



**AMEX RESOURCES LIMITED AND CONTROLLED ENTITIES**

**ABN 55 089 826 237**

**HALF-YEAR FINANCIAL STATEMENTS**

**For the half-year ended**

**31 December 2014**

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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 2014 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.

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## **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 2014.

### **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  
Alan Senior

### **REVIEW AND RESULTS OF OPERATIONS**

During the half-year the Consolidated entity made an operating net loss of \$16,535,612 (31 December 2013: profit of \$55,303). The bulk of this loss is represented by a short term loan expense of \$8,708,842 for the period, \$6,500,000 of this amount relates to a non-cash share issue. \$3,921,919 represents unrealised foreign exchange losses on USD denominated liabilities and \$2,086,517 represents facilitation fee costs written off on termination of a construction contract.

During the half-year the Contractor for the Mba Delta Project continued negotiations with external parties but was unable to complete restructuring of its funding obligation under the FIDIC contract signed in December 2013. The Contractor was unsuccessful in replacing part of their funding commitment by incorporating a proposed USD48M lease component by 31 December 2014.

As the Contractor has been unable to provide the Company with a firm commitment to honour its funding obligation and commence the works, the Board has issued a notice of termination to the Contractor on 8 January 2015. On 25 February the Company called a bank guarantee issued by the Bank of China which secures a USD20 million deposit on the contract. Funds are due in the Company USD account by 17<sup>th</sup> March 2015.

The Mineral Resources Department of Fiji has granted an extension to special condition 17 of Special Mining Lease 60, giving the Company until 30 April 2016 to commence mining operations.

Fiji Ports Corporation Limited granted the Company an extension to the port infrastructure construction completion date of 7 August 2016 for the Lautoka port site lease.

The Company negotiated an extension to the principal repayment date for USD20 million of the USD25 million short term loan facility. Principal repayment date is now 31 March 2015 for USD20 million. The Company repaid USD5 million of the facility using funds raised from another short term lender from whom the Company borrowed USD6 million unsecured for three months at 25% interest, interest paid in advance.

### **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 13<sup>th</sup> March 2015.

## **AUDITOR'S INDEPENDENCE DECLARATION**



Tel: +61 8 6382 4600  
Fax: +61 8 6382 4601  
[www.bdo.com.au](http://www.bdo.com.au)

38 Station Street  
Subiaco, WA 6008  
PO Box 700 West Perth WA 6872  
Australia

### **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 2014, 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.

A handwritten signature in blue ink, appearing to read 'Dean Just', is written over a light blue rectangular background.

**Dean Just**  
Director

**BDO Audit (WA) Pty Ltd**  
Perth, 13 March 2015

## HALF-YEAR FINANCIAL STATEMENTS

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2014

		Half - year	
	Note	2014	2013
		\$	\$
<b>Other Income</b>		<b>44,929</b>	<b>63,855</b>
Consulting fees		(48,964)	(679,473)
Employee benefit expense		(625,242)	(537,046)
Administration expense		(1,126,006)	(1,361,701)
Short term loan expense		(8,708,842)	-
Tenement maintenance expense		(72,161)	(27,823)
Exploration expenditure written off	6	(2,760)	-
Development expenditure written off	12	(2,053,082)	-
Foreign exchange gain / (loss)		(3,921,919)	-
Depreciation expense		(21,565)	(15,978)
<b>(Loss) before income tax</b>		<b>(16,535,612)</b>	<b>(2,558,166)</b>
Income tax benefit		-	2,613,469
<b>Profit (Loss) after income tax</b>		<b>(16,535,612)</b>	<b>55,303</b>
Other comprehensive income			
Items that will be reclassified to profit or loss			
Exchange difference on translation of foreign operation		275,585	68,147
<b>Total comprehensive profit (loss) for the half- year</b>		<b>(16,260,027)</b>	<b>123,450</b>
Profit (Loss) for the half-year is attributable to :			
Owners of Amex Resources Limited		<b>(16,535,612)</b>	<b>55,303</b>
Total comprehensive profit (loss) for the half-year is attributable to :			
Owners of Amex Resources Limited		<b>(16,260,027)</b>	<b>123,450</b>
Profit (Loss) per share for the half year attributable to members of Amex Resources Limited		<b>(0.1944)</b>	<b>0.0008</b>

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**

*For the half-year ended 31 December 2014*

	Note	December 2014 \$	June 2014 \$
<b>Current Assets</b>			
Cash and cash equivalents		297,116	2,778,644
Trade and other receivables		92,160	46,688
Other assets		54,975	480
Prepayment	13	22,547,914	22,547,914
Total current assets		<u>22,992,165</u>	<u>25,373,726</u>
<b>Non-current Assets</b>			
Property, plant and equipment		68,858	57,734
Exploration expenditure	6	-	502,760
Development expenditure	12	14,911,497	15,989,878
Total non-current assets		<u>14,980,355</u>	<u>16,550,372</u>
<b>Total Assets</b>		<u>37,972,520</u>	<u>41,924,098</u>
<b>Current liabilities</b>			
Trade and other payables		220,410	283,622
Short term borrowings	14	30,581,040	26,595,744
Total current liabilities		<u>30,801,450</u>	<u>26,879,366</u>
<b>Total liabilities</b>		<u>30,801,450</u>	<u>26,879,366</u>
<b>Net Assets</b>		<u>7,171,069</u>	<u>15,044,732</u>
<b>Equity</b>			
Contributed equity	4	35,239,494	26,853,129
Option reserve		11,740,125	11,740,125
Foreign exchange translation reserve		1,695,475	1,419,891
Accumulated losses		(41,504,024)	(24,968,413)
Total equity		<u>7,171,069</u>	<u>15,044,732</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 2014

	Contributed Equity \$	Reserves Forex \$	Option \$	Accumulated Losses \$	Total Equity \$
<b>Consolidated Entity</b>					
<b>Balance at June 30 2013</b>	23,270,629	62,397	5,443,025	(11,128,731)	17,647,320
Foreign exchange translation reserve	-	68,147	-	-	68,147
Profit for the half-year	-	-	-	55,303	55,303
<b>Total comprehensive profit for the half-year</b>	-	68,147	-	55,303	123,450
Transactions with owners in their capacity as owners					
Shares issued during the period	67,500	-	-	-	67,500
Options issued during the period	-	-	240,100	-	240,100
Transaction costs	-	-	-	-	-
<b>Balance at 31 December 2013</b>	<b>23,338,129</b>	<b>130,544</b>	<b>5,683,125</b>	<b>(11,073,428)</b>	<b>18,078,370</b>
	Contributed Equity \$	Reserves Forex \$	Option \$	Accumulated Losses \$	Total Equity \$
<b>Consolidated Entity</b>					
<b>Balance at June 30 2014</b>	26,853,130	1,419,891	11,740,125	(24,968,413)	15,044,732
Foreign exchange translation reserve	-	275,585	-	-	275,585
Loss for the half-year	-	-	-	(16,535,611)	(16,535,611)
<b>Total comprehensive loss for the half-year</b>	-	275,585	-	(16,535,611)	(16,260,027)
Transactions with owners in their capacity as owners					
Shares issued during the period	8,386,364	-	-	-	8,386,364
Options issued during the period	-	-	-	-	-
<b>Balance at 31 December 2014</b>	<b>35,239,494</b>	<b>1,695,475</b>	<b>11,740,125</b>	<b>(41,504,024)</b>	<b>7,171,069</b>

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 2014

	Half - year	
	2014	2013
Note	\$	\$
<b>Cash Flows from Operating Activities</b>		
Payments to suppliers and employees	(1,917,588)	(2,388,552)
Interest received	1,499	57,617
Interest paid	(1,072,478)	-
Receipts from customers	43,430	6,238
Research & development grant received	-	2,613,469
Net cash inflow / outflow - operating activities	(2,945,137)	288,772
<b>Cash Flows from Investing Activities</b>		
Prepaid transaction cost	-	(1,000,000)
Payments for capitalised exploration expenditure	-	(1,020,904)
Proceeds from sale of tenements	500,000	-
Payments for development expenditure	(814,469)	-
Purchase of plant and equipment	-	(20,982)
Net cash outflow - investing activities	(314,469)	(2,041,886)
<b>Cash Flows from Financing Activities</b>		
Proceeds from issue of shares	750,000	67,500
Net cash inflow - financing activities	750,000	67,500
Net (decrease) / increase in cash & cash equivalents	(2,509,606)	(1,685,614)
Cash & cash equivalents at the beginning of the financial year	2,778,644	4,928,139
Foreign exchange differences on cash	28,078	6,379
Cash & cash equivalents at the end of the half-year	297,116	3,248,904

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



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**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 2014 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 2014 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.

**(a) Going concern**

The Group recorded a loss after income tax for the half-year of \$16,535,612. At 31 December 2014, the Group's assets exceed liabilities by \$7,171,069 and the Group had cash of \$297,116.

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 asset and cash position, their expectations that they will be able to raise additional funding through debt or equity as required, combined with realistic exploration and development programmed expenditure and a policy of maintaining a low overhead operating environment.

Notwithstanding this, as disclosed in Note 8, subsequent to reporting date the Company refinanced its existing debt facility by entering into two separate finance facilities of USD6 million and of USD20 million. The terms of the USD20 million and USD6 million short term facilities include that they are due for repayment on 31 March 2015 and 14 April 2015 respectively.

On termination of the construction contract, the Group called a USD20 million bank guarantee. On receipt of these funds the Group will settle the USD20 million short term loan prior to 31 March 2015. The Group is in discussions with the financier to refinance or extend the USD6 million short term loan. Accordingly, the Group will be required to refinance this facility by 14 April 2015 or alternatively raise additional finance through debt or equity to continue as a going concern. The Group is also reliant on raising significant equity capital or debt funding during the next twelve months in order to continue to develop its Mba Delta project and fund working capital.

If the Company is unable to obtain the continued financial support of its financiers or obtain additional finance through debt or equity to fund the construction of its Mba Delta project and for working capital purposes, 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 half-year financial statements.

**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 other than a short term loan expense in the amount of \$8,708,842 incurred as a result of the Group's borrowings incurred for the construction contract that has been subsequently terminated due to construction contractor delays

**Note 3. Dividends**

No dividends were provided for as at, or paid during, the half-year financial period ended 31 December 2014.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**
**Note 4. Equity securities issued**

	31-Dec-14 Shares	31-Dec-13 Shares	31-Dec-14 \$	31-Dec-13 \$
At the beginning of the reporting period	83,146,052	79,371,052	26,853,130	23,270,628
Issued during the period	9,194,805	225,000	8,386,364	67,500
Share issue costs	-	-	-	0
At reporting date	92,340,857	79,596,052	35,239,494	23,338,128

**Note 5. Options – unlisted**

	31-Dec-14 Options	31-Dec-13 Options
At the beginning of the reporting period	25,475,000	13,250,000
Issued during the period	-	500,000
Exercised during the period	-	(225,000)
At reporting date	25,475,000	13,525,000

**Note 6. Exploration expenditure – capitalised**

	31-Dec-14 \$	30-Jun-14 \$
Opening balance	502,760	12,691,567
Exploration expenditure capitalised during the period	-	1,171,308
Reclassified to Development expenditure - Refer Note 12	-	(13,043,158)
Disposal of tenements	(500,000)	-
Impairment	(2,760)	(316,957)
Closing balance	-	502,760

(1) 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.

(2) Disposal relates to the sale of Western Australian tenements including provision of geological analysis and exploration drilling results.

**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 2014 is as follows:

<b>31-Dec-14</b>	<b>Australia</b>	<b>Fiji</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total segment revenue	500,000	-	500,000
Total segment expenses	(2,128,003)	-	(2,128,003)
Total segment loss	(1,628,003)	-	(1,628,003)
Total segment assets	-	14,911,497	14,911,497
Total segment liabilities	(30,790,774)	(10,676)	(30,801,450)

<b>31-Dec-13</b>	<b>Australia</b>	<b>Fiji</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total segment revenue	-	-	-
Total segment expenses	(27,823)	(105)	(27,928)
Total segment loss	(27,823)	(105)	(27,928)
Total segment assets	731,062	13,043,158	13,774,220
Total segment liabilities	(143,976)	-	(143,976)

**Note 7. Segment information (continued)****(c) Other segment information**

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

	<b>Consolidated</b>	
	<b>31-Dec-14</b>	<b>31-Dec-13</b>
	<b>\$</b>	<b>\$</b>
Segment expense	(2,128,003)	(27,928)
Consulting fees	(48,964)	(679,473)
Employee benefit expense	(625,242)	(537,046)
Administration expense	(1,126,006)	(1,361,596)
Short term loan expense	(8,708,842)	-
Impairment of investment	-	-
Depreciation	(21,565)	(15,978)
Foreign exchange gain / (loss)	(3,921,919)	-
<b>Total expenses</b>	<b>(16,580,541)</b>	<b>(2,622,021)</b>

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

	<b>Consolidated</b>	
	<b>31-Dec-14</b>	<b>31-Dec-13</b>
	<b>\$</b>	<b>\$</b>
Segment assets	14,911,497	13,774,220
Intersegment eliminations	-	-
Cash & cash equivalents	297,116	3,248,904
Property, plant & equipment	68,858	72,269
Other assets	22,695,049	1,126,962
<b>Total assets</b>	<b>37,972,520</b>	<b>18,222,355</b>

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

	<b>Consolidated</b>	
	<b>31-Dec-14</b>	<b>31-Dec-13</b>
	<b>\$</b>	<b>\$</b>
Segment liabilities	(30,801,450)	(143,976)
Intersegment eliminations	-	-
<b>Total liabilities</b>	<b>(30,801,450)</b>	<b>(143,976)</b>

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

	<b>Consolidated</b>	
	<b>31-Dec-14</b>	<b>31-Dec-13</b>
	<b>\$</b>	<b>\$</b>
Segment (loss) / gain	(1,628,003)	(27,928)
Revenue from operations	(455,071)	63,855
Consulting fees	(48,964)	(679,473)
Employee benefits expense	(625,242)	(537,046)
Administration expense	(1,126,006)	(1,361,596)
Short term loan expense	(8,708,842)	-
Foreign exchange gain / (loss)	(3,921,919)	-
Depreciation expense	(21,565)	(15,978)
Income tax (expense) / benefit	-	2,613,469
	<b>(16,535,612)</b>	<b>55,303</b>

**Note 8. Events occurring after reporting date**

Subsequent to reporting date the Company served a termination notice on Contractor MCC Overseas Limited (MCCO) for non-performance under a FIDIC construction contract for development of the Company's Mba Delta project.

On 1<sup>st</sup> January 2015, the Company negotiated an extension to a USD20 million short term loan facility until 31 March 2015 at a cost of 25% pa interest, paid in arrears plus one million fully paid ordinary shares which were issued 4 February 2015. The Company negotiated a further short term loan, due 14 April 2015, unsecured in the amount of USD6 million at 25% pa interest paid in advance. USD5 million of this short term facility was used to retire USD5 million from the first short term facility. The Company issued 2,000,000, \$0.80 unlisted options for nil consideration as a facilitation fee for organising the USD6 million short term loan.

The Company called a USD20 million bank guarantee provided by the Bank of China which secured a deposit on a construction contract. Funds are due in the Company USD account by 17<sup>th</sup> March 2015.

The Mineral Resources Department of Fiji granted the Company an extension to condition 17 of Special Mining Lease 60 extending first production date.

**Note 9. Related party transactions**

There were no related party transactions during the half-year other than those disclosed in the 30 June 2014 full year report.

**Note 10. Contingencies**

No contingent liabilities or assets exist at reporting date that is not disclosed in the 30 June 2014 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 2014 (2013: nil).

**(a) (ii) Issue of shares to suppliers**

1,623,377 fully paid ordinary shares were issued to a third party during the half-year (2013: nil). The value of services provided, being a USD1 million interest payment on a short term loan on behalf of the Group, equalled the fair value of shares issued.

6,500,000 fully paid ordinary shares were issued, at an agreed upon price of \$1.00 per share, to the short term loan financier as part consideration for the extension of principal repayment, at the discretion of the Company, to 5 November 2014.

**(a) (iii) Issue of options to suppliers**

No options were issued to suppliers during the half-year (2013:500,000).

**b) Options issued to directors for the half-year**

No options were issued to directors for the half-year (2013: nil).

## Note 12. Development expenditure

Development expenditure capitalised	31-Dec-14 \$	30-Jun-14 \$
Opening balance	15,989,878	-
Development expenditure capitalised during the half-year	1,008,136	2,946,720
Reclassified from Capitalised exploration expenditure - Ref note 6	-	13,043,158
Facilitation fee write off	(2,086,517)	-
Closing balance	<u>14,911,497</u>	<u>15,989,878</u>

### 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. Any judgements may change as new information becomes available. If, after having commenced the development activity, a judgment is made that a development asset is impaired, the appropriate amount will be written off to the statement of profit or loss and other comprehensive income.

The recoverable amount of development expenditure is estimated on the basis of the discounted value of future cash flows. The estimates of future cash flows are based on significant assumptions including:

- estimates of the quantities of mineral reserves and iron ore resources for which there is a high degree of confidence of economic extraction and the timing of access to these reserves and resources;
- future iron ore prices based on consensus forecasts by economic forecasters;
- production rates and production costs based on approved budgets and projections including inflation factors; and
- the asset specific discount rate applicable to the cash generating unit.

Future changes in assumptions upon which these estimates are based may give rise to a material adjustment by impairing the development expenditure.

## Note 13. Prepayment

	31-Dec-14 \$	30-Jun-14 \$
Opening balance	22,547,914	-
Deposit paid on construction contract	-	22,547,914
Foreign exchange gain / (loss)	-	-
Closing balance	<u>22,547,914</u>	<u>22,547,914</u>

- (i) The prepayment represents a USD20 million deposit paid on a construction contract, contract now terminated and deposit bank guarantee called subsequent to reporting date.

**Note 14. Short term borrowings**

	<b>31-Dec-14</b>	<b>30-Jun-14</b>
	<b>\$</b>	<b>\$</b>
Opening balance	26,595,744	-
Funds borrowed	-	28,130,251
Foreign exchange (gain) / loss	3,985,296	(1,534,507)
Closing balance	<u>30,581,040</u>	<u>26,595,744</u>

- (i) The short term borrowing represents a USD25 million facility due for repayment by 31 December 2014. The facility was refinanced during the period at a 25% per annum interest rate and shares issued. Refer Note 11.
- (ii) Subsequent to year end the facility principal was reduced by USD5 million dollars from funds raised from a second short term facility in the amount of USD6 million. The facility repayment date for the USD20 million balance was extended to 31 March 2015 at a 25% interest rate and the issue of 1 million fully paid ordinary shares.
- (iii) The principal balance of this facility will be settled prior to 31 March 2015 using proceeds due from a bank guarantee called on a construction contract terminated.

**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 2014 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 13<sup>th</sup> March 2014.



## INDEPENDENT AUDITOR'S REVIEW REPORT TO MEMBERS



Tel: +61 8 6382 4600  
Fax: +61 8 6382 4601  
www.bdo.com.au

38 Station Street  
Subiaco, WA 6008  
PO Box 700 West Perth WA 6872  
Australia

### 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 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 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 2014 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 2014 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 upon the receipt of a USD20 million bank guarantee in order to repay a short term loan facility of USD20 million due for repayment by 31 March 2015, the refinancing of a USD6 million finance facility due for repayment on 14 April 2015 and the successful raising of necessary funding through equity or debt facilities to fund future working capital requirements and the development of its Mba Delta project. 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 blue ink, appearing to read 'Dean Just', is written over a faint, larger 'BDO' logo.

**Dean Just**

**Director**

Perth, 13 March 2015