



AMEX RESOURCES LIMITED AND CONTROLLED ENTITIES

ABN 55 089 826 237

HALF-YEAR FINANCIAL STATEMENTS

For the half-year ended

31 December 2016

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These half-year financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2016 and any public announcements made by Amex Resources Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Amex Resources Limited and the entity it controlled at the end of, or during, the half-year ended 31 December 2016.

DIRECTORS

The following persons were directors of Amex Resources Limited during the whole of the half-year and up to the date of this report unless noted otherwise:

Hon Richard Alston
Matthew Collard
Yibo Qiu

REVIEW AND RESULTS OF OPERATIONS

During the half-year the Consolidated entity made an operating net loss of \$7,752,730 (31 December 2015: loss of \$6,999,686).

The Company continued to work with its primary construction contractor, CCCC First Harbor Consultants Co. Limited, (FHC) and their subcontractors on completing a review of construction design and specifications for the Company's Mba Delta Project in Fiji.

A geotechnical drilling program at the Lautoka port site, along the wharf apron, was completed in order to provide FHC civil engineers with further data to enhance and validate previous reports obtained by the Company.

An application to renew Special Prospecting Licence 1463 for a further three years was approved by the Fijian Mineral Resources Department. A sonic drill rig was built in Australia and shipped to Fiji to be used for further exploration work on the SPL as well as providing grade control pattern drilling ahead of the dredge during production. A pontoon barge mounted platform for the drill rig has been built by a local company in Fiji.

The Company secured a ninety nine year lease on a site at Nailaga on the Ba river, which is to be used as a transit base for personnel working on the dredge and concentrator.

FHC and AVIC International Ship Development (China) Ltd, (AVIC) the FHC subcontractor building the marine fleet for the project, held a steel cutting ceremony at the AVIC shipyard in Zhenjiang, China to acknowledge the commencement of the marine fleet construction.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4 and forms part of this report.

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



MATTHEW COLLARD
MANAGING DIRECTOR

Dated at Perth on the 9th March 2017.

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

As lead auditor for the review of Amex Resources Limited for the half-year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

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



Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth, 9 March 2017

HALF-YEAR FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2016

	Half - year	
	2016	2015
Note	\$	\$
Other Income	5,615	8,535
Consulting fees	(37,449)	(38,972)
Employee benefit expense	(636,823)	(768,753)
Administration expense	(797,900)	(1,736,615)
Short term loan expense	(5,529,663)	(4,328,745)
Tenement maintenance expense	(3,875)	(20,993)
Foreign exchange gain / (loss)	(738,104)	(105,960)
Depreciation expense	(14,530)	(8,183)
(Loss) before income tax	(7,752,730)	(6,999,686)
Income tax benefit	-	-
Profit (Loss) after income tax	(7,752,730)	(6,999,686)
Other comprehensive income		
Items that will be reclassified to profit or loss		
Exchange difference on translation of foreign operation	117,460	158,511
Total comprehensive profit (loss) for the half- year	(7,635,270)	(6,841,175)
Profit (Loss) for the half-year is attributable to :		
Owners of Amex Resources Limited	(7,752,730)	(6,999,686)
Total comprehensive profit (loss) for the half-year is attributable to :		
Owners of Amex Resources Limited	(7,635,270)	(6,841,175)
Basic and diluted profit (loss) per share for the half year attributable to members of Amex Resources Limited	(0.0718)	(0.0713)

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

As at 31 December 2016

	Note	December 2016 \$	June 2016 \$
Current Assets			
Cash and cash equivalents		1,040,667	3,254,482
Trade and other receivables		2,137	50,729
Other assets		54,975	54,975
Prepayments	13	-	2,126,872
Total current assets		<u>1,097,779</u>	<u>5,487,058</u>
Non-current Assets			
Property, plant and equipment		70,282	84,031
Prepayments	13	-	17,365,822
Exploration expenditure	6	241,284	107,273
Development expenditure	12	<u>34,111,514</u>	<u>9,572,861</u>
Total non-current assets		<u>34,423,080</u>	<u>27,129,987</u>
Total Assets		<u>35,520,860</u>	<u>32,617,045</u>
Current liabilities			
Trade and other payables	15	7,531,078	399,422
Short term borrowings	14	<u>43,683,656</u>	<u>40,420,228</u>
Total current liabilities		<u>51,214,734</u>	<u>40,819,650</u>
Total liabilities		<u>51,214,734</u>	<u>40,819,650</u>
Net Assets		<u>(15,693,874)</u>	<u>(8,202,604)</u>
Equity			
Contributed equity	4	42,215,894	42,215,894
Option reserve		13,407,425	13,263,425
Foreign exchange translation reserve		646,749	529,289
Accumulated losses		<u>(71,963,941)</u>	<u>(64,211,212)</u>
Total equity		<u>(15,693,874)</u>	<u>(8,202,604)</u>

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2016

	Contributed Equity \$	Reserves Forex \$	Option \$	Accumulated Losses \$	Total Equity \$
Consolidated Entity					
Balance at June 30 2015	36,733,494	349,048	12,377,325	(47,133,195)	2,326,672
Foreign exchange translation reserve	-	158,511	-	-	158,511
Loss for the half-year	-	-	-	(6,999,686)	(6,999,686)
Total comprehensive profit for the half-year	-	158,511	-	(6,999,686)	(6,841,175)
Transactions with owners in their capacity as owners					
Shares applied for during the period	1,000,000	-	-	-	1,000,000
Shares issued during the period	4,800,000				4,800,000
Options issued during the period			886,100		886,100
Transaction costs	(317,600)				(317,600)
Balance at December 31 2015	42,215,894	507,559	13,263,425	(54,132,881)	1,853,997
	Contributed Equity \$	Reserves Forex \$	Option \$	Accumulated Losses \$	Total Equity \$
Consolidated Entity					
Balance at June 30 2016	42,215,894	529,289	13,263,425	(64,211,212)	(8,202,604)
Foreign exchange translation reserve	-	117,460	-	-	117,460
Loss for the half-year	-	-	-	(7,752,730)	(7,752,730)
Total comprehensive loss for the half-year	-	117,460		(7,752,730)	(7,635,270)
Transactions with owners in their capacity as owners					
Shares applied for during the period	-	-	-	-	-
Shares issued during the period	-	-	-	-	-
Options issued during the period	-	-	144,000	-	144,000
Transaction costs	-	-	-	-	-
Balance at December 31 2016	42,215,894	646,749	13,407,425	(71,963,942)	(15,693,874)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2016

	Half - year	
	2016	2015
Note	\$	\$
Cash Flows from Operating Activities		
Payments to suppliers and employees	(1,329,017)	(1,491,228)
Interest received	5,615	6,784
Interest paid	-	(8,207,208)
Receipts from customers	-	1,659
Net cash inflow / outflow - operating activities	<u>(1,323,402)</u>	<u>(9,689,993)</u>
Cash Flows from Investing Activities		
Payments for capitalised exploration expenditure	(134,012)	-
Payments for development expenditure	(738,350)	(520,704)
Net cash outflow - investing activities	<u>(872,362)</u>	<u>(520,704)</u>
Cash Flows from Financing Activities		
Proceeds from the application for shares	-	1,000,000
Repayment of borrowings	-	(10,339,964)
Proceeds from borrowings	-	40,702,798
Net cash inflow - financing activities	<u>-</u>	<u>31,362,834</u>
Net (decrease) / increase in cash & cash equivalents	(2,195,764)	21,152,137
Cash & cash equivalents at the beginning of the financial year	3,254,482	1,933,708
Foreign exchange differences on cash	(18,051)	(13,459)
Cash & cash equivalents at the end of the half-year	<u>1,040,667</u>	<u>23,072,386</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**Note 1. Basis of preparation of the half-year financial statements**

This consolidated interim financial report for the half-year reporting period ended 31 December 2016 has been prepared in accordance with Accounting Standards AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by Amex Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period except as set out below.

New, revised or amending Accounting Standards and Interpretations adopted:

The consolidated entity has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted

(a) Going concern

For the half-year ended 31 December 2016, the Group recorded a loss after income tax of \$7,752,730 and had net cash outflows from operating activities of \$1,323,402. The Group's liabilities exceeded its assets by \$15,693,874. The Group's current liabilities exceeded its current assets by \$50,116,955. Included within current liabilities are borrowings of \$43,683,656, which consist of two facilities with separate financiers (AUD2 million facility and USD30 million facility). These borrowings have been classified as current liabilities as the Group is in the process of renegotiating them and accordingly the Group does not have an unconditional right to defer the settlement of these liabilities for more than twelve months as is required under accounting standards for them to be classified as non-current liabilities. Furthermore, the Group has capital commitments in relation to the FIDIC construction contract of its Mba Delta Project.

The ability of the Group to continue as a going concern is dependent on the Group refinancing these facilities or alternatively raising additional finance through debt or equity to continue its exploration and development activities and to continue as a going concern. These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Management believe there are sufficient funds to meet the Group's working capital requirements and as at the date of this report. Subsequent to half-year end, the Group expects to refinance or extend the terms of its borrowing facilities and expects to receive additional funds via either debt or equity.

The financial statements have been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The Group is in discussions with its financiers to refinance or extend the terms of the facilities as necessary;
- An underwritten USD50m loan facility for a term of two years at a cash interest rate of 18% per annum with terms consistent with the USD\$30m short term loan facility, disclosed in note 14, is available to assist with capital commitments; and
- The Group believe they have the ability to raise significant equity capital or debt funding during the next twelve months in order to continue to meet its FIDIC contractual commitments, develop its MBA Delta project, and fund working capital.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

Note 2. Loss for the half-year

The half-year loss reported in these half-year financial statements does not include any items that are unusual because of their nature, size or incidence.

Note 3. Dividends

No dividends were provided for as at, or paid during, the half-year financial period ended 31 December 2016.

Note 4. Equity securities issued

	31-Dec-16 Shares	31-Dec-15 Shares	31-Dec-16 \$	31-Dec-15 \$
At the beginning of the reporting period	108,043,080	95,820,857	42,215,894	36,733,494
Issued during the period	-	10,000,000	-	4,800,000
Share issue costs	-	-	-	(317,600)
At reporting date	108,043,080	105,820,857	42,215,894	41,215,894

Note 5. Options – unlisted

	31-Dec-16 Options	31-Dec-15 Options
At the beginning of the reporting period	38,500,000	25,250,000
Issued during the period (Note 11 (a)(b))	4,000,000	15,000,000
Expired during the period	(7,500,000)	-
At reporting date	35,000,000	40,250,000

Note 6. Exploration expenditure – capitalised

	31-Dec-16 \$	30-Jun-16 \$
Opening balance	107,273	-
Exploration expenditure capitalised during the period	134,011	107,273
Impairment	-	-
Closing balance	241,284	107,273

The recoverability of capitalised exploration expenditure, after impairment, is dependent upon the continuation of the Group's right to tenure of the interest, result of future exploration and successful development or alternatively, sale of the respective areas of interest. Impairment has been recognised on tenements surrendered as no longer considered economically prospective or which have been sold.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 7. Segment information

(a) Description of segments

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

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

(b) Segment information provided to the board

The segment information provided to the board for the reportable segments for the half-year ended 31 December 2016 is as follows:

31-Dec-16	Australia \$	Fiji \$	Total \$
Total segment revenue	-	-	-
Total segment expenses	(3,875)	-	(3,875)
Total segment loss	(3,875)	-	(3,875)
Total segment assets	-	34,369,208	34,369,208
Total segment liabilities	(51,212,547)	(2,187)	(51,214,734)

31-Dec-15	Australia \$	Fiji \$	Total \$
Total segment revenue	-	-	-
Total segment expenses	(20,993)	-	(20,993)
Total segment loss	(20,993)	-	(20,993)
Total segment assets	-	10,883,737	10,883,737
Total segment liabilities	(38,004,040)	(4,444)	(38,008,484)

Note 7. Segment information (continued)

(c) Other segment information

(i) Segment expense reconciles to total loss after tax as follows:

	Consolidated	
	31-Dec-16	31-Dec-15
	\$	\$
Segment expense	(3,875)	(20,993)
Consulting fees	(37,449)	(38,972)
Employee benefit expense	(636,823)	(768,753)
Administration expense	(797,900)	(1,736,615)
Short term loan expense	(5,529,663)	(4,328,745)
Impairment of investment	-	-
Depreciation	(14,530)	(8,183)
Foreign exchange gain / (loss)	(738,104)	(105,960)
Total expenses	(7,758,344)	(7,008,221)

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

	Consolidated	
	31-Dec-16	31-Dec-15
	\$	\$
Segment assets	34,369,208	10,883,737
Intersegment eliminations	-	-
Cash & cash equivalents	1,040,667	23,072,386
Property, plant & equipment	70,282	52,229
Other assets	40,702	40,678
Prepayments	-	5,813,450
Total assets	35,520,860	39,862,480

(iii) Segment liabilities reconcile to total liabilities as follows:

	Consolidated	
	31-Dec-16	31-Dec-15
	\$	\$
Segment liabilities	(51,214,734)	(38,008,484)
Intersegment eliminations	-	-
Total liabilities	(51,214,734)	(38,008,484)

(iv) Segment loss reconciles to loss before tax as follows:

	Consolidated	
	31-Dec-16	31-Dec-15
	\$	\$
Segment (loss) / gain	(3,875)	(20,993)
Revenue from operations	5,615	8,535
Consulting fees	(37,449)	(38,972)
Employee benefits expense	(636,823)	(768,753)
Administration expense	(797,900)	(1,736,615)
Short term loan expense	(5,529,663)	(4,328,745)
Foreign exchange gain / (loss)	(738,104)	(105,960)
Depreciation expense	(14,530)	(8,183)
Income tax (expense) / benefit	-	-
	(7,752,730)	(6,999,686)

Note 8. Events occurring after reporting date

Other than the Company drawing down on a AUD1 million unsecured six month loan at 8% per annum paid in advance on 24 January 2017, no significant events have occurred after reporting date that are not detailed elsewhere in this report.

Note 9. Related party transactions

There were no related party transactions during the half-year other than those disclosed in the 30 June 2016 full year report.

Note 10. Contingencies

At a General Meeting of Shareholders held on the 17th August 2017, Shareholders approved the issue of a Condition Call Option to CCCC First Harbor Consultants Co. Limited (FHC), the Construction Contractor for the Company's Mba Delta Ironsands project. The exercise of this call option is contingent on the ability or inability of the Company to repay a final delayed payment in the amount of USD15 million, 365 days after construction is completed, at the end of the defects liability period. Until such future events occur, or do not occur, the Company is unable to quantify a cost, if any, for this option issue. Other than this item, no contingent liabilities or assets exist at reporting date that is not disclosed in the 30 June 2016 annual report.

Note 11. Share-based payments**(a) (i) Issue of shares to directors**

No shares were issued to directors for the half-year to December 2016 (2015: nil).

(a) (ii) Issue of shares to suppliers

No shares were issued to suppliers for the half-year to December 2016 (2015: 10,000,000).

(a) (iii) Issue of options to suppliers

No options were issued to suppliers for the half-year to December 2016 (2015: 13,000,000, \$0.80 unlisted options).

b) Options issued to directors for the half-year

4,000,000, \$0.80 unlisted options were issued to two directors for the half-year (2015: 2,000,000 \$0.80). The issue was authorised by shareholders at a General Meeting of Shareholders in August 2016. These options are valued under the Black Scholes option valuation method at 3.6 cents each based on a \$0.225 share price, 48 month term, 60% historical volatility and 1.55% risk free rate.

Note 12. Development expenditure

Development expenditure capitalised	31-Dec-16	30-Jun-16
	\$	\$
Opening balance	9,572,861	10,006,897
Development expenditure capitalised during the half-year	24,538,653	-
R & D rebate received	-	(434,036)
Closing balance	<u>34,111,514</u>	<u>9,572,861</u>

Note 13. Prepayment

	31-Dec-16	30-Jun-16
	\$	\$
<u>Current prepayments</u>		
Prepaid interest	7,393,412	7,393,412
Prepaid interest unwound	(7,393,412)	(5,266,540)
<u>Non current prepayments</u>		
Deposit prepaid on construction contract	-	17,365,822
Closing balance	<u>-</u>	<u>19,492,694</u>

Note 14. Short term borrowings

	31-Dec-16	30-Jun-16
	\$	\$
Short term loan #4 (i)	41,683,656	38,420,228
Short term loan #6 (ii)	2,000,000	2,000,000
Closing balance	<u>43,683,656</u>	<u>40,420,228</u>

The short term borrowings are represented by;

- (i) A USD30 million facility which was due for repayment on 14 November 2016, but which may be extended for a further 12 months at the discretion of the Company. The Company may extend the loan term for another twelve months but is currently in negotiations with the lender to convert the debt facility into a convertible note, subject to shareholder approval, or a longer term debt facility on more favourable terms to the Company. The lender has confirmed it will not demand payment until the Company is in a position to settle the debt. USD675,000 in interest has been accrued to 31 December 2016. Initial terms for this facility included an 18% annual cash interest amount paid in advance, a USD1,500,000 facilitation fee paid in advance, the issue of 10,000,000 AXZ fully paid ordinary shares and the issue of 10,000,000 \$0.80, 36 month options representing an effective interest rate of 40% per annum. The facility also includes a USD50 million debt underwriting facility which has a term of at least two years, an interest rate of 18% and otherwise on terms and conditions equivalent for a facility of that nature.
- (ii) A AUD2 million dollar facility drawn on the 19 May 2016 at 16% per annum. The loan matured 18 November 2016 and the lender is considering a convertible note or debt facility offer similar to 14 (i) above, also with an undertaking not to demand payment until the Company is in a position to settle the debt. AUD40,000 interest has been accrued to 31 December 2016.

Note 15. Trade and other payables

	31-Dec-16	30-Jun-16
	\$	\$
Trade Creditors	96,887	186,467
Accrued expenses	1,077,400	-
Other payables	173,561	212,955
Provision for FIDIC milestones	6,183,230	-
Closing balance	<u>7,531,078</u>	<u>399,422</u>

A provision for FIDIC milestones has been raised during the half year period to 31 December 2016 to account for additional funds utilised by the construction contractor in excess of the initial USD 12.8 million prepayment made by the company, refer Note 13.

Accrued expenses includes interest accrued to 31 December 2016 on borrowings facilities disclosed in Note 14.

Note 16. Fair value of financial instruments

Due to their short term nature, the carrying amounts of financial instruments are assumed to approximate their fair value.

DIRECTORS' DECLARATION

In the directors' opinion:

- (a) The financial statements and notes set out on pages 5 - 15 are in accordance with the Corporations Act 2001, including:
 - i) Complying with accounting standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001 and other mandatory professional reporting requirements and:
 - ii) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) There are reasonable grounds to believe that Amex Resources Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.



MATTHEW COLLARD
MANAGING DIRECTOR

Dated at Perth on the 9th March 2017.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Amex Resources Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Amex Resources Limited, which comprises the consolidated statement of financial position as at 31 December 2016, 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 half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Amex Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, 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 review report.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Amex Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1(a) in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent on the consolidated entity refinancing the loan facilities or alternatively raising additional finance through debt or equity to continue its exploration and development activities and to continue as a going concern. These conditions, along with other matters as set out in Note 1(a), 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.

BDO Audit (WA) Pty Ltd

A handwritten signature in purple ink, appearing to read 'Dean Just', is written over a faint, stylized 'BDO' logo.

Dean Just

Director

Perth, 9 March 2017