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AMEX RESOURCES LIMITED

ABN 55 089 826 237

INTERIM FINANCIAL REPORT

For the half-year ended

31 December 2008

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This 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 2008 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.

Directors' report

Your directors present their report on the consolidated entity consisting of Amex Resources Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2008.

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:

Matthew Collard
Dudley John Kingsnorth
Yibo Qui

Timothy Putt was appointed a director on 8 July 2008 and continues in office at the date of this report. Mr. Nicholas Revell resigned as a director on the 9 July 2008.

Review and results of operations

During the half-year the economic entity made an operating net loss of (\$1,369,384) [31 December 2007: (\$831,109)].

This includes a non-cash write off of \$1,387,810 as a result of the directors' regular impairment review. This represents the capitalised value of surrendered tenements no longer considered feasible exploration targets.

The Company has continued to consolidate granted tenements through varying exploration techniques in order to identify potential ore bodies. The results from specific programs have enabled the Board to identify projects that warrant further exploration funding and surrender other tenements that do not provide sufficient encouragement to proceed with further exploration.

In addition, the Company has continued to progress with its project generation objectives focusing on organic growth. The Company is currently waiting on granting of its iron sands deposit (Mba Delta) pegged last year in Fiji, and is encouraged by the data that has been compiled on the target and the exploration program designed to validate previous results.

The Board resolved to deregister the subsidiary company established in Namibia. The decision was made on the basis that the commercial risk did not support the potential economic return for shareholders and the focus had been concentrated to assets that were economically obtainable allowing the majority of funds to be spent on exploration rather than acquisitions.

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.

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



Matthew Collard
Managing Director

Dated at Perth on the 26th February 2009



BDO Kendalls

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26 February 2009

The Directors
Amex Resources Limited
Level 3, IBM Building
1060 Hay Street
WEST PERTH WA 6005

Dear Sirs

DECLARATION OF INDEPENDENCE BY CHRIS BURTON TO THE DIRECTORS OF AMEX RESOURCES LIMITED

As lead auditor of Amex Resources Limited for the half year ended 31 December 2008, 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
- 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.

Chris Burton
Director

BDO Kendalls

BDO Kendalls Audit & Assurance (WA) Pty Ltd
Signed at Perth this Thursday the 26th of February 2009

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Amex Resources Limited
Consolidated income statement
For the half-year ended 31 December 2008

	Note	Half - year	
		2008	2007
		\$	\$
Revenue from continuing operations		85,148	30,916
Consulting fees		-	(29,767)
Employee benefits expense		(170,077)	(739,559)
Administration expenses		(109,765)	(88,023)
Capitalised exploration expenditure written off		(1,387,810)	-
Tenement maintenance expense		(17,769)	(4,676)
(Loss) before income tax		(1,600,273)	(831,109)
Income tax benefit	11	230,889	-
Loss from continuing operations for the half-year attributable to equity holders		(1,369,384)	(831,109)
Loss per share attributable to the ordinary equity holders of the company		Cents	Cents
Basic and diluted loss per share		(0.03)	(2.67)

The above consolidated income statement should be read in conjunction with the accompanying notes.

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	Note	31 December 2008 \$	30 June 2008 \$
ASSETS			
Current assets			
Cash and cash equivalents		1,820,369	2,216,244
Trade and other receivables		15,174	16,891
Other financial assets		4,015	4,015
Total current assets		<u>1,839,558</u>	<u>2,237,150</u>
Non-current assets			
Property, plant and equipment		4,199	5,786
Exploration and evaluation expenditure	8	1,718,109	2,929,869
Total non-current assets		<u>1,722,308</u>	<u>2,935,655</u>
Total assets		<u>3,561,866</u>	<u>5,172,805</u>
LIABILITIES			
Current liabilities			
Trade and other payables		71,996	82,662
Total current liabilities		<u>71,996</u>	<u>82,662</u>
Non-current liabilities			
Deferred tax liability	11	380,588	611,477
Total non-current liabilities		<u>380,588</u>	<u>611,477</u>
Total liabilities		<u>452,584</u>	<u>694,139</u>
Net assets		<u>3,109,282</u>	<u>4,478,666</u>
EQUITY			
Contributed equity		5,632,479	5,632,479
Option reserve		601,300	601,300
Accumulated losses		(3,124,497)	(1,755,112)
Total equity		<u>3,109,282</u>	<u>4,478,666</u>

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

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Amex Resources Limited
Consolidated statement of recognised income and expense
For the half-year ended 31 December 2008

	Half-year	
	2008	2007
	\$	\$
Loss for the half-year	<u>(1,369,384)</u>	<u>(831,109)</u>
Total recognised income and expense for the half-year	<u>(1,369,384)</u>	<u>(831,109)</u>
Total recognised income and expense for the half-year is attributable to:		
Members of Amex Resources Limited	<u>(1,369,384)</u>	<u>(831,109)</u>
	<u>(1,369,384)</u>	<u>(831,109)</u>

The above consolidated statement of income and expense should be read in conjunction with the accompanying notes.

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Amex Resources Limited
Consolidated cash flow statement
For the half-year ended 31 December 2008

	Half-year	
	2008	2007
	\$	\$
Cash flows from operating activities		
Interest received	85,148	30,917
Payments to suppliers and employees	(304,973)	(672,397)
Net cash outflow from operating activities	(219,825)	(641,480)
Cash flows from investing activities		
Payment for property, plant & equipment	-	(3,060)
Payment for capitalised exploration expenditure	(176,049)	-
Net cash outflow from investing activities	(176,049)	(3,060)
Cash flow from financing activities		
Proceeds from issue of shares	-	3,095,175
Net cash inflow from financing activities	-	3,095,175
Net (decrease)/increase in cash and cash equivalents	(395,874)	2,450,635
Cash and cash equivalents at the beginning of the half-year	2,216,244	150,338
Cash and cash equivalents at the end of the half year	1,820,369	2,600,973

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

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1. Basis of preparation of half-year report

This general purpose financial report for the interim half-year reporting period ended 31 December 2008 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This 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 2008 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.

2. Segment information

The company operates solely within the mining and exploration industry in Western Australia.

3. Loss for the half-year

The half-year loss reported in these interim financial statements does not include any items that are unusual because of their nature, size or incidence other than the write off of capitalised exploration expenditure per an impairment review undertaken by the board of directors in accordance with accounting standards. Refer note 8.

4. Dividends

No dividends were provided for as at, or paid during, the interim financial period ended 31 December 2008.

5. Equity securities issued

Ordinary shares

No ordinary shares have been issued during the interim financial period ended 31 December 2008.

Options

No options have been issued over ordinary shares during the interim financial period ended 31 December 2008.

6. Contingencies

No contingent liabilities or assets exist at balance date.

7 Events occurring after the balance sheet date

No material events have occurred subsequent to the end of this reporting period that would have an impact on the interpretation of these financial statements.

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8. Exploration expenditure - capitalised

	31 Dec 2008	30 June 2008
	\$ 000	\$ 000
Opening balance	2,929,869	1,410,080
Current years expenditure	176,049	1,519,789
Impairment	(1,387,810)	-
Closing balance	1,718,109	2,929,869

9. Related party transactions.

Mr. Timothy Putt, a director of the company, provided professional geological services during the period 1 July 2008 to 31 December 2008 in the amount of \$10,620 (2007 nil), through a company Exploration and Mining Information Systems Pty Ltd, in which he has a controlling interest. The transactions were on normal commercial terms and no more favourable than those available to other parties.

Mr. Putt has subsequently joined the executive team and is now an executive director.

10. Going concern

Directors believe the company can continue operating as a going concern. Funds on deposit comfortably exceed budgeted exploration expenditure and budget overhead costs for the following twelve month period. Liabilities can be settled as and when they fall due.

11. Deferred tax liability

Deferred tax liability has reduced by \$230,889 as a consequence of the recognition of impairment of assets acquired in the Teakdale acquisition. Refer note 8.

	31 Dec 2008	30 June 2008
	\$ 000	\$ 000
Opening balance	611,477	308,292
Movement during the period	(230,889)	303,185
Closing balance	380,588	611,477

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In the directors' opinion:

- a) The financial statements and notes set out on pages 5 - 10 are in accordance with the *Corporations Act 2001*, including:
 - i) Complying with accounting standards AASB 134 Interim Financial Reporting and the *Corporations Regulations*; and
 - ii) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 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
Director

Dated at Perth on this the 26th day of February 2009.

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF AMEX RESOURCES LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying consolidated half-year financial report of Amex Resources Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement that the half-year financial report has been prepared in accordance with AASB 134 *Interim Financial Reporting*, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year end or from time to time during the half-year in order for the disclosing entity to lodge the half-year financial report with the Australian Securities and Investments Commission.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation and fair presentation of the consolidated half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the disclosing entity's financial position as at 31 December 2008 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.

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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*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the consolidated 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 group's financial position as at 31 December 2008 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.

BDO Kendalls Audit and Assurance (WA) Pty Ltd

BDO Kendalls



Chris Burton

Director

Signed at Perth this Thursday the 26th of February 2009

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