



8 January, 2015

The Manager, Company Announcements Office  
Australian Securities Exchange  
Exchange Centre  
4<sup>th</sup> Floor, 20 Bridge Street  
Sydney NSW 2000

Dear Sir/Madam,

### **MBA DELTA PROJECT UPDATE**

**MCCO FIDIC Contract:** The Company has issued its contractor, MCC Overseas Limited (MCCO), a notice of termination of the fixed price US\$100m FIDIC design, procurement and construction contract signed in December 2013 between Amex and MCCO.

The Contract included provision of a US\$80m funding component by MCCO.

During 2014, MCCO requested time to restructure its internal funding arrangements but despite extensive negotiations and cooperation from Amex, MCCO has not been able to finalise that restructure.

MCCO has failed to proceed with the works as required by the Contract during this time and is in default of the Contract in a way which Amex considers demonstrates MCCO's intention not to meet its contractual commitments. Amex considers it preferable to terminate the contract with MCCO and pursue alternative contractual arrangements for the design and construction of the project.

The Advance Payment of US\$20m made by Amex on 6 January 2014 is required to be repaid on termination of the Contract.

**Special Mining Lease 60:** The Fijian Mineral Resources Department has advised the Company that special condition 17 of the mining lease in relation to first production date has been extended.

**Lautoka Port Lease:** The Lessor, Fiji Ports Corporation Limited, has granted the Company a further two year extension to the construction period under the Lautoka port lease.

**Short Term Loan:** Amex has reached agreement with the private lender to further extend the short term loan to 31 March 2015. As part of the arrangement Amex will repay US\$5m to the private lender by 15 January, with interest on the outstanding principal to be paid at a rate of 25% per annum on maturity.

**Unsecured Loan Facility:** The Company has negotiated an unsecured loan to the amount of US\$5m at a rate of 25% per annum paid in advance for a period of 3 months. The funds raised will be used to repay US\$5m of the short term loan.

The Company is finalising additional funds for working capital and repayment of interest. Details will be announced on completion.

Following termination of the MCCO FIDIC Contract the Company will take steps to appoint an alternate contractor and arrange alternative funding to expedite construction on the ground in Fiji.

Yours faithfully,

Matthew Collard  
Managing Director