CEO is responsible for implementing Group strategies and policies. The board charter specifies that these are separate roles to be undertaken by separate people. The role of CEO is currently performed by the Managing Director.

Commitment
Non-executive directors are expected to spend at least 15 days a year preparing for and attending board and committee meetings and associated activities.

The number of meetings of the Company's board of directors and of each board committee held during the year ended 30 June 2014, and the number of meetings attended by each director is disclosed in the director's report.

It is the Company's practice to allow its executive directors to accept appointments outside the Company with prior written approval of the board. No appointments of this nature were accepted during the year ended 30 June 2014.

The commitments of non-executive directors are considered by the full board prior to the directors' appointment to the board of the Company and are reviewed each year as part of the annual performance assessment.

Prior to appointment or being submitted for re-election, each non-executive director is required to specifically acknowledge that they have and will continue to have the time available to discharge their responsibilities to the Company.

Conflict of interests
During the financial year and up until the date of this report there has been no conflict of interest matter occur between any director and the ongoing operations of the Group.

Independent professional advice
Directors and board committees have the right, in connection with their duties and responsibilities, to seek independent professional advice at the Company's expense. Prior written approval of the Chairman is required, but this will not be unreasonably withheld.

Performance assessment
The board undertakes an annual self-assessment of its collective performance, the performance of the Chairman and of its committees. Management are invited to contribute to this appraisal process which is facilitated by an independent third party. The results and any action plans are documented together with specific performance goals which are agreed for the coming year.

The Chairman undertakes an annual assessment of the performance of individual directors and meets privately with each director to discuss this assessment.

Principle 3: Promote ethical and responsible decision making

Code of Conduct
The Company has developed a statement of values and a Code of Conduct (the Code) which has been fully endorsed by the board and applies to all directors and employees. The Code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Group's integrity.

In summary, the Code requires that at all times all Company personnel act with the utmost integrity, objectivity and in compliance with the letter and the spirit of the law and Company policies.

The purchase and sale of Company securities by directors and employees must not be undertaken where a conflict of interest or the use of market sensitive information will occur prior to the release of any such data to the market. Any transactions undertaken must be notified to, and approved by, the Chairman in advance.

The Code and the Company's trading policy are discussed with each new employee as part of their induction training and all employees are asked to sign an annual declaration confirming their compliance.

The Code requires employees who are aware of unethical practices within the Group or breaches of the Company's trading policy to report these using the Company's whistle-blower program. This can be done anonymously.

The Managing Director reviews and reports directly to the board on the compliance with the Code and the trading policy. Internal audit also has responsibility for the initial investigations of significant issues raised under the whistle-blower program. These matters are reported to the audit committee.

Corporate Governance Statement (continued)

Principle 3: Promote ethical and responsible decision making (continued)

Code of Conduct (continued)

The directors are satisfied that the Group has complied with its policies on ethical standards, including trading in securities.

A copy of the Code and the trading policy are available on the Company's website.

In compliance with recommendation 3.4 the company advises there are three women employees in the organisation in the capacity of Document Control (Perth), Human Resources Superintendent (Fiji) and Personal Assistant (Fiji), there are no women on the Board. This is a function of the small size of the organisation and an historical male bias in the mineral exploration industry. As the company develops in complexity more positions will be required to be filled and all applicants for employment positions will be assessed purely on merit and not on gender.

Principle 4: Safeguard integrity in financial statements

Audit committee
The audit committee was disbanded in 2013 on the resignation of two WA based non-executive members. The responsibilities of the audit committee are undertaken by the Board of Directors.

Details of the director's qualifications are set out in the director's report. All members of the Board are financially literate and have an appropriate understanding of the exploration industry in which the Group operates.

The Board operates as the audit committee in accordance with a charter which is available on the Company website. The main responsibilities of the Board in this regards are to:

- review, assess and approve the annual full and concise reports, the half year financial statements and all other financial information published by the Company or released to the market.
- review the effectiveness of the organisation's internal control environment covering:
  - effectiveness and efficiency of operations
  - reliability of financial statements
  - compliance with applicable laws and regulations
- determine the scope of the internal audit function and ensure that its resources are adequate and used effectively, and assess its performance, including independence
- monitor the internal audit function in the absence of a full time internal auditor
- oversee the effective operation of the risk management framework
- approve the appointment, removal and remuneration of the external auditors, and review the terms of their engagement, the scope and quality of the audit and assess performance
- consider the independence and competence of the external auditor on an ongoing basis
- review and approve the level of non-audit services provided by the external auditors and ensure it does not adversely impact on auditor independence
- review and monitor related party transactions and assess their propriety

In fulfilling its responsibilities, the Board

- receives regular reports from management, from the internal audit process and from the external auditors
- meets with the external auditors at least twice a year, or more frequently if necessary
- reviews the processes the Managing Director has in place to support his certifications to the board
- reviews any significant disagreements between the auditors and management, irrespective of whether they have been resolved
- meets separately with the external auditors at least twice a year without the presence of management
- provides the external auditors with a clear line of direct communication at any time to the Chairman of the audit committee or the Chairman of the board

the Board has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

Corporate Governance Statement (continued)

Principle 4: Safeguard integrity in financial statements (continued)

External auditors

The Company policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs. BDO Audit (WA) Pty Ltd is the Groups external auditor.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in the director's report and in Note 18 to the financial statements. It is the policy of the external auditors to provide an annual declaration of their independence to the audit committee.

The external auditor will attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Principles 5 and 6: Make timely and balanced disclosures and respect the rights of shareholders

Continuous disclosure and shareholder communication

The Company has written policies and procedures on information disclosure that focus on continuous disclosure of any information concerning the Group that a reasonable person would expect to have a material effect on the price of the Company's securities. These policies and procedures also include the arrangements the Company has in place to promote communication with shareholders and encourage effective participation at general meetings. A summary of these policies and procedures is available on the Company's website.

The Company Secretary has been nominated as the person responsible for communications with the Australian Securities Exchange (ASX). This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

All information disclosed to the ASX is posted on the Company's website as soon as it is disclosed to the ASX. When analysts are briefed on aspects of the Group's operations, the material used in the presentation is released to the ASX and posted on the Company's web site. Procedures have also been established for reviewing whether any price sensitive information has been inadvertently disclosed and, if so, this information is also immediately released to the market.

All shareholders are offered a copy of the Company's annual (full or concise) report. In addition, the Company seeks to provide opportunities for shareholders to participate through electronic means.

The website also includes an option for shareholders to register their email address for direct email updates on Company matters.

Principle 7: Recognise and manage risk

The board, acting as the audit committee, is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. These policies are available on the Company website. In summary, the Company policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Group's business objectives.

Considerable importance is placed on maintaining a strong control environment. There is an organisation structure with clearly drawn lines of accountability and delegation of authority.

The Company risk management policy and the operation of the risk management and compliance system are managed by the Managing Director. The board receives quarterly reports on material risks that may impede meeting business objectives.

Detailed control procedures cover management accounting, financial statements, project appraisal, environment, health and safety, IT security, compliance and other risk management issues.

These control procedures are necessarily limited to the extent there is an executive team of five. The board accepts an active role in managing risk in this environment.

In addition, the board requires that each major proposal submitted to the board for decision is accompanied by a comprehensive risk assessment and, where required, management's proposed mitigation strategies.

Corporate Governance Statement (continued)

Principle 7: Recognise and manage risk (continued)

The environment, health and safety management system (EHSMS)
The Company recognises the importance of environmental and occupational health and safety (OH&S) issues and is committed to the highest levels of performance. To help meet this objective the EHSMS will be established to facilitate the systematic identification of environmental and OH&S issues and to ensure they are managed in a structured manner. This system when implemented will allow the Company to:

- monitor its compliance with all relevant legislation
- continually assess and improve the impact of its operations on the environment
- encourage employees to actively participate in the management of environmental and OH&S issues
- work with trade associations representing the Group's businesses to raise standards
- use energy and other resources efficiently, and
- encourage the adoption of similar standards by the Group's principal suppliers, contractors and distributors.

Information on compliance with significant environmental regulations is set out in the directors' report.

Corporate reporting
The Managing Director has made the following certifications to the board:

- that the Company's financial statements are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the Company and Group and are in accordance with relevant accounting standards
- that the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board and that the Company's risk management and internal compliance and control is operating efficiently and effectively in all material respects.

Principle 8: Remunerate fairly and responsibly

The board, the General Manager of Operations and the Company Secretary represent the entire management team of the Group. There is insufficient complexity in the senior management structure to provide a separate remuneration committee. The board assumes the role of the remuneration committee.

The board has devolved to the Company Secretary in conjunction with an external expert commercial agency the role of reviewing and recommending executive remuneration and non-executive remuneration. The board, when satisfied, signs off on the Company Secretary's recommendations.

Further information on director's and executive's remuneration is set out in the director's report under the heading "Remuneration Report".

AUDITOR'S INDEPENDENCE DECLARATION

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DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF AMEX RESOURCES LIMITED

As lead auditor of Amex Resources Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Amex Resources Limited and the entity it controlled during the period.

Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth, 25 September 2014

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Consolidated entity	
		2014	2013
	Note	$	$
Revenue from continuing operations	2	75,170	249,524
Consulting fees		(783,137)	(709,327)
Employee benefit expense	3	(1,216,937)	(1,163,066)
Administration expense	3	(2,177,968)	(3,172,370)
Short term loan expense	3	(11,935,617)	-
Exploration expenditure written off or incurred	3	(319,987)	-
Tenement maintenance expense		(64,161)	(76,255)
Depreciation expense	7	(30,514)	(35,260)
(Loss) before income tax		(16,453,151)	(4,906,754)
Income tax benefit	4	2,613,469	1,432,957
(Loss) after tax		(13,839,682)	(3,473,797)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange difference on translation of foreign operation		1,357,493	136,019
Total comprehensive loss for the year		(12,482,189)	(3,337,778)
Loss for the year is attributable to :			
Owners of Amex Resources Limited		(13,839,682)	(3,473,797)
Total comprehensive loss for the year is attributable to :			
Owners of Amex Resources Limited		(12,482,189)	(3,337,778)
Basic and diluted loss per share (cents per share)	14	(17.05)	(4.51)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Consolidated Entity 2014 $	2013 $
Current Assets			
Cash and cash equivalents	5	**2,778,644**	4,928,139
Trade and other receivables	6	**46,688**	215,847
Other financial assets	8	**480**	480
Prepayments	30	**22,547,914**	-
Total current assets		**25,373,726**	5,144,466
Non-current Assets			
Property, plant and equipment	7	**57,734**	67,266
Development expenditure	28	**15,989,878**	-
Exploration expenditure	9	**502,760**	12,691,567
Total non-current assets		**16,550,372**	12,758,833
Total Assets		**41,924,098**	17,903,299
Current liabilities			
Trade and other payables	10	**283,622**	255,950
Borrowings	29	**26,595,744**	-
Total current liabilities		26,879,366	255,950
Net Assets		**15,044,732**	17,647,349
Equity			
Contributed equity	11	**26,853,130**	23,270,629
Option reserve	13 (a)	**11,740,125**	5,443,025
Foreign exchange translation reserve	13 (b)	**1,419,890**	62,397
Accumulated losses	12	**(24,968,413)**	(11,128,702)
Total equity		**15,044,732**	17,647,349

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2014	Contributed Equity $	Reserves Forex $	Reserves Option $	Accumulated Losses $	Total Equity $
Consolidated Entity					
Balance at 30 June 2013	23,270,629	62,397	5,443,025	(11,128,731)	17,647,320
Foreign exchange translation reserve	-	1,357,493	-	-	1,357,493
Loss for the year	-	-	-	(13,839,682)	(13,839,682)
Total comprehensive loss for the year	-	1,357,493	-	(13,839,682)	(12,482,189)
Transactions with owners in their capacity as owners					
Shares issued during the year	3,582,500	-	-	-	3,582,500
Options issued during the year	-	-	6,297,100	-	6,297,100
Transaction costs	-	-	-	-	-
	-	-	-	-	-
Balance at 30 June 2014	**26,853,130**	**1,419,890**	**11,740,125**	**(24,968,413)**	**15,044,732**

2013	Contributed Equity $	Reserves Forex $	Reserves Option $	Accumulated Losses $	Total Equity $
Consolidated Entity					
Balance at 30 June 2012	20,276,081	(73,622)	1,589,275	(7,654,934)	14,136,800
Foreign exchange translation reserve	-	136,019	-	-	136,019
Loss for the year	-	-	-	(3,473,797)	(3,473,797)
Total comprehensive loss for the year	-	136,019	-	(3,473,797)	(3,337,778)
Transactions with owners in their capacity as owners					
Shares issued during the year	5,387,499	-	-	-	5,387,499
Options issued during the year	-	-	3,853,750	-	3,853,750
Transaction costs	(2,392,951)	-	-	-	(2,392,951)
	-	-	-	-	-
Balance at 30 June 2013	**23,270,629**	**62,397**	**5,443,025**	**(11,128,731)**	**17,647,320**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOW

		Consolidated Entity	
		2014	**2013**
	Note	**$**	**$**
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(2,661,330)	(3,771,700)
Interest received		68,346	199,002
Borrowing expenses short term loan	29	(2,138,517)	-
Receipts from customers		6,824	50,522
Research & development grant received	4	2,613,469	1,432,957
Net cash outflow - operating activities	15	(2,111,208)	(2,089,219)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capitalised development expenditure	28	(4,113,371)	(6,044,436)
Purchase of plant and equipment	7	(20,982)	(28,678)
Prepayment on construction contract	28	(22,547,914)	
Net cash outflow - investing activities		(26,682,267)	(6,073,114)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares (net of costs)		82,500	3,237,318
Proceeds from borrowings	29	26,595,744	-
Net cash inflow - financing activities		26,678,244	3,237,318
Net (decrease) in cash & cash equivalents		(2,115,231)	(4,925,015)
Cash & cash equivalents at the beginning of the financial year		4,928,139	9,767,153
Foreign exchange differences on cash		(34,264)	86,001
Cash & cash equivalents at the end of the financial year	5	2,778,644	4,928,139

The above consolidated statement of cash flow should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2014

Note 1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*.

Going concern
The financial statements have been prepared on the basis that the Group continues as a going concern. The directors consider this appropriate given the Group's cash position, combined with realistic funding initiatives, exploration and development programmed expenditure and a policy of maintaining a low overhead operating environment.

Notwithstanding this, the Company has entered into two finance facilities to facilitate the construction required for the Group's Mba Delta project. The terms of the US$25 million short term facility are that it was due for repayment in July 2014 or at the discretion of the Company, November 2014. The Company elected to extend the repayment date to 5 November 2014; Refer Note 29. Accordingly, the Group will be required to raise additional finance through debt or equity and/ or renew the facility in order to continue proceeding with the development of its Mba Delta project.

The Company is in the advanced stages of negotiation with a financier to raise funds to replace the short term loan with a long term loan. The Company is also in discussions with the short term lender to reach accommodations should the refinancing negotiations with the replacement financier fail to materialise.

Additionally the Company has commenced discussions with sophisticated investors for a $3 million capital raise via private placement. The anticipated completion date of this placement is November 2014.

In late 2014 / early 2015 the Company will go to the market to raise an additional $25 million in equity to fund Company operations during construction and ramp up to full production.

Furthermore, the Special Mining Lease 60 in Fiji which provides Amex Resources Ltd the right to mine the MBA Delta project has been granted for a period of 21 years and contains eighteen conditions which the company must continue to comply with. One of these conditions is for the company to commence mining operations by 1 October 2014. Due to delays in commencement of construction by the contractor, the company will not meet this condition. The company expects that the commencement date will be extended by the Fiji government as the Fijian Government has previously granted extensions in respect of this condition.

If the Company is unable to obtain the continued financial support of its financiers or obtain alternative finance through debt or equity, it may cast doubt on the Group's ability to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in these financial statements.

Compliance with IFRSs
The financial statements and notes of Amex Resources Limited comply with International Financial Statements Standards (IFRSs).

Historical cost convention
These financial statements have been prepared under the historical cost convention.

Critical accounting estimates and significant judgements
The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Groups accounting policies. The primary significant area of judgement in these financial statements is in the capitalisation of exploration expenditure, estimating when capitalised exploration costs are to be reclassified as capitalised development expenditure, assessing impairment of capitalised exploration costs and capitalised development expenditure and estimating when to capitalise borrowing costs; refer Note 24.

Changes in accounting policy
Amex Resources Limited had to change some of its accounting policies as a result of new or revised accounting standards which became effective for the annual reporting period commencing on 1 July 2013.

The affected policies and standards are:

- Principles of consolidation – new standards ASSB 10 Consolidated Financial Statements and ASSB 11 Joint arrangements, and
- Accounting for employee benefits – revised ASSB 119 Employee Benefits.

Notes to the Consolidated Financial Statements 30 June 2014 (continued)

Note 1 Summary of significant accounting policies (continued)

Changes in accounting policy (continued)
Other new standards that are applicable for the first time for the June full-year report are ASSB 13 Fair Value Measurement, AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial liabilities and AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle. These standards have introduced new disclosures for the full year report but did not affect the entity's accounting policies or any of the amounts recognised in the financial statements.

i) Principles of consolidation – subsidiaries and joint arrangements
AASB 10 was issued in August 2011 and replaces guidance on control and consolidations in AASB 127 Consolidated and Separate Financial Statements and in Interpretation 112 Consolidation – Special Purpose Entities. Under the new principles, the group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The group has reviewed its investments in other entities to assess whether the consolidation conclusion in these entities is different under AASB 10 than under AASB 127. No differences were found and therefore no adjustments to any of the carrying amounts in the financial statements are required as a result of the adoption of AASB 10.

Under AASB 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement. Amex Resources Limited has assessed the nature of its joint arrangements, and their being none, has determined to have both joint operations and joint ventures should it enter into joint arrangements in future periods.

Accounting for the group's joint operations has not changed as a result of the adoption.

Income tax
The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of the assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are not recognised for temporary difference between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal on the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax consolidation legislation
Amex Resources Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, Amex Resources Limited, and the controlled entities in the tax consolidated Group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated Group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Amex Resources Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated Group.

Notes to the Consolidated Financial Statements 30 June 2014 (continued)

Note 1 Summary of significant accounting policies (continued)

Business combinations
The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

Impairment of assets
Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Exploration Expenditure
(i) Capitalised mining exploration and evaluation expenditure
For each of the areas of interest, expenditure incurred in the exploration for and evaluation of mineral resources shall be capitalised to the statement of financial position as an exploration and evaluation asset where the rights to tenure are current and either the expenditure incurred is expected to be recouped through successful development and exploitation of the area of interest or alternatively by its sale or where the area of interest has not, at reporting date, reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

(ii) Tenement and mining information option fee
Expenditure incurred for the purchase of an option to purchase mining tenements and options shall be capitalised to the statement of financial position as an intangible asset. The intangible asset with a finite useful life will be recorded at cost and amortised over that life when economic benefits start to flow to the entity.

This asset is tested for impairment where facts and circumstances indicate that the carrying amount may exceed the recoverable amount of the asset.

Trade and other payables
These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are recognised initially at fair value and subsequently at amortised cost.

Contributed equity
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

Notes to the Consolidated Financial Statements
30 June 2014 (continued)

Note 1 Summary of significant accounting policies (continued)

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries and branches of Amex Resources Limited ("Company" or "parent entity") as at 30 June 2014 and the results of all subsidiaries and branches for the year then ended. Amex Resources Limited and its subsidiaries together are referred to in these financial statements as the Group or the consolidated entity.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Subsidiaries and branches are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. See Note 1(c).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income and statement of financial position respectively.

Investments in subsidiaries are accounted for at cost in the individual financial statements of Amex Resources Limited.

Changes in ownership interests
The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Amex Resources Limited.

When the group ceases to have control, joint control or significant influence, any related interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity is accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other income are reclassified to profit or loss.

If the ownership interest in a jointly-controlled entity or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the board of directors. The board is responsible for allocating resources and assessing performance of the operating segments.

Share Based Payments
Share-based compensation benefits are provided to employees.

i) Share options
The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employee become unconditionally entitled to the options.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each statement of financial position date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital.

Notes to the Consolidated Financial Statements 30 June 2014 (continued)

Note 1 Summary of significant accounting policies (continued)

Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

Interest income
Interest income is recognised on receipt.

Financial assets

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the statement of financial position date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position. They are recognised initially at fair value and subsequently at amortised cost.

Recognition and derecognition
Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Impairment
The Group assesses at each reporting date whether there is objective evidence that a financial asset or Group of financial assets is impaired.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

Property, plant and equipment
Furniture, fittings and equipment is carried at cost less depreciation and impairment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate cost net of residual values, overestimated useful lives, as follows:

- Furniture, fittings and equipment 3-8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income.

Notes to the Consolidated Financial Statements 30 June 2014 (continued)

Note 1 Summary of significant accounting policies (continued)

Property, plant and equipment (continued)
The cost of self-constructed assets includes the cost of materials and direct labour and any other costs directly attributable to bringing an asset to a working condition ready for its intended use. Assets under construction are recognised in assets under development. Upon commissioning, which is the date when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management, the assets are transferred into property, plant and equipment or development assets, as appropriate.

Leases
The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Earnings / (loss) per share
(i) Basic earnings /(loss) per share
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings / (loss) per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

Foreign currency translation
(i) Functional and presentation currency
Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars, which is Amex Resources Limited's functional and presentation currency.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the investment in a foreign operation. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(iii) Group companies
The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date on that statement of financial position.
- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transaction), and
- all resulting exchange differences are recognised in other comprehensive income.

Notes to the Consolidated Financial Statements 30 June 2014 (continued)

Note 1 Summary of significant accounting policies (continued)

Foreign currency translation (continued)
On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences is reclassified to profit or loss, as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

Development assets
Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation expenditure to development expenditure.

Development expenditure includes capitalised exploration and evaluation costs, pre-production development costs, development studies and other expenditure pertaining to that area of interest. Costs related to surface plant and equipment and any associated land and buildings are accounted for as property, plant and equipment.

Development costs are accumulated in respect of each separate area of interest. Costs associated with commissioning new assets in the period before they are capable of operating in the manner intended by management, are capitalised.

Development costs incurred after the commencement of production are capitalised to the extent they are expected to give rise to a future economic benefit.

When an area of interest is abandoned or the Directors decide that it is not commercially or technically feasible, any accumulated cost in respect of that area is written off in the financial period that decision is made. Each area of interest is reviewed at the end of each accounting period and the accumulated costs written off to profit and loss to the extent that they will not be recoverable in the future.

Amortisation of development costs capitalised is charged on a unit of production basis over the life of estimated proven and probable reserves at the mine

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including:

- interest on the bank overdraft
- interest on short-term and long-term borrowings
- interest on finance leases
- unwinding of the discount on provisions

New and amended standards adopted by the Group
Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting periods. The Group's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 Financial Instruments Amendments to Australian Accounting Standards (effective from 1 January 2015)
In December 2009 the AASB issued a revised AASB 9 Financial Instruments. It is effective for accounting periods on or after 1 January 2015. This amends the requirements for classification and measurement of financial assets. On initial analysis this standard will have no impact on the Groups financial statements.

(ii) Interpretation 20 Stripping Costs in the Production Phase of a Mine
Issued in November 2011 Interpretation 20 clarifies those costs of removing mine waste materials (overburden) to access ore in a surface mine must be capitalised as inventory under AASB 102 Inventories. This will have no impact on the Groups financial statements because the Group does not operate a surface mine. None of the other standards, amendments or interpretations issued which are not yet effective are expected to affect the financial statements.

Notes to the Consolidated Financial Statements
30 June 2014 (continued)

Note 2 Revenue

	Consolidated Entity	
	2014	**2013**
	$	$
From continuing operations		
Interest received	68,346	199,002
Miscellaneous income	6,824	50,522
	75,170	249,524

Note 3 Expenses

Loss before income tax includes the following specific expenses:

Exploration and evaluation expenditure	319,987	-
Tenement maintenance expense	64,161	76,255
Other expenses		
Administration expenses	2,021,377	1,465,169
Short term loan expense	11,935,617	-
Share based payment expense	-	1,561,000
Consultants	783,137	709,327
Depreciation	30,514	35,260
Operating lease	156,591	146,201
Employee benefits	1,140,594	1,072,567
Superannuation contributions	76,343	90,499
	16,144,173	5,080,023

Notes to the Consolidated Financial Statements
30 June 2014 (continued)

Note 4 Income tax expense / (benefit)

	Consolidated Entity	
	2014	**2013**
	$	$
(a) Income tax expense / (benefit)		
The components of income tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
R & D tax offset payment	(2,613,469)	(1,432,957)
	(2,613,469)	(1,432,957)
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	(16,453,151)	(4,906,754)
Tax expense / (benefit) at 30% (2013: 30%)	(4,935,945)	(1,472,026)
Add		
Tax effect of :		
Non-deductible expenses	4,442,687	1,547,249
Less:		
-adjustments for current tax of prior period	5,921	-
-temporary differences not recognised	(47,038)	(102,028)
-DTA re tax losses not recognised	439,289	26,805
Impairment of exploration assets	95,087	-
R & D tax offset payment	(2,613,469)	(1,432,957)
Income tax expense	(2,613,469)	(1,432,957)
The applicable weighted average effective tax rates are as follows	16%	29%

Note 5 Cash and cash equivalents

Cash and cash equivalents	2,778,644	4,928,139

Refer note 23 for risk exposure commentary

Note 6 Trade and other receivables

GST receivable	46,688	215,847
	46,688	215,847

Due to the short term nature of these receivables, their carrying amount is assumed to approximate their fair value. There are no past due and not impaired receivables.

Notes to the Consolidated Financial Statements
30 June 2014 (continued)

Note 7 Property, plant & equipment

	Consolidated Entity	
	2014	**2013**
	$	$
Office equipment at cost	158,203	137,221
Less accumulated depreciation	(100,469)	(69,955)
	57,734	67,266
Movements in carrying amounts		
Balance at the beginning of the financial year	67,266	73,848
Additions	20,982	28,676
Depreciation expense	(30,514)	(35,260)
Disposals	-	-
Carrying amount at the end of the financial year	57,734	67,266

Note 8 Other financial assets

Security deposits - rental bonds (Current)	480	480
	480	480

Note 9 Exploration expenditure - capitalised

Balance at the beginning of the financial year	12,691,567	6,597,114
Expenditure capitalised during the year	1,171,308	6,094,453
Reclassified to Development expenditure - Refer Note 28	(13,043,158)	
Impairment	(316,957)	-
Balance at the end of the financial year	502,760	12,691,567

Directors have reviewed the carrying value of capitalised exploration expenditure and after seeking independent professional advice have formed a conservative view on the carrying value of these assets. The recoverability is dependent upon the continuation of the groups right to tenure of the interest, result of future exploration and successful development or alternatively, sale of the respective areas of interest.

Note 10 Trade and other payables

Current liabilities	283,622	255,950
Short term loan - refer Note 29	26,595,744	-
	26,879,366	255,950

Notes to the Consolidated Financial Statements 30 June 2014 (continued)

Note 11 Contributed equity

	Consolidated Entity	
	2014	**2013**
	$	$
(a) Share capital		
83,146,052 fully paid ordinary shares. (2013: 79,371,052)	26,853,130	23,270,629
At beginning of reporting period	23,270,629	20,276,081
Share issues	3,582,500	5,387,499
Capital raising costs on issue of shares	-	(2,392,951)
At reporting date	26,853,130	23,270,629

Ordinary shares participate in dividends and the proceeds on winding up the company in proportion to the number of shares held.

(b) Reconciliation of movement in share capital	**No.**	**No.**
Fully paid ordinary shares	83,146,052	79,371,052
At beginning of reporting year	79,371,052	72,721,052
Placement July 2012 @ $0.95	-	2,150,000
Placement September 2012 @ $0.95	-	1,350,000
Placement May 2013 @ $1.10	-	1,500,000
Placement Jan @ $1.00 - refer Note 29	3,500,000	-
Options exercised	275,000	1,650,000
At close of reporting year	83,146,052	79,371,052

Note 12 Accumulated losses

	2014	**2013**
	$	$
At beginning of reporting period	(11,128,730)	(7,654,933)
Loss attributable to members	(13,839,682)	(3,473,797)
Accumulated losses at reporting date	(24,968,413)	(11,128,730)

Note 13 Reserves

Note 13 (a) Option reserve

	2014	**2013**
	$	$
Balance 1 July	5,443,025	1,589,275
Options issued - refer Note 29	6,297,100	3,853,750
Balance 30 June	11,740,125	5,443,025

The options reserve is used to recognise options issued but not exercised

Note 13 (b) Foreign currency translation reserve

	2014	**2013**
	$	$
Balance 1 July	62,397	(73,622)
Currency translation differences arising during the year	1,357,493	136,019
Balance 30 June	1,419,890	62,397

Exchange differences arising on translation of the foreign branch are recognised in other comprehensive income as described in note 1 and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the investment is disposed of.

Notes to the Consolidated Financial Statements
30 June 2014 (continued)

Note 14 Loss per share

	Consolidated 2014 $	2013 $
Net loss attributable to members of the company	(13,839,682)	(3,473,797)
Weighted average number of ordinary shares outstanding during the year used in EPS calculation	81,170,573	76,992,422
Basic loss per share (cents per share)	(17.05)	(4.51)

None of the options have been included in the determination of the diluted loss per share as they are anti-dilutive.

Note 15 Cash flow statement reconciliation

	Consolidated Entity 2014 $	2013 $

(a) For the purpose of the cash flow statement cash includes cash on hand and cash on investment

(b) Reconciliation of loss after income tax to net cash flows from operating activities

	2014 $	2013 $
Loss after income tax	(13,839,682)	(3,473,797)
Non-cash items		
Option issue - part short term loan cost	6,297,100	1,561,000
Share issue - part short term loan cost	3,500,000	
Capitalised exploration expense impaired	316,957	
Depreciation	30,514	35,260
Changes in assets & liabilities		
(Increase) / decrease receivables	169,160	(110,164)
(Increase) / decrease inventories	-	-
(Increase) / decrease other assets	-	510
(Increase) / decrease reserves	1,387,071	
Increase / (decrease) payables	27,672	(102,028)
Cash flows used in operating activities	(2,111,208)	(2,089,219)

Notes to the Consolidated Financial Statements 30 June 2014 (continued)

Note 16 Segment information

Note 16 (a) Description of segments

Management has determined the operating segments based on the reports reviewed by the board that are used to make strategic decisions.

The company operates as a mineral exploration company in two geographic segments, Australia and Fiji.

Note 16 (b) Segment information provided to the board

The segment information provided to the board for the reportable segments for the year ended 30 June 2014 is as follows:

2014	**Australia**	**Fiji**	**Total**
	$	**$**	**$**
Total segment revenue	-	-	-
Total segment expenses	(383,943)	(205)	(384,148)
Total segment loss	(383,943)	(205)	(384,148)
Total segment assets	502,760	38,537,792	39,040,552
Total segment liabilities	(26,879,366)	-	(26,879,366)

There was a non cash impairment charge of $316,597 in 2014 for Australian segment assets

2013	**Australia**	**Fiji**	**Total**
	$	**$**	**$**
Total segment revenue	-	-	-
Total segment expenses	(76,046)	(209)	(76,255)
Total segment loss	(76,046)	(209)	(76,255)
Total segment assets	674,517	12,241,177	12,915,694
Total segment liabilities	(255,950)	-	(255,950)

There was a non cash impairment charge of $0.00 in 2013 for Australian segment assets

Notes to the Consolidated Financial Statements 30 June 2014 (continued)

Note 16 (c) Other segment information

(i) Segment expense reconciles to total expense as follows:

	Consolidated	
	2014	**2013**
	$	$
Segment expense	(384,148)	(76,255)
Consulting fees	(783,137)	(709,327)
Employee benefit expense	(1,216,937)	(1,163,066)
Administration expense	(2,177,968)	(3,172,369)
Short term loan expenses	(11,935,617)	-
Impairment of investment	-	-
Depreciation	(30,514)	(35,260)
Foreign exchange gain / (loss)	-	-
Total expenses	(16,528,321)	(5,156,277)

(ii) Segment assets reconcile to total assets as follows:

	Consolidated	
	2014	**2013**
	$	$
Segment assets	39,040,552	12,915,694
Intersegment eliminations	-	(224,127)
Cash & cash equivalents	2,778,644	4,928,139
Property, plant & equipment	57,734	67,266
Other assets	47,167	216,327
Total assets	41,924,098	17,903,299

(iii)

Segment liabilities reconcile to total liabilities as follows:

	Consolidated	
	2014	**2013**
	$	$
Segment liabilities	(26,879,366)	(255,950)
Intersegment eliminations	-	-
Total liabilities	(26,879,366)	(255,950)

(iv)

Segment loss reconciles to loss before tax as follows:

	Consolidated	
	2014	**2013**
	$	$
Segment loss	(384,148)	(76,255)
Revenue from operations	75,170	249,524
Consulting fees	(783,137)	(709,327)
Employee benefits expense	(1,216,937)	(1,163,066)
Administration expense	(2,177,968)	(3,172,369)
Short term loan expense	(11,935,617)	-
Depreciation expense	(30,514)	(35,260)
Income tax (expense) / benefit	2,613,469	1,423,957
	(13,839,682)	(3,482,796)

Notes to the Consolidated Financial Statements 30 June 2014 (continued)

Note 17 Dividends
No dividends were provided for as at, or paid during, the financial year ended 30 June 2014. (2013: nil)

Note 18 Remuneration of auditors
During the period the following fees were paid or payable for services provided by the auditor of the Company:

a) Assurance services

Audit Services	2014 $	2013 $
BDO Audit (WA) Pty Ltd		
Audit and review of financial report	51,252	43,331

b) Tax services

Corporate Tax Services	2014 $	2013 $
BDO Corporate Tax (WA) Pty Ltd		
Consolidation advice and preparation of tax returns	16,320	22,376

BDO Corporate Tax (WA) Pty Ltd provided the Group advice with regard to tax consolidation matters and prepared the Group's tax returns.

Note 19 Contingencies
Other than a liability under SML60 to pay a 3% royalty on exports the Company does not have any contingent liabilities or contingent assets at 30 June 2014 that are not disclosed elsewhere in this report.(2013: nil)

Note 20 Commitments
a) Capital commitments
The Company does not have any material capital commitments as at reporting date other than those listed below:

Mba Delta Project construction commitments
The Company has paid a 20% deposit on this contract. The balance of the commitment is being funded by the construction contractor under the FIDIC design and build construction contract.

Consolidated	2014 $	2013 $
No later than one year	53,191,489	-
Longer than one year, but not longer than five years	61,702,128	-
Longer than 5 years	-	-
	114,893,617	-

Tenement commitments

Consolidated	2014 $	2013 $
No later than one year	225,905	393,320
Longer than one year, but not longer than five years	357,650	706,446
Longer than 5 years	-	-
	583,555	1,099,766

Notes to the Consolidated Financial Statements 30 June 2014 (continued)

Note 20 Commitments (continued)

Mine lease commitment SML60

Consolidated	**2014 $**	**2013 $**
No later than one year	25,821	25,821
Longer than one year, but not longer than five years	103,284	103,284
Longer than 5 years	361,494	387,315
	490,599	516,420

b) Lease commitments
The company leases office premises in West Perth, a port site and residential accommodation at Lautoka in Fiji and a base camp at Sorokoba in Fiji. These lease commitments are summarised in the table below.

Consolidated	**2014 $**	**2013 $**
No later than one year	345,007	359,129
Longer than one year, but not longer than five years	1,109,339	1,096,934
Longer than 5 years	1,816,860	1,923,605
	3,271,206	3,379,668

Fijian dollar commitments have been converted to AUD at the f/y 2014 closing rate of 1.72. USD commitments have been converted to AUD at $0.94

c) Remuneration commitment

	Consolidated	
	2014	2013
Commitments for the payment of salaries and other remuneration under long term employment contracts in existence at reporting date but not recognised as liabilities payable		
Within one year	390,000	390,000
Later than one year and not later than five years	390,000	780,000
	-	-
Later than five years	-	-
	780,000	1,170,000

Note 21 Events occurring after the reporting period

The Company elected, at its discretion, to extend the repayment date for the short term loan facility from 5 July 2014 to 5 November 2014.The cost of funds includes an interest rate for the extension period of 15%pa and the issue of 6,500,000 ordinary shares in the Company. Refer Note 29 for more details.

The Hon Richard Alston accepted a position as a non-executive Director and Chairman of the Board of the Company on 5 August 2014.

The Company sold its Coolgardie and Breakaway Dam tenements on 8 August 2014 for $500,000 cash consideration.

Except for those items discussed above, no other matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect:

(a) the Group's operations in future financial years, or
(b) the results of those operations in future financial years, or
(c) the Group's state of affairs in future financial years.

Notes to the Consolidated Financial Statements 30 June 2014 (continued)

Note 22 Share-based payments

a) (i) Issue of shares to directors
No shares were issued to directors in financial year 2014. (2013: nil)

a) (ii) Issue of shares to other parties
3,500,000 fully paid ordinary shares were issued to other parties as part payment for the provision of a short term loan. (2013: nil)

b) (i) Options issued to directors

	2014 number	2013 number
Options issued to directors and key management personnel	-	3,000,000
	-	3,000,000

No options were issued to directors and key management personnel in 2014 for nil consideration. (Consideration 2013: 3,000,000 unlisted options at nil consideration)

2013

Pursuant to a vote of shareholders at a general meeting of Shareholders on the 23 August 2012 unlisted options were issued to directors as follows:

Director	Number of options	Expiry date	Exercise price	Valuation at issue
Dr Qin Xiao	2,000,000	4/9/2016	$1.30	$882,800
A Senior	500,000	4/9/2016	$1.40	$212,100

In addition 500,000 options with a $1.40 exercise price and 14 May 2017 expiry date were issued to G Dunlop. These options had a valuation at issue of $233,050.

b (ii) Options issued to other parties

2014

500,000 unlisted options with an exercise price of $1.40 expiring 22 July 2017 were issued to an unrelated party as consideration for services provided. These options had a valuation at issue of $240,100.

12,000,000 unlisted options with an exercise price of $1.10 expiring 9 January 2018 were issued to an unrelated other party as part consideration for the provision of a short term loan. These options had a valuation at issue of $6,057,000. Refer Note 29.

2013

5,000,000 unlisted options with an exercise price of $1.40 and an expiry date of 12/9/2016 and a valuation at issue of $2,027,500 were issued to an unrelated party in lieu of cash for capital raising services. 500,000 unlisted options with an exercise price of $1.40 and an expiry date of 24/5/2017 and a valuation at issue of $265,250 were issued to an unrelated party as a component of a share placement.

In addition 500,000 options with a $1.40 exercise price and 14 May 2017 expiry date were issued to a non-related external consultant in lieu of cash for services rendered. These options had a valuation at issue of $233,050.

Option valuation

When exercised each unlisted option is convertible into one ordinary share. The options granted to date carry no dividend or voting rights. 275,000 options that have been granted have been exercised in this period (2013:1,650,000). No options have been forfeited or lapsed. The weighted average price of options issued during the year was $1.13. (2013: $1.13). All options granted have vested.

The weighted average remaining contractual life of share options outstanding at the end of the year was 2.75 years. (2013: 3.00 years)

The weighted average exercise price of granted options at the start of the year was $0.58 (2013: $0.50). The weighted average exercise price of options granted during the year was $1.13 (2013: $1.38).The weighted average exercise price of options vested and exercisable at the end of the year was $1.13 (2013: $1.38). 275,000 options were exercised during the year (2013: 1,650,000).

Notes to the Consolidated Financial Statements
30 June 2014 (continued)

Note 22 Share-based payments (continued)

Option valuation (continued)

At the start of the year there were 13,250,000 (2013: 5,900,000) options on issue. At the end of the year there were 25,475,000 (2013: 13,250,000) options on issue.

Fair value of options granted
The assessed fair value of options at grant date was, $0.4802 cents per option 500,000 $1.40 issue, $0.5177 for 6,000,000 $1.10 issue and $0.5674 for the second 6,000,000 $1.10 issue (2013 $0.4414, $0.4242, $0.4661). The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for options granted during the year included:

(a) options are granted for no consideration and vest immediately
(b) exercise price $1.40 and $1.10 (2013: $1.30 and $1.40)
(c) grant date 22/7/2013, 9/1/2014, 9/6/2014 (2013: 4/9/2012, 12/9/2012, 14/5/2013, 24/5/2013)
(d) expiry date 9/1/2018 (2013: 04/9/2016, 12/9/2016, 14/5/2017, 24/5/2017)
(e) expected price volatility of the company shares: 70% (2013: 70%)
(f) expected dividend yield: nil (2013: nil)
(g) risk-free interest rate: 2.55%
(h) share price at grant date: $1.03, $1.00, $1.00

c) Expenses arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised during the period were as follows:

	2014 $	2013 $
Shares issued to directors	-	-
Shares issued to key management personnel	-	-
Shares issued to non-related parties	3,500,000	2,525,800
Options issued to directors	-	1,094,900
Options issued to key management personnel	-	233,050
	3,500,000	3,853,750

Note 23 Financial risk management

Overview
The Company and Group have exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's cash and cash equivalents balance.

Notes to the Consolidated Financial Statements
30 June 2014 (continued)

Note 23 Financial risk management (continued)

Cash and deposits

The Group limits its exposure to credit risk by only investing with counterparties that have an acceptable credit rating and dealing with recognised financial institutions with AA credit ratings.

Trade and other receivables

As the Group operates in the mining exploration and development sector, it does not have trade receivables and therefore is not exposed to credit risk in relation to trade receivables.

The Group has made a prepayment in relation to the Mba Delta construction contract in the amount of USD$20,000,000 (AUD$21,276,596)(2013: nil). The Group holds a PRC bank guarantee securing this payment until it is consumed through construction activities or returned.

The Group has established an allowance for impairment that represents their estimate of incurred losses in respect of other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures. Management does not expect any counterparty to fail to meet its obligations other than the amounts recognised as impaired this year.

Presently, the Group undertakes exploration and evaluation activities exclusively in Australia and Fiji. At the statement of financial position date there were no significant concentrations of credit risk other than with financial institutions which have an acceptable credit rating.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

		Carrying amount	
	Note	**2014**	**2013**
		$	$
Loans and receivables	*6&8*	47,167	216,327
Cash and cash equivalents	*5*	2,778,645	4,928,139

Impairment losses

None of the Group's other receivables are past due (2013: nil).

Guarantees

Group policy is to provide financial guarantees only to wholly-owned subsidiaries. No outstanding guarantees have been provided. No maximum guarantee position has been established. Directors will assess any requirement for guarantees on a case by case basis.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

The Company anticipates a need to raise additional capital in the next 12 months to meet forecasted operational activities in the 2014 / 2015 financial year. The decision on how the Company will raise future capital will depend on market conditions existing at that time.

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 365 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The Group maintains no lines of credit.

The Group has a short term loan due for repayment on 5 November in the amount of AU$26,595,744. The Group is in advanced stages of negotiations with a private equity firm to replace this short term debt with long term debt. Additionally, the Group is in negotiations with the short term lender to accommodate a failure in the refinancing arrangements should that occur.

Notes to the Consolidated Financial Statements 30 June 2014 (continued)

Note 23 Financial risk management (continued)

Liquidity risk (continued)

The following are the contractual maturities of financial liabilities for the consolidated entity.

Consolidated 2014

	Note	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
		%	$,000				$,000
Non-interest bearing							
Trade and other payables	10	-%	283	-	-	-	283
Interest-bearing-fixed rate							
Borrowings	29	15%	26,596	-	-	-	26,596
			26,879	-	-	-	26,879

Consolidated 2013

	Note	Weighted average interest rate %	1 year or less $,000	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities $,000
Non-interest bearing							
Trade and other payables	10	-%	255	-	-	-	255
Interest-bearing-fixed rate							
Borrowings	29	-%	-	-	-	-	-
			255	-	-	-	255

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Group has a short term loan at a fixed interest rate and is therefore not exposed to interest rate risk on borrowings. The finance lease arrangement the Company is negotiating will also have a fixed interest rate.

The Group holds its cash reserves in bank accounts consisting of two cheque accounts, and an on line account. This maximises the return on funds held while providing sufficient funds at call to settle short term creditor liabilities. The Groups exposure to interest rate risk is that the fixed term interest rate will decline over time.

Foreign exchange risk

As the branch operation grows in size and complexity in Fiji the group will have increased risk to unfavourable foreign exchange movements. Management is monitoring exchange risk exposure and, if deemed prudent and cost effective, will enter into hedging arrangements.

Currently management deems foreign exchange risk in Fiji as not yet material. However as construction begins on the port infrastructure and mining barges and plant and equipment the board will look to examine costs and benefits of hedging the Groups increasing exposure to foreign exchange rate risk.

Notes to the Consolidated Financial Statements
30 June 2014 (continued)

Note 23 Financial risk management (continued)

Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Consolidated Carrying amount 2014	Consolidated Carrying amount 2013
Fixed rate instruments	**$**	**$**
Financial assets	-	3,460,702
Financial Liabilities	26,595,744	-
	26,595,744	3,460,702
Variable rate instruments		
Financial assets	2,778,645	1,467,436
	2,778,645	1,467,436

Cash flow sensitivity analysis for variable rate instruments
A change of 100 basis points in interest rates at the reporting date would have increased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2013.

	Profit or loss		Equity	
Effect in thousands of AUD	100bp increase	100bp decrease	100bp increase	100bp decrease
30 June 2014				
Variable rate instruments	27,786	(27,786)	27,786	(27,786)
Cash flow sensitivity (net)	27,786	(27,786)	27,786	(27,786)
30 June 2013				
Variable rate instruments	14,674	(14,674)	14,674	(14,674)
Cash flow sensitivity (net)	14,674	(14,674)	14,674	(14,674)

Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	30 June 2014		30 June 2013	
Consolidated				
In thousands of AUD	Carrying amount	Fair value	Carrying amount	Fair value
Receivables	46,687	46,687	215,847	215,847
Cash and cash equivalents	2,778,645	2,778,645	4,928,139	4,928,139
Trade and other payables	(283,622)	(283,622)	(255,950)	(255,950)
Borrowings	(26,595,744)	(26,595,744)	-	-
	(24,054,034)	(24,054,034)	4,888,036	4,888,036

The basis for determining fair values is disclosed in Note 1.

Notes to the Consolidated Financial Statements
30 June 2014 (continued)

Note 23 Financial risk management (continued)

Capital Management

The Board's policy is to maintain a strong capital base in order to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the cash position of the Group versus the exploration, development and maintenance requirements of the Group over the following twelve month period. Where the board identifies a requirement for additional cash the Group goes to market to raise funds accordingly.

As the Group moves through the engineering, procurement, management and construction phase of the Mba Delta project the Group will look to borrowings to fund a proportion of the development cost. The Group will ensure borrowings are contemplated only after an analysis of the weighted average cost of borrowing compared to the weighted average cost of capital to determine the most appropriate and risk adverse level of borrowing that may be appropriate in the circumstances for the maximum return to shareholders.

The Group does not purchase its own shares on the market nor does it have a defined share buyback plan.

There were no changes in the Group's approach to capital management during the year.
Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Note 24 Critical accounting estimates and significant judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Capitalised exploration and evaluation expenditure
The Group tests annually whether capitalised exploration expenditure has suffered any impairment, in accordance with the accounting policy stated in Note 1(f). Such testing requires the use of assumptions, professional advice and judgement. These judgements may be found to be subsequently in error and the carrying amount of the asset may be found to be impaired.

Share based payments
The Group has issued options over ordinary shares as a component of key management personnel remuneration. In determining the amount to expense to the profit and loss the group used the Black- Scholes option pricing model. This model requires assumptions to be made in performing the valuation calculation. To the extent these assumptions are inaccurate then the expense recognised will be correspondingly inaccurate. The assumptions made are detailed at Note 23.

Development expenditure
Development activities commence after commercial viability and technical feasibility of the project is established. Judgement is applied by management in determining when a project is commercially viable and technically feasible. In exercising this judgement, management is required to make certain estimates and assumptions as to the future events. If, after having commenced the development activity, a judgement is made that a development asset is impaired, the relevant capitalised amount will be written off to profit and loss.

Note 25 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of Teakdale Nominees Pty Ltd.

At June 30 2014 the Company has interest in 100% (2013: 100%) of the issued ordinary shares in Teakdale Nominees Pty Ltd. Teakdale holds mining tenements in Western Australia and is incorporated in Australia.

The proportion of ownership interest is equal to the proportion of voting power held.

The Fiji operation is recorded as a branch operation in these financial statements. The branch is 100% (2013: 100%) owned by Amex Resources Limited.

(a) Parent entity

The parent entity within the Group, and ultimate Australian parent entity, is Amex Resources Limited.

Notes to the Consolidated Financial Statements 30 June 2014 (continued)

Note 25 Subsidiaries (continued)

(b) Subsidiaries

Interests in subsidiaries are set out in Note 25.

(c) Key management personnel

Disclosures relating to key management personnel are set out in the remuneration report included in the Directors' Report.

	Consolidated	
	2014	**2013**
	$	**$**
Short term employee benefits	**1,023,808**	934,833
Performance bonus	**-**	70,000
Post – employment benefits	**81,722**	90,498
Share – based payments	**-**	1,327,950
	1,105,530	2,423,281

(d) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions are no more favourable than those available to other parties unless otherwise stated.

Teakdale Nominees Pty Ltd, a wholly owned subsidiary of Amex Resources Limited, owes an unsecured loan balance to Amex of $50,756 (2013:$50,756). No interest is charged and no repayment arrangement is in place.

Note 26 Related party transactions

Dr. Qin provided his services as Chairman in his own right and was paid consultancy fees of $78,480 (2013: $78,480).

Mr. Collard is in the second year of a three year contract at an annual salary of $390,000 plus statutory superannuation contributions, reviewed annually. Other than unused annual leave entitlement and a notice period no termination benefits exist.

Mr. Qiu is providing his services as an executive director, without contract, for annual remuneration of $150,000 plus statutory superannuation contributions, reviewed annually.

Mr. Senior is providing his services as a non-executive director, without contract, for annual remuneration of $42,000 plus statutory superannuation contributions, reviewed annually.

Hon. Alston is providing his services as non-executive Chairman of the Board, without contract, for annual remuneration of $100,000 plus statutory superannuation contributions, reviewed annually - appointed 5 August 2014.

Notes to the Consolidated Financial Statements 30 June 2014 (continued)

Note 27 Parent entity disclosure

The following details information related to the parent entity, Amex Resources Limited, at 30 June 2014. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	2014	2013
	$	$
Current assets	28,600,518	7,459,671
Non-current assets	13,287,749	10,478,923
Total assets	41,888,267	17,938,594
Current liabilities	(26,879,366)	(255,950)
Non-current liabilities	-	-
Total liabilities	(26,879,366)	(255,950)
Contributed equity	26,853,130	23,270,630
Share application reserve	-	-
Foreign exchange reserve	1,387,071	-
Accumulated losses	(24,971,425)	(11,031,010)
Option Reserve	11,740,125	5,443,025
Total equity	15,008,900	17,682,645
Loss for the year	(13,940,415)	(3,473,468)
Total comprehensive loss for the year	(13,940,415)	(3,473,468)

Guarantees: No guarantees have been entered into by the parent entity on behalf of subsidiaries.

Contingent liabilities: No contingent liabilities exist

Note 28 Development expenditure

As a result of the Group entering into construction and funding agreements, the Directors have determined that, in accordance with International Financial Reporting Standards, the Group must reclassify expenditure on the Mba Delta Project in Fiji capitalised as exploration expenditure to development expenditure. Accordingly the table below is presented to reflect this reclassification

	2014	2013
	$	$
Opening balance	-	-
Development expenditure capitalised during the year	1,675,401	-
Reclassified from Capitalised exploration expenditure – Ref Note 9	13,043,158	
Impairment	**-**	
Closing balance	**14,718,559**	-

(i) Capitalised exploration expenditure in relation to the Mba Delta project in Fiji is now classified to Development expenditure – capitalised; as a result of the Company entering into construction and funding agreements for development of project infrastructure. Recovery of this amount is dependent on the Company successfully taking the project into production or alternatively sale of the asset.

Notes to the Consolidated Financial Statements
30 June 2014 (continued)

Note 28 Development expenditure (continued)

(ii) In addition to the total above the Company has paid a US$20 million deposit to the construction contractor under the terms of the construction contract as a 20% deposit from the Company. The Company has received a bank guarantee from the construction contractor's bank securing these funds until such time as construction interim payment certificates consume the deposit as construction work progresses.

(iii) The Special Mining Lease 60 in Fiji has been granted for a period of 21 years and provides Amex Resources Limited the right to mine the Mba Delta project and contains eighteen conditions which the Company must comply with. One of these conditions is for the Company to commence mining operations by 1 October 2014. Due to delays in commencement of construction by the contractor, the Company will not meet this condition. The Company expects that the commencement date will be extended as the Fijian Government has previously granted extensions in respect of this condition. Should this extension not be granted there is a material uncertainty over the recoverability of the development expenditure capitalised.

Note 29 Short term loan

	2014 $	2013 $
Opening balance	-	-
Funds borrowed	28,130,251	-
Foreign exchange gain	(1,534,507)	
Closing balance	**26,595,744**	-

On 6 January 2014 the Company drew down US$20 million dollars of its short term loan facility of US$25 million and deposited the funds with the construction contractor on the same date as an advance payment on the Mba Delta infrastructure construction contract. US$2 million was drawn down on 28th February and the balance of the facility was drawn down on 28th March.

The terms of the loan included an interest rate of 15% per annum, the issue of 3,500,000 fully paid ordinary shares in the Company and the issue of 12,000,000 unlisted $1.10 options expiring 9 January 2018.The total cash and non-cash cost of these terms is $11,935,617.37 of which $9,557,000 represents the non-cash cost of the shares and options. In addition the Company provided a General Security Agreement to the short term lender over the Company's Australian assets.

Due to the delay in construction starting date, Directors have decided to expense these costs as required under International Financial Reporting Standards as opposed to carrying them as capitalised costs.

As a consequence of the delay in construction start date Directors elected to extend the repayment date of the short term loan, as per their entitlement under the terms of the loan, to 5 November 2014.

This election under the terms of the short term loan agreement would ordinarily have resulted in a 25% interest rate and the issue of 10,000,000 fully paid ordinary shares. The Company has negotiated with the short term lender to accept a 15% interest rate and the issue of 6,500,000 fully paid ordinary shares and the release of a General Security Agreement. Fifty per cent of the interest has been paid in advance and fifty per cent is due on 5 November 2014.

The Company's preferred position is to refinance this short term loan with medium term debt on 5 November 2014. The Company is in the advanced stages of sourcing USD$30 million in debt funding from a Hong Kong based private equity firm.

Note 30 Prepayments

	2014 $	2013 $
Opening balance	-	-
Deposit paid on construction contract	22,547,914	-
Closing balance	**22,547,914**	-

This prepayment balance represents a US$20,000,000 deposit that was paid on 6 January 2014 on execution of the Mba Delta infrastructure construction contract with MCC Overseas Limited. The deposit is treated as a prepayment until it is consumed by interim progress payments during the construction process. The construction contractors' bank has provided the Company with a bank guarantee securing this payment.

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flow, consolidated statement of changes in equity and accompanying notes, are in accordance with the Corporations Act 2001 and:

   (a) Comply with accounting standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   (b) Give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the Company and consolidated entity.

2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3. The consolidated entity has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

4. The directors have been given declarations by the Managing Director, who fulfils the roles of chief executive officer and by the Company Secretary, who fulfils the role of chief financial officer, required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

MATTHEW COLLARD
Director

Dated at Perth on this the 25th day of September 2014.

AUDITOR'S REPORT

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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Amex Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Amex Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entity it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Stat*ements, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Amex Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Auditor's Report (continued)

Opinion

In our opinion:

(a) the financial report of Amex Resources Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of matter

We draw attention to Note 28 (iii) to the financial statements which describes uncertainty relating to the recoverability of Development Expenditure. Our opinion is not modified in respect of this matter.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through debt or equity and successful development of the consolidated entity's MBA Delta project and maintaining its mining lease. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Amex Resources Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

Dean Just

Director

Perth, 25 September 2014

ASX ADDITIONAL INFORMATION

Additional information as required by the Australian Securities Exchange listing rules and not disclosed elsewhere in this report. The information is current as at 30 September 2014.

Distribution of Equity Security Holders

ORDINARY SHARES HELD	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES	% OF TOTAL SHARES
1 – 1,000	55	25,292	0.03
1,001 – 5,000	131	441,978	0.49
5,001 – 10,000	123	1,045,327	1.17
10,001 – 100,000	152	4,743,456	5.29
100,001 -	64	83,389,999	93.02
TOTAL ON REGISTER	**525**	**89,646,052**	**100.00**

List of Twenty Largest Shareholders

RANKING	NAME	SHARES HELD	% OF TOTAL
1	Kenny Zhang	13,344,041	14.89%
2	Perfect Done Ltd	10,000,000	11.15%
3	Speedy Focus Inv Ltd	9,000,000	10.04%
4	Dirki Pty Ltd	4,817,525	5.37%
5	R J Arancini	4,237,500	4.73%
6	Ausgate Pty Ltd	4,000,000	4.46%
7	Wang Lifen	3,450,000	3.85%
8	R & S J Arancini ATF Arancini S/F A/C	2,936,246	3.28%
9	Shi Dan	2,624,784	2.93%
10	Crystal Palace Overseas Limited	1,600,576	1.79%
11	Yibo Qiu	1,500,000	1.67%
12	Chen Wiece	1,500,000	1.67%
13	First Empire Success Ltd	1,500,000	1.67%
14	G Dunlop	1,300,098	1.45%
15	M Collard	1,290,000	1.44%
16	Wu Jing	1,050,000	1.17%
17	Smart Investments Corporation	1,000,000	1.12%
18	Xing Yu Enterprises Limited	1,000,000	1.12%
19	UOB Kay Hian Hong Kong clients A/C	932,038	1.04%
20	Applied Solutions Private	872,902	0.97%

ADDITIONAL SHAREHOLDER INFORMATION

Substantial Shareholders (Including Associate Holdings)

NAME	SHARES HELD	% OF TOTAL
Kenny Zhang	13,344,041	14.89%
Perfect Done Ltd	10,000,000	11.15%
Speedy Focus Inv Ltd	9,000,000	10.04%
Ross Arancini	7,545,940	8.42%
Yibo Qiu	5,500,000	6.14%
Dirki Pty Ltd	4,827,525	5.39%

Interests in Granted Exploration Tenements

PROJECTS	TENEMENT	UNIT	AREA	GRANT DATE	EXPIRY DATE	INTEREST
Mba Delta	SML60	Ha	3,612.50	12-Jun-12	11-Jun-33	100%
Mba Delta	SPL1463	Ha	9,674.01	09-Feb-09	05-Mar-16	100%
Turee Creek	E47/2435-I	SB	7.00	21-Jun-12	20-Jun-17	100%
Mt Maguire	E52/2561-I	SB	4.00	05-Jul-11	04-Jul-16	100%
Mt Finlayson	E69/2747	SB	39.00	13-Apr-11	12-Apr-16	10%

NOTICE OF ANNUAL GENERAL MEETING

DATE:	Thursday, 27 November 2014
TIME:	8am
LOCATION:	Amex Resources - Boardroom 22 Emerald Terrace West Perth

CORPORATE DIRECTORY

DIRECTORS

The Hon Richard Alston - Non-Executive Chairman

Matthew Collard - Managing Director

Yibo Qiu - Executive Director

Alan Senior - Non-Executive Director

COMPANY SECRETARY

Gary Dunlop

PRINCIPAL REGISTERED OFFICE IN AUSTRALIA

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STOCK EXCHANGE LISTING

Amex Resources Limited ordinary shares are listed on the Australian Securities Exchange.

The company's code is AXZ.

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SOLICITOR

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Commonwealth Bank of Australia
Beach Road
Malaga WA

AUDITOR

BDO (WA) Pty Ltd
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Telephone: (08) 6382 4600

Shareholders with any enquiries about any aspect of their shareholding should contact the Company's share register.

www.amex.net.au

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