



16 March 2017

Australian Securities Exchange
Market Announcements Office
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

Dear Sir/Madam

Takeover bid by Waratah International (Asia) Limited for Amex Resources Limited – Target's Statement

We refer to the off-market takeover offer by Waratah International (Asia) Limited (**Waratah**) under Chapter 6 of the *Corporations Act 2001* (Cth) (**Corporations Act**) for all the shares in Amex Resources Limited ACN 089 826 237 (ASX:AXZ) (**Amex**).

We **attach**, in accordance with section 633(1) item 14 of the Corporations Act, a copy of Amex's target's statement.

The target's statement has been or will be lodged with the Australian Securities and Investments Commission and sent to Waratah today.

Yours sincerely

A handwritten signature in black ink, appearing to read "G. Dunlop", written in a cursive style.

Gary Dunlop
Company Secretary
Amex Resources Limited



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

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

ACCEPT

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

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

Key dates

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Offer closes (unless extended or withdrawn)*	5.00 pm (Perth time) on 26 April 2017

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

Important notices

Nature of this document

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

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

Defined terms

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

No account of personal circumstances

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

Disclaimer as to forward looking statements

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

Disclaimer as to information

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

Foreign jurisdictions

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

Privacy

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

Contents

Chairman's Letter	1
1 Reasons you should ACCEPT the Offer	2
2 Frequently asked questions	4
3 Directors' recommendation and intentions	7
4 Your choices as a Shareholder	9
5 Key features of the Offer	10
6 Important information for Amex Shareholders to consider	14
7 Australia taxation consequences	24
8 Additional information	26
9 Glossary and Interpretation	30
10 Authorisation	34
Annexure 1 – ASX Announcements	35
Corporate Directory	36

Chairman's Letter

16 March 2017

Dear Shareholder

Takeover offer by Waratah International (Asia) Limited

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

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

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

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

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

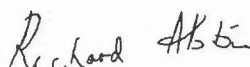
The Directors recommend that you read this Target's Statement in its entirety and in conjunction with the Bidder's Statement which is also enclosed.

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

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

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

Yours sincerely,



Hon Richard Alston
Non-Executive Chairman

1 Reasons you should ACCEPT the Offer

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

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

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

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

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

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

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

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

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

By accepting the Offer:

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

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

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

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

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

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

1.3 Remote likelihood of a Superior Proposal

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

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

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

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

This will have a number of possible consequences, including:

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

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

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

2 Frequently asked questions

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

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

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

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

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

3 Directors' recommendation and intentions

3.1 Directors of Amex

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

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

3.2 Unanimous views in respect of the Offer

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

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

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

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

3.3 Directors' recommendation to **ACCEPT** the Offer

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

3.4 Directors' reasons for their recommendation

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

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

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

3.5 Intentions of the Directors in respect of their own Shares

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

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

4 Your choices as a Shareholder

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

4.1 ACCEPT the Offer

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

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

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

4.2 Sell your Shares on market

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

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

4.3 Reject the Offer and do nothing

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

5 Key features of the Offer

5.1 Consideration under the Offer

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

5.2 Conditions to the Offer

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

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

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

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

5.3 Implications of Conditions not being satisfied

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

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

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

5.4 Notice of Status of Conditions

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

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

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

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

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

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

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

5.5 Offer Period

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

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

5.6 Extension of the Offer Period

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

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

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

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

5.7 Withdrawal of Offer

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

5.8 Effect of acceptance

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

5.9 Your ability to withdraw your acceptance

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

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

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

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

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

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

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

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

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

5.12 Compulsory acquisition

(a) Compulsory acquisition following takeover

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

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

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

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

(b) Later compulsory acquisition by 90% holder

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

5.13 Effect of the Offer on Amex Options

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

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

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

- the Offer being declared or otherwise becoming free from all defeating conditions to that takeover offer proceeding;
- Waratah obtaining a Relevant Interest in at least 90% of the issued shares in Amex at the end of the Offer Period; and

- the relevant Amex Options not having lapsed, expired, terminated, or ceased to exist prior to their cancellation.

6 Important information for Amex Shareholders to consider

6.1 The Offer

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

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

6.2 Information about Waratah

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

(a) Overview of Waratah

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

The Bidder's Statement indicates that:

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

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

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

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

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

(c) Waratah's intentions in respect of Amex

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

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

In summary:

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

6.3 Overview of Amex

(a) Overview

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

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

(b) The Mba Delta Project

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

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

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

(c) Status of tenements

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

(d) Major contracts

Construction contract with CCCC First Harbor Consultants Co. Ltd

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

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

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

Debt facilities

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

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

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

In addition to amounts owing to Fortunate Era Investments Limited:

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

Mr Zhang facilitated the provision of both of these loans.

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

Amex's Mineral Resource estimate is set out below:

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

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

(f) **Material litigation**

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

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

6.4 Historical financial information

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

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

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

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

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

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

(a) Financial information

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

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

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

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

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

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

(b) Capital structure

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

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

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

(c) Substantial shareholders

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

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

6.5 Risks relating to Amex, its business and assets

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

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

(a) Operational risks

Financing risks

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

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

Economic and commodity risks

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

Negative cash flow

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

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

Mining and exploration risks

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

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

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

Resource estimates

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

Environmental regulation

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

Reliance on key personnel

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

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

Insurance

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

Litigation

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

Foreign exchange risk

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

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

Approvals, licenses and permit requirements

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

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

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

Regulatory risks

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

Sovereign risk

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

(b) Risks relating to the ironsands industry

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

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

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

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

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

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

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

Commercialisation

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

(c) Investment risks

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

6.6 Amex's financing in the absence of the Offer

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

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

6.7 Minority ownership consequences

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

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

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

6.8 Alternatives to the Offer

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

6.9 Risks associated with accepting the Offer

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

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

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

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

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

(c) Possibility of a Superior Proposal emerging

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

7 Australia taxation consequences

7.1 Introduction

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

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

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

7.2 Income tax consequences

(a) Capital gain or loss

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

Australian resident Shareholder

An Australian resident Shareholder will make either:

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

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

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

Non-Australian resident Shareholder

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

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

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

(b) Capital proceeds

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

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

(c) Cost base

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

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

(d) CGT discount

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

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

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

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

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

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

7.3 Goods and services tax consequences

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

7.4 Stamp duty consequences

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

8 Additional information

8.1 Deal protection arrangements and break fee obligations

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

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

8.2 Interests and dealings in Amex securities

(a) Interests in Amex securities

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

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

(b) Dealings in Shares

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

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

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

8.3 Interests and dealings in securities of the Bidder

(a) Interests in the Bidder's securities

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

(b) Dealings in the Bidder's securities

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

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

8.4 Benefits and agreements

(a) Benefits in connection with retirement from office

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

(b) Agreements connected with or conditional on the Offer

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

(c) Benefits from the Bidder

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

(d) Interests of Directors in contracts with the Bidder

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

(e) Other

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

In particular:

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

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

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

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

8.5 Consents

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

However, Security Transfer Australia Pty Ltd:

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

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

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

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

8.6 Continuous disclosure

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

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

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

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

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

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

8.7 Early dispatch of takeover documents

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

8.8 No other material information

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

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

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

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

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

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

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

9 Glossary and Interpretation

9.1 Glossary

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

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

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

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

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

9.2 Interpretation

In this Target's Statement:

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

10 Authorisation

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

Signed for and on behalf of Amex:

16 March 2017

A handwritten signature in dark ink, appearing to read 'M. Collard', is written over a horizontal dotted line.

Mr Matthew Collard
Managing Director

Annexure 1 – ASX Announcements

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

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

Corporate Directory

Board of Directors

Hon Richard Alston – Non-Executive Chairman

Matthew John Collard – Managing Director

Yibo Qiu – Executive Director

Company Secretary

James Gary Dunlop

Registered Office

22 Emerald Terrace

West Perth WA 6005

Share Registry

Security Transfer Australia Pty Ltd

770 Canning Highway

Applecross WA 6153