



ALLIANCE MINERAL  
ASSETS LIMITED



CONTINUE TO  
**GROW &**  
ANNUAL REPORT **EVOLVE**  
2017



This Annual Report has been prepared by Alliance Mineral Assets Limited (the "Company") and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this Annual Report. The Sponsor has also not drawn on any specific technical expertise in its review of this Annual Report.

This Annual Report has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Annual Report including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Annual Report.

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship, (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: [sponsorship@ppcf.com.sg](mailto:sponsorship@ppcf.com.sg)).

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# CORPORATE PROFILE

Alliance Mineral Assets Limited's ("Alliance Mineral Assets" or "Company") vision is to become a leading producer of ethically sourced Lithium and Tantalite Concentrate through the development of Mineral Resources at its Bald Hill Project ("Project"), encompassing the Bald Hill Mine, processing plant and an extensive tenement portfolio in the Eastern Goldfields of Western Australia.

Listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 25 July 2014, Alliance Mineral Assets owns a complete processing and beneficiation treatment plant, infrastructure and working licenses ready to commence operations.

The highlight of the financial year ended 30 June 2017 ("FY2017") has been the successful exploration, evaluation and development of a lithium resource and reserve at Bald Hill, in addition to the tantalum resource and reserve already present. The Company has continued to enhance shareholder value through its diversification into lithium at the Bald Hill Project through the exploration and development joint venture with Lithco No. 2 Pty Ltd ("Lithco"), a wholly-owned subsidiary of Tawana Resources NL ("Tawana"), a company listed on the Australian Securities Exchange. The Lithium Rights Joint Venture Agreement ("LRJVA") between the Company and Lithco came into effect on 31 May 2017. While tantalum prices have remained weak during the financial year, recent indications<sup>1</sup> show signs of improvement. This puts the Company in a unique position to exploit and produce both lithium and tantalum.

The farm-in agreement with Lithco requires them to spend A\$7.5 million to earn 50% of Bald Hill's lithium rights with a further A\$12.5 million expenditure required to earn 50% of the Project, culminating in the formation of a 50/50 operational joint venture. During FY2017, Lithco completed its' A\$7.5 million spending on 31 May 2017 (and has earned the LRJVA) and has commenced further expenditure to earn a 50% interest in the project. To date, notwithstanding the Company has incurred minimum expenditure or development, it has derived the benefit of a maiden lithium resource published in June 2017 and maiden lithium reserves (on top of the maiden lithium resources) reported in the IQPR in August 2017 and is progressing swiftly on lithium development.

In April 2017, the Company entered into an lithium concentrate off-take agreement ("Agreement") with a wholly owned subsidiary of Burwill Holdings Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Stock Limited. As part of the Agreement, the Company had received A\$8.1 million out of a total prepayment of A\$12.5 million for the Agreement signed with Burwill. The Company is currently in discussions with Burwill in relation to, *inter alia*, the third and final prepayment of A\$4,375,000 from Burwill that was due on 15 September 2017 ("Amount Due") under the Agreement and certain other terms of the Agreement. This will assist the Company to fund the development of the Project and also de-risks the operation of the Project in delivering certainty over the selling price of its lithium concentrate.

To this end, the Company's focus as a leading producer of ethically sourced Lithium and Tantalite Producer has not changed. Our partnership with Lithco will contain the Company's risk profile and define additional resources and/or reserves for lithium, tantalum and other minerals (if any) in our tenement portfolio.

<sup>1</sup> Based on information on tantalum prices from <http://www.infomine.com> as at 26/09/17 date



**Alliance Mineral Assets' Vision  
is to be a leading producer of  
ethically sourced Tantalite  
and Lithium concentrates**



# LETTER TO SHAREHOLDERS



## Dear Shareholders,

FY2017 has been an exciting period for Alliance Mineral Assets Ltd (AMAL). The Company's diversification into Lithium, through the formation of an exploration and development joint venture with Lithco No. 2 Pty Ltd ("Lithco"), has set AMAL on a steep positive trajectory.

The Lithium Rights Joint Venture Agreement ("LRJVA") between the Company and Lithco, which came into effect at the end of May, represents a significant milestone in AMAL's short history.

Development of a lithium resource and reserve at Bald Hill, in

addition to existing tantalum resource and reserves, enables AMAL to exploit and produce both lithium and tantalum in the future. At a time when tantalum prices have generally been weak, this recalibration towards Lithium has been pivotal in enhancing shareholder value.

Now that the farm-in agreement with Lithco has been consummated, and Lithco's A\$12.5 million expenditure to earn half the Bald Hill project is well progressed, the formation of a 50/50 operational joint venture is imminent. At a time when Lithium is occupying centre stage in the international



resource arena, this partnership should continue to propel the Company to new heights.

With an off-take agreement also in place, project risk has been condensed and development accelerated thanks to certainty over pricing and product prepayment.

Fast-tracking lithium production has unlocked tremendous value for our shareholders, but has also, at times, been tremendously challenging. Our Board, Management and staff have demonstrated great agility in adapting and leveraging market conditions over the last year, and I am extremely proud of all of our achievements.

The outlook for AMAL continues to blossom; indeed it has never been better. We look forward to commissioning our lithium plant (currently under construction) and reporting our first lithium concentrate shipment in 2018.

On behalf of the Board of Directors and the Company, I would once more like to express our appreciation to our colleagues for their diligence and commitment.

We would also like to express our gratitude to all our shareholders for their loyalty and support. We sincerely hope that you will continue to place your faith in AMAL as we endeavour to unlock the full potential of our Bald Hill Project.

**Pauline Gately**  
**Non-Executive Chairman**  
**29 September 2017**

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Ms. Pauline Gately (Independent Non-Executive Chairman)  
Ms. Suen Sze Man (Executive Director)  
Mr. Mahtani Bhagwandas (Independent Director)  
Mr. Joshua Ong Kian Guan (Independent Director)

## COMPANY SECRETARY

Ms. Fiona Leaw Mun Ni

## REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Lakeside Corporate Building  
Unit 6, 24 Parkland Road  
Osborne Park WA 6017  
Australia  
Telephone: + 618 9388 8826  
Website: <http://www.alliancemineralassets.com.au>

## SHARE REGISTRAR AND SHARE TRANSFER OFFICE

Boardroom Corporate & Advisory Services Pte. Ltd.  
50 Raffles Place  
#32-01 Singapore Land Tower  
Singapore 048623

## CONTINUING SPONSOR

PrimePartners Corporate Finance Pte. Ltd.  
16 Collyer Quay  
#10-00 Income At Raffles  
Singapore 049318

## AUDITORS

Ernst & Young  
The Ernst & Young Building  
11 Mounts Bay Road  
Perth WA 6000, Australia

Partner-in-charge: Michael Hoang  
Date of appointment: Since financial year ended  
30 June 2015



# FINANCIAL HIGHLIGHTS

## FINANCIAL REVIEW

		FY2017	FY2016
<b>FOR THE FINANCIAL YEAR</b>			
Revenue and other income	AUD \$	355,631	157,302
Total expenses	AUD \$	(4,985,066)	(2,639,307)
Foreign exchange (loss)/gain	AUD \$	(174,424)	110,859
Loss before income tax	AUD \$	(4,803,859)	(2,371,146)
Income tax expense	AUD \$	–	(1,710,948)
Loss after tax	AUD \$	(4,803,859)	(4,082,094)

## AT YEAR END

Total assets	AUD \$	22,595,435	24,284,331
Total shareholder's equity	AUD \$	14,427,855	17,845,780
Total liabilities	AUD \$	8,167,580	6,438,551
Cash and cash equivalents	AUD \$	2,857,090	5,389,663
Debt to equity ratio <sup>(1)</sup>	%	17.2	27.2

## PER SHARE

Loss per share			
– Basic and diluted <sup>(2)</sup>	AUD ¢	(1.0)	(1.0)
Net asset value			
– Per ordinary share	AUD ¢	3.0	3.7

### Notes:

- (1) The debt to equity ratio reduced from 27.2% as at 30 June 2016 to 17.2% as at 30 June 2017 mainly due to the repayment of Living Waters Mining (Australia) Pty Ltd ("LWM") (the "Living Waters Loan"), the repayment of the bank loan and finance leases undertaken for the purchase of motor vehicles. This is partially offset by the accretion of notional interest on the loan owing to LWM.
- (2) The basic and diluted loss per share for the financial year ended 30 June 2017 ("FY2017") and the financial year ended 30 June 2016 ("FY2016") were the same as the 11,400,000 options which are exercisable into 11,400,000 new ordinary shares of the Company are anti-dilutive as at 30 June 2017 and there were no potentially dilutive ordinary shares in issue as at 30 June 2016.

## FINANCIAL HIGHLIGHTS

	FY2017 A\$	FY2016 A\$	Change %
Interest income	35,013	22,742	54
Other income	320,618	134,560	138
(Loss)/Gain on foreign exchange	(174,424)	110,859	n.m
Loss on disposal of assets	(1,972)	(15,417)	(87)
Accounting and audit expenses	(186,020)	(146,407)	27
Consulting and directors' fees	(273,777)	(343,999)	(20)
Tenement expenses	–	(175,882)	n.m
Administrative expenses	(1,826,635)	(680,952)	168
Employee salaries and other benefits expenses	(368,596)	(489,025)	(25)
Site operating expenses	(1,840,434)	–	n.m
Borrowing costs	(487,632)	(787,625)	(38)
<b>Loss before income tax</b>	<b>(4,803,859)</b>	<b>(2,371,146)</b>	<b>103</b>
Income tax expense	–	(1,710,948)	n.m
<b>Loss after tax</b>	<b>(4,803,859)</b>	<b>(4,082,094)</b>	<b>18</b>
<b>Other comprehensive income</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total comprehensive loss for the financial year attributable to owners of the Company</b>	<b>(4,803,859)</b>	<b>(4,082,094)</b>	<b>18</b>

(i) n.m = not meaningful

### Revenue

There was no revenue in FY2017 and FY2016 as the Company had not commenced the commercial production and sale of Tantalite concentrate.

### Interest income

Interest income of A\$35,013 in FY2017 (FY2016: A\$22,742) was higher mainly due to a higher amount of AUD short-term deposits placed.

### Other income

Other income of A\$320,618 (FY2016: A\$134,560) relates to income earned from provision of mining camp accommodation and other facilities, and administration services to Lithco of A\$286,805 and an adjustment to the R&D Tax Rebate accrual receivable for FY2016.

### Loss on foreign exchange

The loss on foreign exchange of A\$174,424 (FY2016: A\$110,859 gain) was mainly due to the weakening of the Singapore dollar in FY2017.

### Accounting and audit expenses

Accounting and audit expenses increased from A\$146,407 in FY2016 to A\$186,020 in FY2017 due to accounting consultant being engaged by the Company instead of full time employees (who are paid salaries) in FY2017.

### Administrative expenses

Administrative expenses increased by A\$1,145,683 or 168% from A\$680,952 in FY2016 to A\$1,826,635 in FY2017 mainly due to the cost of options issued to the Company's corporate advisor, Canaccord Genuity (Australia) Ltd, under the terms of their engagement as compensation for their services. The



## FINANCIAL HIGHLIGHTS

value of the options issued is A\$943,519. Excluding this one-off expense, administrative expenses increased by A\$202,164 due to an increase in investor relations and regulatory costs, legal fees and international travel expenses as a result of the ongoing Proposed Transaction (as defined herein) with Lithco.

### Employment expenses

Employment expenses of A\$368,596 in FY2017 decreased from A\$489,025 in FY2016 mainly due to a reduction in full time employees of the Company.

### Borrowing costs

Borrowing costs decreased from A\$787,625 in FY2016 to \$487,632 in FY2017 due mainly to the decrease in notional interest on the amount owing to LWM as a result of instalment payments made.

The aforementioned notional interest expenses arise from the Company's financial liabilities held at amortised cost whereby the initial carrying value of the liability is accreted to its principal amount over the life of the loan. This accretion is recognised as a borrowing cost.

### Site operating costs

Site operating costs of A\$1,840,434 in FY2017 relates to costs incurred to maintain the Bald Hill Mine Site (which was previously capitalised as mine development costs) as the Company is now focused on lithium exploration as prescribed under the on-going Proposed Transaction (as defined herein) with Lithco.

The Company had on 3rd June 2016 signed a binding term sheet with Lithco No. 2 Pty Ltd ("Lithco"), pursuant to which the Company and Lithco have agreed upon the principal terms for, amongst other things, the establishment of a farm-in and joint venture arrangements with respect to the Company's Bald Hill project ("Bald Hill Project") ("Proposed Transaction"). Lithco had in 31 May 2017 earned in to a 50% joint venture interest in all rights to lithium minerals on the Tenements, including rights to explore and mine for lithium on the Tenements and accordingly, the Company and Lithco,

with effect from 31 May 2017 is governed under the Lithium Rights Joint Venture Agreement ("LRJVA") entered into on 10 April 2017. Lithco is currently earning in to a 50% joint venture interest in the overall Bald Hill Project.

### Tenement expenses

Tenement expenses are nil in FY2017 as these costs incurred are now classified as site operating costs.

### Loss before income tax

In view of the foregoing, loss before taxation increased from A\$2,371,146 in FY2016 to A\$4,803,859 in FY2017.

## FINANCIAL POSITION

(AUD \$)	FY2017	FY2016	Change %
Non-current assets	15,800,396	16,723,776	(6)
Current assets	6,795,039	7,560,555	(10)
<b>Total assets</b>	<b>22,595,435</b>	<b>24,284,331</b>	<b>(7)</b>
<b>Total equity</b>	<b>14,427,855</b>	<b>17,845,780</b>	<b>(19)</b>
Non-current liabilities	1,096,307	1,783,005	(39)
Current liabilities	7,071,273	4,655,546	52
<b>Total liabilities</b>	<b>8,167,580</b>	<b>6,438,551</b>	<b>27</b>

### Non-current assets

As at 30 June 2017, the Company's non-current assets of A\$15,800,396 accounted for 70% of its total assets. Non-current assets comprised mine development and property, plant and equipment.

Mine development increased by A\$418,356 due to costs incurred of A\$596,565 under the Bald Hill Lithium exploration joint venture with Lithco which was formed on 31 May 2017 offset by the sale of the remaining tantalum produced during the commissioning phase of the Bald Hill Project which took place in 2015 and 2016.

Property, plant and equipment decreased by A\$1,341,736 to A\$12,294,022 mainly due to depreciation of \$1,317,437.

## FINANCIAL HIGHLIGHTS

### Current assets

As at 30 June 2017, the Company's current assets of A\$6,795,039, represents 30% of its total assets. Current assets as at 30 June 2017 consist of cash and cash equivalents, restricted cash, other receivables and prepayments.

Cash and cash equivalents of A\$2,857,090 decreased by A\$2,532,573 pursuant to expenditure relating to the maintenance of the Bald Hill Mine Site, repayment of the loan from Living Waters Mining and associated administration overheads offset by the receipt of the R&D Tax Rebate and proceeds from the sale of tantalum.

Other receivables decreased by A\$2,000,045 to A\$147,600 mainly as a result of the foreign exchange loss and closure of the Singapore dollar term deposit (S\$1.03 million), funds of which were used to repay the Singapore dollar loan during 2Q FY2017 and the receipt of the R&D Tax Refund (A\$1.1 million) during 3Q FY2017.

Other current assets comprised prepayments of A\$30,646 from insurance premium prepaid and expensed over the period of insurance cover and restricted cash of A\$3,759,703 relating to funds received from Burwill as a prepayment under the Lithium Offtake Agreement as announced on 20 April 2017. The classification arises as there are certain conditions precedent remaining to be satisfied under the terms of the agreement.

### Non-current liabilities

As at 30 June 2017, the Company's non-current liabilities of A\$1,096,307 represented 13% of its total liabilities. Non-current liabilities relates to the provision for rehabilitation required at the Bald Hill Mine and interest bearing loans and borrowings.

There were no trade and other payables (i.e. amount due to controlling entity, Living Waters Mining (Australia) Pty Ltd ("LWM")) ("Living Waters Loan") as at 30 June 2017 (30 June 2016: A\$669,511) due to the re-classification to current liabilities in accordance with its repayment terms.



Provision for rehabilitation of A\$1,078,987 represents management's best estimate as at balance sheet date to rehabilitate the existing Bald Hill Mine Site.

Interest bearing loans and borrowing of A\$17,320 decreased slightly from A\$34,507 as at 30 June 2016 due to repayments of the principal amount of the finance leases for motor vehicles.

### Current liabilities

As at 30 June 2017, the Company's current liabilities of A\$7,071,273 representing 87% of its total liabilities comprised trade and other payables, employee benefit liabilities and interest bearing loans and borrowings.

Trade and other payables increased by A\$3,415,467 to A\$7,001,220 mainly attributable to the increase in other payables of A\$596,565 representing a cash call owing to Lithco, the manager of the Bald Hill Lithium exploration joint venture under the terms of the LRJVA and funds received under the lithium concentrate offtake agreement of A\$3,701,822 which is still subject to a number of conditions precedent to be satisfied as at 30 June 2017, offset by the repayment of a portion of the Living Waters Loan, and a reduction in trade payables due to the reduction in activity pursuant to the Proposed Transaction.

Employee benefit liabilities increased by A\$7,397 to A\$45,002 as a result of the movement in annual leave accruals for the Company's employees.

## FINANCIAL HIGHLIGHTS

Interest bearing loans and borrowings, amounting to A\$25,051 as at 30 June 2017, reduced by A\$1,007,137 mainly due to the repayment of the Singapore dollar loan (S\$1.03 million) out of the proceeds from the Singapore dollar term deposit, offset by the increase of insurance premium funding in line with the insurance program renewal.

### Working Capital

The Company has a negative working capital of A\$276,234 as at 30 June 2017 mainly due to a A\$669,511 portion of the Living Waters Loan being reclassified from non-current to current. This is on the assumption that the Company will be cash flow positive within the next 12 months as a result of the development and construction of the Bald Hill Project.

### CASH FLOW

(AUD \$)	FY2017	FY2016
Net cash used in operating expenses	(1,905,843)	(842,668)
Net cash provided by/(used in) investing expenses	1,906,151	(2,656,439)
Net cash from/(used in) financing activities	(2,358,457)	4,921,774
Net increase/(decrease) in cash and cash equivalents	(2,358,149)	1,422,667

In FY2017, the Company recorded a net cash outflow from operating activities of A\$1,905,841 which comprised payments made to suppliers and employees of A\$2,520,802, interests for finance lease and SGD Bank Loan of A\$10,838, offset by R&D Tax Refund on operating expenditure received of A\$399,774, other income received of A\$191,010 and interest received from bank deposits of A\$35,013.

Net cash inflow from investing activities amounted to A\$1,906,151, which was mainly attributable to proceeds from the sale of tantalum produced during the commissioning phase of the Bald Hill Project in FY2016 of \$187,574, R&D tax refund received on capital expenditure of A\$705,619 and proceeds on redemption of the fixed deposit used to repay the secured loan.

Net cash outflow from financing activities amounted to A\$2,358,457 which were as a result of, repayment of the Singapore dollar loan of A\$942,907, payment in insurance premium funding of A\$169,961, repayment of hire purchase of A\$17,187 and repayment of Living Waters Loan of A\$1,388,532 in accordance with the Agreement, offset by receipt from insurance premium funding of A\$160,130.

As at 30 June 2017, the Company's cash and cash equivalents amounted to A\$2,857,090.





# BOARD OF DIRECTORS

Our Board of Directors is entrusted with the responsibility for the overall management of our Company. The particulars of each of our Directors are set out below:

Name	Age	Position in our Company
Pauline Gately	56	Independent Non-Executive Chairman
Suen Sze Man	49	Executive Director
Mahtani Bhagwandas	50	Independent Director
Ong Kian Guan	49	Independent Director

Information on the business and working experience, education and professional qualifications, if any, and areas of responsibilities/key principal commitments of our Directors are set out below:

## Pauline Gately

*Independent Non-Executive Chairman*

**Pauline Gately** joined our Company in June 2011 and was appointed as Independent Non-Executive Chairman in 2014. Our company is the only board Pauline currently sits as independent Non-Executive Chairman. An investment banking veteran with more than twenty years' experience, Pauline currently provides consulting advice to corporates and sits on the Board of a Western Australian Cancer Charity.

Prior to joining Alliance, Pauline served as a senior consultant at one of Australia's leading economic consultancies. During her tenure in Asia from 1986 through 2000, Pauline was a Director of Merrill Lynch and Deutsche Bank in Hong Kong. As Head of Investment Strategy for the Asia Pacific Region, Pauline forecast macroeconomic conditions and investment prospects across nine East Asian countries.

In the course of her work, Pauline has advised Asian, European and US institutions on a broad range of economic and financial issues of importance to institutional investors, industry and governments. She has led seminars on Asian Economics and Investment Strategy for institutions such as the Investment Arm of the Government of Singapore and World Economic Congress, and has written extensively on global economics

and investment prospects. In this regard, she worked with personnel from the Hong Kong Government's economic think-tank prior to the Handover of Hong Kong in 1997 and, in 2006, served as a technical advisor to the Ministry of Finance of the People's Republic of China.

A native of Scotland, Pauline earned an undergraduate honours degree in economics from Strathclyde University and a postgraduate diploma in accounting from Glasgow University.

## Suen Sze Man

*Executive Director*

**Suen Sze Man** joined our Company on 6 December 2010 as an Executive Director. As a founder of our Company, she procured, mobilised and organised relevant experienced staff and resources for the setting up of our business and operations. She is currently responsible for devising the business direction of our Company and overseeing the management of mining proposals and Tenements in relation to the Bald Hill Project. In 1990, Suen Sze Man was appointed as a non-executive director of Sun Kong Pty. Ltd, a company which specialised in the export of raw wool from Australia into China, between 1991 and 1997. In 1998, Suen Sze Man was appointed as a director in D & S Trading Pty Ltd, a family holding company involved in a number of businesses ranging from building and construction to health supplements. Initially, Suen Sze Man conducted her own import and distribution agreements for building and landscaping materials and was later involved in the importation and distribution of health supplements in Australia.

In 1999, Suen Sze Man was appointed as a director of Indo Expo Building Products Pty Ltd, a company which specialised in the supply of building and construction materials and services such as granite and marble. In this position, Suen Sze Man gained her initial experience in the mining industry. Between 2005 and 2010, Suen Sze Man was appointed as an executive director of Cell-Tech Suisse Pty Ltd, a company which specialised in stem cell transplantation services.

Suen Sze Man obtained a Bachelor of Business from Edith Cowan University, Western Australia, in 1994.

Suen Sze Man is the spouse of the Company's Chief Executive Officer, Tandara Pramoko.

## BOARD OF DIRECTORS

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### Mahtani Bhagwandas

*Independent Director*

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**Mahtani Bhagwandas** joined our Company on 11 April 2014 as an Independent Director. He graduated from the National University of Singapore with a Bachelor of Laws (Honours) degree in 1992 and has been practicing as an advocate and solicitor of the Supreme Court of Singapore since 1993. He is currently the senior partner of LegalStandard LLP, a law firm in Singapore which firm specializes in commercial/corporate practice.

Apart from legal practice, Mahtani Bhagwandas is currently also the Independent Director of GRP Limited and SBI Offshore Limited respectively, companies listed on the Singapore Exchange. He has held, and continues, to hold directorships in several private companies. In the course of all his directorships, Mahtani Bhagwandas has chaired Audit, Nominating, Remuneration and Board Risk Committees.

Separately, and on charitable and social matters, Mahtani Bhagwandas has been, and continues to be involved in such organizations, essentially as a honorary legal advisor.

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### Ong Kian Guan

*Independent Director*

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**Ong Kian Guan** joined our Company on 20 June 2014, as an Independent Director. He has been an Audit Partner with Baker Tilly TFW LLP since 2005, where he is currently the Head of its Assurance and Capital Market practices. He was the Chief Financial Officer of Medtecs International Corporation Limited from 2002 till 2004. Between 1992 to 2002, Ong Kian Guan was an auditor with international accounting firms and his last position held was a Senior Audit Manager with Arthur Andersen LLP, Singapore. He is currently also the Independent director and Chairman of audit committees of Serrano Limited and Weiye Holdings Limited which are listed on SGX-ST, and China XLX Fertilisers Ltd, a company listed on Hong Kong Stock Exchange.

Ong Kian Guan obtained a Bachelor of Accountancy from Nanyang Technological University in 1992. He is a fellow of the Institute of Singapore Chartered Accountants ("ISCA"). He is a currently a member of the Investigation and Disiplinary panel, and has also previously served as a member of the Auditing and Assurance committee of ISCA.

# SENIOR MANAGEMENT

The day-to-day operations are entrusted to our Executive Director and Chief Executive Officer who are assisted by an experienced and qualified team of Executive Officer and staff. The particulars of our Chief Executive Officer and Executive Officer are set out below:

Name	Age	Principal Occupation
Tjandra Pramoko	47	Chief Executive Officer
Fiona Mun Ni Leaw	45	Company Secretary

The business and working experience, education and professional qualifications, if any, and areas of responsibility of our Executive Officers are set out below:

**Tjandra Pramoko** joined our Company in 2014 as a Chief Executive Officer. He founded our Company in 2010 to engage in the business of exploration and exploitation of the Bald Hill Project. His present responsibility as Chief Executive Officer of our Company includes general business development, through liaising with existing and potential mining contractors as well as identifying new business opportunities. He is also in charge of overseeing the project management at the Bald Hill Tantalite Mine Site. In 1992, Tjandra Pramoko was appointed as a Director of Indo Expo Building Products Pty Ltd, a company engaged in the supply of building and construction materials and services, including granite and marble. In 1993, Tjandra Pramoko joined Acetrend Pty Ltd as a Director, and subsequently served as a Director in Ausindo Imports & Exports Pty Ltd, a construction materials company, between 1994 and 2009. In 1996, Tjandra Pramoko joined Ausita Constructions Pty Ltd, a family holding company as a Director, a position which he held until 1997.

In 2002, Tjandra Pramoko joined Hardrock Minerals Pty Ltd as a director. Hardrock Minerals Pty Ltd is engaged in the mining, fabrication and distribution of tiger iron gemstones. Between 2003 and 2005, he was appointed as a Director of La Moda Marble and Granite Pty Ltd, a company supplying granite and marble. In 2005, Tjandra Pramoko joined Oz Gem Pty Ltd, which primarily deals in the exploration and extraction of precious stones, as a Director. Between 2006 and 2008, Tjandra Pramoko joined R&T Earthmoving & Demolition Pty Ltd. as a Director.

Between 2008 to 2014, Tjandra Pramoko was a Director in Zen Mining Pty Ltd which was previously in the business of mining of tiger iron gemstones. He was also the Director in Zen Minerals Pty Ltd which is involved in the exploration, mining and processing of blue lepidolite gemstones during the same period.

From 2009 to present, Tjandra Pramoko was appointed as a Director of Living Waters Mining, the Controlling Shareholder. In 2010, he founded our Company together with our Executive Director, Suen Sze Man.

Tjandra graduated with a Bachelor of Business from Edith Cowan University, Western Australia in 1995.

Tjandra Pramoko is the spouse of the Company's Executive Director, Suen Sze Man.

**Fiona Leaw Mun Ni** was appointed as Company Secretary on 21 May 2014. She holds a Bachelor of Commerce from Edith Cowan University, Western Australia and is a member of the Australian Certified Practising Accountants. From 2007 to 2008, she worked for Westnet Infrastructure Group as their corporate accountant. During 2009-2010, Fiona worked for Department of Environment and Conservation and Department of Agriculture, both are divisions of the Government of Western Australia performing an Accounts Executive role within its IT and Procurement departments. From 2010 to early 2014 Fiona was solely in charge of all preparation of financial accounts for our Company for audit. Currently she performs all the corporate secretarial duties which includes the sending out notices of meeting, coordinating the signing and filing of minutes of meetings prepared by DMS Corporate Services Pte. Ltd. and following up Company announcements to be loaded onto the website. Aside from performing our corporate secretarial work, she assists with accounting and administrative matters for our Bald Hill Mine Site.



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**Our determination for growth is backed by the strengths in our Bald Hill project and our ability to evolve to market conditions whilst maintaining a consistent focus towards expansion and production.**

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# OPERATIONS REVIEW



## Overview

During the financial year under review, the Bald Hill project has evolved from being a tantalite project to a lithium/tantalite project that is on track for mining in 2017 and first product exports in 2018.

As announced by the Company on 3rd June 2016, AMAL signed a binding terms sheet with Lithco No. 2 Pty Ltd ("Lithco"), a wholly owned subsidiary of Tawana Resources Limited. This agreement granted Lithco sole and exclusive exploration and prospecting rights over all minerals within an area enclosed by the external boundaries of the Company's tenements and within an agreed 10 km radius of the tenements. Lithco undertook to spend, by 31st December 2017 (or such later date as mutually agreed by the Company and Lithco), a minimum of A\$7,500,000 on exploration, evaluation, and

feasibility (including administrative and other overhead costs in relation thereto) to entitle Lithco to 50% of all rights to lithium minerals from the tenements; and spend a further A\$12,500,000 in capital expenditure required for upgrading and converting the Plant for processing ore derived from the tenement area, infrastructure costs, pre-stripping activities and other expenditures including operating costs entitling Lithco to a 50% legal and beneficial interest in the whole Project. As announced by the Company on the 28th June 2017, Lithco had earned their 50% of all rights to the lithium minerals from the tenements having spent the required A\$7,500,000 on exploration and mine development on the Bald Hill tenements. Accordingly, the Lithium Rights Joint Venture ("Lithium Rights JVA") entered into between the parties on the 10th of April 2017, came into effect on the 31st May 2017, as determined by an independent auditor on the 23rd June 2017.

## OPERATIONS REVIEW

The development of the Bald Hill project has progressed markedly during the financial year with the Joint Venture partner Lithco focusing on the lithium potential of the project's pegmatite's. Lithco, during the financial year, have completed a substantial drilling program and metallurgical test work that has been followed up with a Pre-Feasibility Study ("PFS").

Key findings of the PFS are that the lithium concentrate liberates easily, is clean and of high grade (6.0+% Li<sub>2</sub>O) and that the Project is commercially and economical viable with the Project economics highly positive with a modest capital expenditure. Tawana concluded that the PFS demonstrates there are workable mining, processing, transport and shipping options for the production of lithium and tantalite concentrates. The PFS was based on a AACE Class 3 estimate demonstrating that and IRR of 185% with project payback of <1 year.

### Project Management

As part of earn in obligations, Lithco is undertaking the management of the project delivery whilst the Company, through its Project Director, undertakes an oversight and review function monitoring all project activities, approvals and expenditure. As the project is fast track, ensuring that all project decisions (be it engineering or commercial) are made in the correct framework and management systems is critical. Hence, AMAL have taken substantial steps that all project decisions are conducted in industry standard formats that are auditable. Third party oversight by companies such as CSA Global, a reputable mining industry consultancy firm, are retained by AMAL to undertake due diligence reviews as required.

The project is underway and running to schedule and budget baselining from the PFS and the levels of accuracy contained therein (at the time writing on 29 September 2017). As with any project, it has been broken down into several key categories with works assigned to "area managers" responsible for schedule and budget. An outline of these "areas" is given below with updates at the time of writing (29 September 2017).

The selection and shortlisting of contractors/suppliers has been the subject of a structured, industry standard selection system that assesses each contractor's competencies

(technical, HSE, commercial and financial). A weighting system is then applied against each competency to form the basis of the recommendation for award. Price is not the primary driver in selection.

The project has been subject to several formal risk assessments undertaken by third party service providers (Battery Limits Technology) in line Department of Mines, Industry Regulation and Safety and standard project management guidelines. Items identifying unacceptable levels of risks are then assigned to a "risk champion" whose task is to develop and implement mitigation strategies and close out. The register is managed by Lithco as part of their Project Management Role. The register is updated and reviewed weekly by the respective Company and Lithco Project Directors. It remains a "living" document for the life of the project and operations.

### Engineering, Procurement Construction (EPC) Contract

Primero has been appointed as the EPC contractor for the design, fabrication, testing and commissioning of the Dense Media Separation Plant (DMS). Primero has an extensive track record in the design, installation, commissioning, testing and operations of process plants. Their clients/projects are specific to Lithium and Tantalum include Galaxy (Mt Cattlin), Pilbara Minerals and Global Advanced Metals (various sites). The experienced gained on these and other projects has substantially de-risked the DMS plant design, commissioning and operation for the Joint Venture, giving confidence in achieving shipment dates required under the off-take agreement.

Primero EPC Progress (as of 29 September 2017): –

- 70% of the EPC design is complete
- Full Site mobilisation completed week 4 of June 2017
- Civil, concrete and earth works are well progressed ready for structural steel and plant installation
- Bulk earthworks associated with DMS completed
- Buried services installation underway
- All major plant ordered and deliveries underway
- Structural steel is being assembled on site

# OPERATIONS REVIEW

Primero is currently on schedule to meet first Lithium Concentrate (nominal 6.0+%Li<sub>2</sub>O) shipments by the 31st March 2018  
Gallery of Site works:



Superimposed DMS Plant View



Thickener Footings



DMS Plant Slab



DMS Plant Slab



Structural Steel Assembly



Structural Steel Assembly



Area 130 Concrete Pour

## OPERATIONS REVIEW



Bald Hill project construction aerial view



Screen on Site



Cyclones and Distributors



Feed Bin Walls and Equipment Pads

### Mining

Tawana completed a mining study on the drill-defined mineralisation covering the Bald Hill Mine prospects. The defined mineralisation comprised a block model of the Lithium and Tantalite Mineral Resource in the area surrounding the 5 existing open pits, located about 1-2 km south-south-west of the existing processing facilities. The mineralisation is near surface and was amenable to open pit mining.

Using conceptual mine plans, a number of mining contractors were requested to provide budgetary pricing for open pit mining, and these costs were used to build up mining costs included in cost assumptions for the PFS.

To establish mineable quantities and grades, optimisations were completed on the latest resource model built by CSA Global in June 2017. These results were then analysed with a set of current price and cost assumptions to determine their respective value and an optimal shell was selected for the study based on both value and risk.

Pit shells were used as stage designs and from these a mine production schedule was completed for the life of the mine.

The mine schedule was completed using Maptek Evolution scheduling software after importing the updated resource model from Vulcan. Using a cut-off grade of 0.39%  $\text{Li}_2\text{O}$  for indicated ore only and iterations of the mining schedule were run to maximise early grade while balancing waste movement.

# OPERATIONS REVIEW

Assessment of the mining schedule shows that shell selection has targeted early higher-grade lithium ore and effective stage designs will be important for the creation of robust production schedules.

The schedule was based on excavator productivities matched with fleets of 100 t class dump trucks and practical minimum mining areas of 30 m.

Development of the mine schedule is ongoing with final agreed version to be issued in prior to mining commencement.

## Mining Contractors

Three mining contractors have been shortlisted and are currently being assessed as per tender process previously described. Award is anticipated in the first week of October with site mobilisation immediately thereafter. All contractors shortlisted have requisite equipment and staff available for an immediate start on site.

## Crushing

A contract crushing operation will produce P100 = 10mm crushed ore to be fed to the processing plant. The existing tantalum plant will be fed with discrete parcels of high tantalite bearing ore on a toll basis. Tantalum and Lithium ore stockpiles are segregated based on ore type and quality.

Tenders for crushing contractors were issued during second week of September 2017 with award expected by mid October 2017. Mobilisation is planned for late November 2017 with crushing commencing January 2018 in order to meet DMS plant commissioning targets.

## Fuel Supply and Storage

A full engineering assessment of fuel usage has been made based with tenders called and likely award by early October 2017. The fuel supply system will comprise self-bunded 110 kl tanks, loading, offloading, piping and dispensing system to end use points. The system is modular allowing expansion as the mining operations ramp up further. Tender closed on 8 September 2017 with 6 tenders submitted. Mobilisation is expected by end of October 2017.

## Power Generation

Similar to the fuel storage systems, the Power Station comprised modular packaged diesel generators. This type of arrangement was selected as it allows for simplified installation and quick changeout should an individual unit fail. The tenders for the power station supply and installation closed in early September with award anticipated in early October 2017. It is expected that the power plant will be on site by end of October.

## Site Buildings

All site buildings were delivered on 4th September 2017 and are progressively being put into service. The site buildings include all offices, laboratory, communications huts, lunchrooms, ablutions etc.

## Communications

The site microwave tower is now installed and the fit out of the site communications system is ongoing. This system extends to the accommodation villages providing better internet and phone capabilities for operational and construction staff.

## NPI Contract

The NPI tender closed on the 14 September 2017 with award expected W2 of October. NPI involves the design supply and installation of: –

- Site store buildings
- Power, water and diesel reticulation
- Non-mine roads, carparks and drainage
- Paths and walk ways
- Loading areas etc

## Tailings Storage (TSF)

Bald Hill Project has license to operate 2 existing in pit tailings storage facilities which will be used for commencement of operations up until approximately June 2018. Designs and approval documents are currently being completed for a new TSF to be constructed starting end of Q1 2018.

## OPERATIONS REVIEW

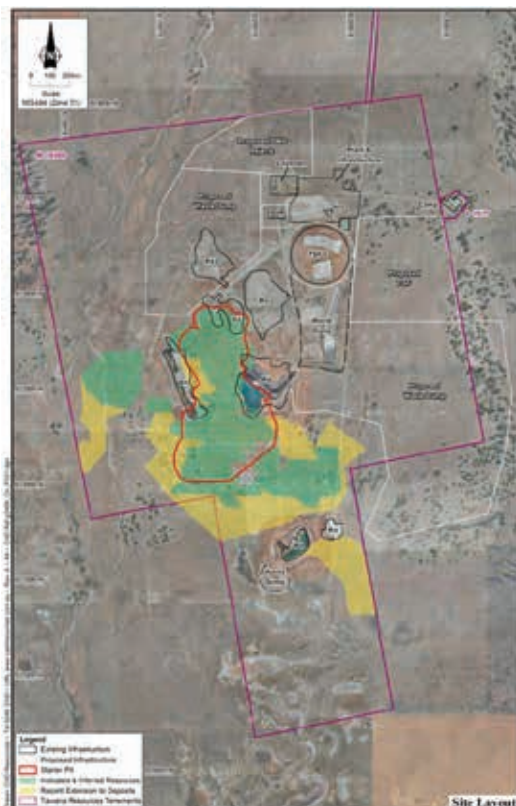
### Tantalum Plant

A study on the Tantalum Plant design and configuration has been completed and three product production streams have been identified. Detailed engineering for these streams has commenced but construction works for at least one of the streams maybe delayed due to availability of site infrastructure and accommodation. Current estimates have stream T2 (lithium fines) and T3 Jig circuit operational at start up. Stream 1, the ore feed, should be operational 4 to 8 weeks after energising the DMS plant.

### Exploration

#### Mineral Resources and Reserve

Since 2016 Annual Report, Lithco have effectively re-drilled the previously reported central deposits and re-estimated the resources for this area, this time including an estimate of the lithium content of these resources. As a result of this work the previously reported resources for the Central and Hillside deposits have been superseded by the resource and reserves estimates as at 11 July 2017 as set out in the Independent Qualified Person Report dated 7 August 2017. The areas covered by the Lithco modelling and the remaining previous AMC and Varley models are shown in yellow and green. As a result, there has been an overall substantial net increase of the Bald Hill Project resources to some 19 million tonnes of tantalite and spodumene ore, yellow.



Areas covered by previous resource models at Boreline (Green) and Creekside (Yellow) and Lithco resource model (Orange = Indicated, Blue = Inferred).

# OPERATIONS REVIEW

Category	Mineral Type	Gross Attributable to Licence			Net Attributable to Issuer			
		Tonnes (millions)	Grade Ta <sub>2</sub> O <sub>5</sub> (ppm)	Grade Li <sub>2</sub> O (%)	Tonnes (millions)	Grade Ta <sub>2</sub> O <sub>5</sub> (ppm)	#Grade Li <sub>2</sub> O (%)	Change from previous update (tonnes %)
<b>Reserves – Central (Lithco, 2017)</b>								
Proved	Tantalum**	0.0	0	0.00	0.0	0	0.00	0
Probable	Tantalum**	1.4	317	0.21	1.4	317	0.11	7000%
<b>Total</b>	<b>Tantalum</b>	<b>1.4</b>	<b>317</b>	<b>0.21</b>	<b>1.4</b>	<b>317</b>	<b>0.11</b>	<b>7000%</b>
Proved	Tantalum+Lithium*	0.0	0	0	0.0	0	0.00	0
Probable	Tantalum+Lithium*	4.3	208	1.18	4.3	208	0.59	100%
<b>Total</b>	<b>Tantalum+Lithium</b>	<b>4.3</b>	<b>208</b>	<b>1.18</b>	<b>4.3</b>	<b>208</b>	<b>0.59</b>	<b>100%</b>
<b>TOTAL RESERVES</b>		<b>5.7</b>	<b>235</b>	<b>0.94</b>	<b>5.7</b>	<b>235</b>	<b>0.47</b>	<b>100%</b>
<b>Resources – Boreline and Creekside (carried over from previous IQPR) and Central (Lithco, 2017)</b>								
Measured	Tantalum**	0.0	0		0.0	0		0%
Indicated	Tantalum**	3.1	318		3.1	318		28%
Inferred	Tantalum**	2.6	299		2.6	299		32%
<b>Total</b>	<b>Tantalum</b>	<b>5.8</b>	<b>309</b>		<b>5.8</b>	<b>309</b>		<b>28%</b>
<b>Resources – Central (Lithco, 2017)</b>								
Measured	Tantalum+Lithium***	0.0	0	0.00	0.0	0	0.00	0
Indicated	Tantalum+Lithium***	4.6	207	1.25	4.6	207	0.63	100%
Inferred	Tantalum+Lithium***	8.2	130	1.14	8.2	130	0.57	100%
<b>Total</b>	<b>Tantalum+Lithium</b>	<b>12.8</b>	<b>158</b>	<b>1.18</b>	<b>12.8</b>	<b>158</b>	<b>0.59</b>	<b>100%</b>

Resource and Reserve Summary for Bald Hill outside mined pits as at 11th July 2017. The Resources are inclusive of Reserves. This table is derived from the IQPR issued 7th August 2017.

#### Notes:

- \* Lithco used 0.39% Li<sub>2</sub>O and 200 ppm Ta<sub>2</sub>O<sub>5</sub> lower cut-offs to report the Ore Reserves
- \*\* AMC Consultants 2014 used 100 ppm Ta<sub>2</sub>O<sub>5</sub> lower cut-off, Varley, 2015 used total pegmatite, Lithco used 0.39% Li<sub>2</sub>O and 200 ppm Ta<sub>2</sub>O<sub>5</sub> lower cut-offs
- \*\*\* Lithco, 2017 reported the Central lithium Mineral Resources at a 0.5% Li<sub>2</sub>O cut-off. Table 18 reports this resource at a 0.39% Li<sub>2</sub>O cut-off.
- # At June 28, 2017 Lithco had earned 50% of the Lithium so Resource and Reserve Li<sub>2</sub>O grades have been halved to represent the share attributable to AMAL.

The Company has also expended A\$596,565 during FY2017 on exploration as part of its contribution to the Lithium Rights Joint Venture with Lithco.

## Looking Forward

AMAL with its joint venture partner, Lithco, are on target to becoming one of the major lithium and tantalum producers in Australia with shipments commencing in Q1 2018. With continued exploration and resource definition, life of mine should be progressively extended with a target of beyond 10 years being feasible.

The challenge for the Company for the calendar year of 2018 is to bring the DMS plant into operation and exceed production targets through optimising its operation. Further opportunities exist with the development of a DMS fines or flotation circuit to recover stockpiled lithium from middlings and fines stockpiles which increases plant productivity, efficiency and sales. The Tantalum circuit will also be the subject of ongoing upgrades and tuning as the previously mentioned study has identified opportunities that require further engineering and test work.





## LICENSE SUMMARY

As at 1 September 2017, details of our Company's Tenements are as follows:

No.	Name of Permit/ License	Description of Permit/License (including purpose thereof)	Authorising Body	Date of Issue of Permit/License (if applicable)	Date of Expiry of Permit/License (if applicable)
1.	E15/1058	Exploration Licence	DMP	12 March 2009	11 March 2019
2.	E15/1066	Exploration Licence	DMP	20 August 2009	19 August 2019
3.	E15/1067	Exploration Licence	DMP	20 August 2009	19 August 2019
4.	E15/1161	Exploration Licence	DMP	25 January 2011	24 January 2021
5.	E15/1162	Exploration Licence	DMP	10 January 2011	9 January 2021
6.	E15/1166	Exploration Licence	DMP	31 August 2010	30 August 2020
7.	E15/1212	Exploration Licence	DMP	2 May 2011	1 May 2021
8.	E15/1353	Exploration Licence	DMP	5 August 2013	4 August 2018
9.	E15/1492	Exploration Licence	DMP	23 February 2017	22 February 2022
10.	E15/1493	Exploration Licence	DMP	24 February 2017	23 February 2022
11.	E15/1555	Exploration Licence	DMP	16 March 2017	15 March 2022
12.	E15/1556	Exploration Licence	DMP	16 March 2017	15 March 2022
13.	G15/28	General Purpose Licence	DMP	26 May 17	24 May 2038
14.	L15/264	Miscellaneous Licence	DMP	11 October 2006	10 October 2027
15.	L15/265	Miscellaneous Licence	DMP	11 October 2006	10 October 2027
16.	L15/266	Miscellaneous Licence	DMP	11 October 2006	10 October 2027
17.	L15/267	Miscellaneous Licence	DMP	11 October 2006	10 October 2027
18.	L15/268	Miscellaneous Licence	DMP	11 October 2006	10 October 2027
19.	L15/269	Miscellaneous Licence	DMP	11 October 2006	10 October 2027
20.	L15/270	Miscellaneous Licence	DMP	11 October 2006	10 October 2027
21.	L15/348	Miscellaneous Licence	DMP	5 September 2014	4 September 2035
22.	M15/1305	Mining Lease	DMP	29 December 2000	28 December 2021

## LICENSE SUMMARY

No.	Name of Permit/ License	Description of Permit/License (including purpose thereof)	Authorising Body	Date of Issue of Permit/License (if applicable)	Date of Expiry of Permit/License (if applicable)
23.	M15/1308	Mining Lease	DMP	29 December 2000	28 December 2021
24.	M15/1470	Mining Lease	DMP	13 May 2010	12 May 2031
25.	M15/400	Mining Lease	DMP	8 September 1988	7 September 2030
26.	M59/714	Mining Lease	DMP	27 October 2009	26 October 2030
27.	P15/5465	Prospecting Licence	DMP	21 July 2010	20 July 2018
28.	P15/5466	Prospecting Licence	DMP	21 July 2010	20 July 2018
29.	P15/5467	Prospecting Licence	DMP	21 July 2010	20 July 2018
30.	P15/5862	Prospecting Licence	DMP	15 October 2014	14 October 2018
31.	P15/5863	Prospecting Licence	DMP	15 October 2014	14 October 2018
32.	P15/5864	Prospecting Licence	DMP	15 October 2014	14 October 2018
33.	P15/5865	Prospecting Licence	DMP	15 October 2014	14 October 2018
34.	P15/5866	Prospecting Licence	DMP	15 October 2014	14 October 2018
35.	R15/1	Retention Licence	DMP	9 June 2010	8 June 2019
36.	L15/365	Miscellaneous Licence	DMP	19 July 2017	18 July 2038
37.	L15/366	Miscellaneous Licence	DMP	19 July 2017	18 July 2038
38.	M15/1811 <sup>(1)</sup>	Mining Lease	DMP		Pending

### Notes:

<sup>(1)</sup> Alliance Mineral Assets Limited has submitted an application to convert our current Retention Lease 15/1 into Mining Lease 15/1811. The current state of matter M2015/0032 is in Section 31(3) mediation process.

# CORPORATE SOCIAL RESPONSIBILITY

Alliance Mineral Assets is committed to being a responsible corporate citizen and considers the physical and human environment in making its business decisions. We are mindful that the commissioning and operations at the Bald Hill Project, and subsequent mining and treatment of Ore could have certain impacts, whether be it environmental or social. We are committed to fulfilling our responsibilities as a responsible corporate citizen and have adopted measures and strategies to minimise such potential impacts. These include but are not limited to the following measures.



# CORPORATE SOCIAL RESPONSIBILITY

## Environmental Management Techniques

Our Company is committed to adopting contemporary environmental management techniques. Such environmental management techniques include:

- ongoing monitoring of environmental parameters such as water and air quality
- minimising disturbance where possible
- progressive rehabilitation of disturbed areas as soon as practical
- suppression of dust and noise
- backfilling mine voids with tailings and/or waste rock where practical to do so
- ensuring remaining voids are made safe by installing appropriate bunding
- effective management of hypersaline groundwater to ensure it is not released into the environment
- appropriate management of hydrocarbons, chemicals and waste materials.

Specific environmental management techniques that are used to address potential environmental impacts are detailed below:

Environmental aspiration	Commitment	Timeline
To implement best-practice environmental management.	<p>Develop an Environmental Management System that includes management plans and procedures detailing the methods and practices to be employed to ensure effective environmental management.</p> <p>Ensure employees, contractors and visitors are made aware of the company's environmental obligations and methods of compliance.</p> <p>Provide appropriate training as necessary.</p> <p>Regularly review the documentation and update as required.</p>	Prior to ground disturbance and during operations
To protect native flora and fauna.	<p>Implement a site disturbance permitting system and associated procedures to ensure effective management of the clearing of vegetation within the project area. Provide appropriate training to staff and contractors.</p> <p>Prevent access to and provide egress from water bodies such as lined dams and tailings disposal facilities.</p> <p>Ensure transfer of saline groundwater is managed effectively to minimise the potential for environmental impact to occur.</p>	During operations

## CORPORATE SOCIAL RESPONSIBILITY

Environmental aspiration	Commitment	Timeline
To ensure effective rehabilitation of mining and exploration disturbance.	<p>Topsoil and vegetation will be removed from areas of disturbance and stockpiled appropriately for later use in rehabilitation.</p> <p>Monitor for the presence and spread of introduced flora (weeds) and carry out weed eradication as required.</p>	During operations
To prevent impact to ground and surface water.	<p>Ensure appropriate handling and disposal of tailings to prevent release into the environment.</p> <p>Ensure appropriate storage and handling of hydrocarbons, chemicals and waste products is undertaken.</p> <p>Provide procedures and training to staff and contractors to ensure awareness of required handling and disposal, as well as the company's obligations.</p> <p>Undertake regular sampling of groundwater to monitor for the presence of contaminants emanating from the mine operations.</p>	During operations
To plan for cost effective, progressive site closure.	<p>Regularly review and update the Mine Closure Plan, detailing the methods and timeframe for decommissioning, rehabilitation and final closure of the site on completion of mining and processing activity.</p>	During operations

Our Company will continue to ensure effective environmental management through compliance with license conditions and regulations, and ongoing review and development of our environmental management techniques.

### Community Development

Our Company's policy regarding community development is to develop and manage our mining operations in a way that is sensitive to local cultural and community expectations. As such, we work closely with various stakeholders. This includes consulting with the pastoral lessee of the Bald Hill Tantalite Mine Site about the Bald Hill Project in relation to the post-mining use and resumption of pastoral activities. Separately, the Shire of Coolgardie, has been apprised of the Bald Hill Project, and the Departments of Water, Environment Regulation and Parks and Wildlife have also been consulted for relevant approvals.

Consultation with stakeholders will continue throughout the life of the operations of the Bald Hill Project. There are no heritage or land use and community impacts associated with the Bald Hill Project. Positive social impact pertains to new employment opportunities, training and skills development for workers at the Bald Hill Tantalite Mine Site, indirect employment and business for service providers, and rate and loyalty payments to local and state government.

# SAFETY POLICY



Due to the nature of our business, incidents that may have a detrimental effect on the health and safety of workers and the environment may occur from time to time. Our Company aims to conduct its business in such a manner that all reasonable and practicable measures are taken to protect workers and the environment from any detrimental impact. In order for our Company to achieve this aim, we have employed a mine site manager and have established a set of environment, health and safety policies, as follows:

- (a) Risk assessment will be conducted before any work is allowed to commence so that foreseeable risks arising from such work is identified and eliminated accordingly. Where it is not reasonably practicable to eliminate the risks, measures and safe work procedures will be developed to minimise and control risks;
- (b) All staff and workers will be briefed on the hazards and risks associated with works and trained to carry out work in accordance with established safe work procedures;
- (c) Regular inspections and checks will be conducted to ensure established safe work procedures are adhered to;
- (d) All staff and workers will be provided with necessary safety and health training to enable them to carry out their work safely;
- (e) All machinery and equipment deployed at the worksite will be in good working condition. Only workers who have been trained are permitted to operate machinery and equipment. In addition, all machinery and equipment will be regularly serviced and maintained;
- (f) Regular promotion of safety through talks, demonstrations, seminars and courses will be carried out to maintain and raise awareness of safety; and
- (g) Only sub-contractors and suppliers who are able to meet the environment, health and safety requirements of our Company will be selected as our business partners. Our Company will monitor their performance on a continuous basis to ensure they maintain high standards.

# QUALITY ASSURANCE



Our Company's primary focus is to produce a quality Tantalite concentrate in order to build a reputation as a producer of high quality, and non-conflict Tantalite concentrate. With the expansion of the Company's business to include exploration, mining, development and production of Lithium and other minerals, our focus will encapsulate these new opportunities.

Our Company believes that establishing a quality management system will enable us to achieve these goals. The following quality management and control procedures will be adopted by our Company:

## Mining of Ore

Our Company will monitor the quality of Tantalum Ore mined to minimise dilution and waste mining through in-pit grade control drilling, on-site inspections and regular sampling at our laboratory facilities on the Bald Hill Mine Site. This will enable us to mine efficiently and to blend various grades of Ore in order to achieve consistent concentrate specifications.

## Production of Tantalite and Lithium concentrates

Our Company will implement the following quality management and control procedures in respect of production of mineral concentrate at the Bald Hill Mine Site:

### (a) *Quality control during production*

Our Company will perform various sample quality checks at every stage of the production and beneficiation process to ensure consistency in the quality of the mineral concentrate and to ensure that material that does not meet the required specifications will not proceed to the next stage of production.

### (b) *Quality control for finished products*

Our Company will assay test samples from each batch of final mineral concentrate produced to ensure specifications comply with customer requirements. The assay tests that we will conduct will focus on the chemical composition of our mineral concentrate. Only the final mineral concentrate that meets the required specification will be stored and supplied to customers.

In the event that our Company is required to deliver our mineral concentrate to customers, we will select reputable delivery or transportation agents, in order to ensure that our customers receive our product in a satisfactory condition.



## FINANCIAL CONTENTS

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# CORPORATE GOVERNANCE REPORT

The Board of Directors (the “**Board**”) of Alliance Mineral Assets Limited (the “**Company**”) is committed to achieving and maintaining high standards of corporate governance principles and processes in managing its business and affairs in order to improve the performance, accountability and transparency of the Company.

This corporate governance report outlines the Company’s corporate governance practices that were in place during the financial year ended 30 June 2017 (“**FY2017**”), with specific reference to the Code of Corporate Governance 2012 (the “**Code**”) issued by the Monetary Authority of Singapore and the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in January 2015 (the “**Guide**”). The Company has complied with the principles of the Code and the Guide where appropriate, and deviations from the Code have been explained.

## BOARD MATTERS

### The Board’s conduct of its affairs

***Principle 1:** Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.*

The main role of the Board is to protect and enhance long-term shareholders’ interests. The Board will set out corporate strategy for the management (the “**Management**”) and will monitor the Management’s performance against goals set out to enhance shareholders’ value. The Board is also responsible for the overall corporate governance of the Company.

The functions of the Board include:

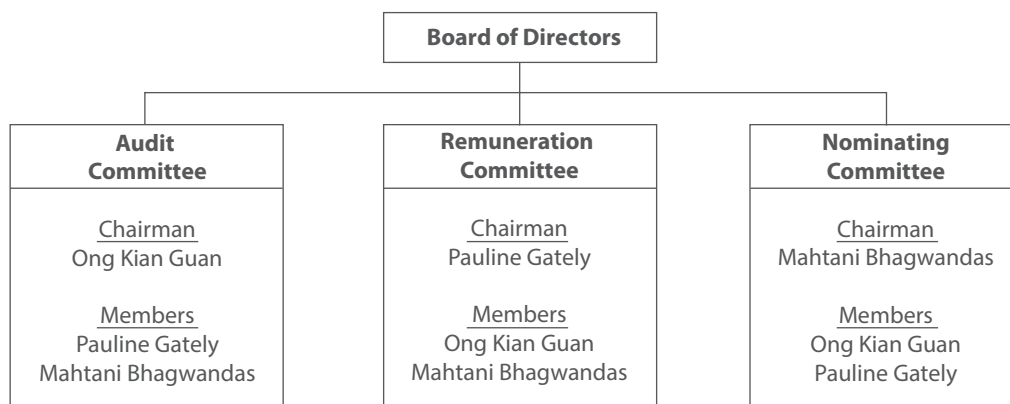
- enhance and protect long-term shareholders’ value;
- set and approve the Company’s strategic plans, key operational initiatives, and major investment and funding decisions;
- monitor and review the financial performance and conditions of the Company;
- identify principal risks of the Company’s business and ensure the implementation of appropriate systems to manage these risks;
- deliberate and decide on policies covering business matters and corporate governance;
- ensure adequate and timely reporting to shareholders;
- provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
- consider sustainability issues (e.g. environmental and social factors), as part of the strategic formulation of the Company;
- approve matters beyond the authority of the key executives; and
- review and approve the nomination of Directors for appointment to the Board.

The Board shall objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company.

The responsibility of the daily operational management of the Company is delegated to the Company’s Executive Director, Ms Suen Sze Man and the Company’s Chief Executive Officer (“**CEO**”), Mr Tjandra Pramoko. The CEO does not sit on the Board.

# CORPORATE GOVERNANCE REPORT

To facilitate effective execution of its functions, the Board has delegated certain functions to three specialised committees, namely the Nominating Committee (“NC”), Remuneration Committee (“RC”) and Audit Committee (“AC”) (collectively, the “Board Committees”) as set out in the diagram below. These Board Committees operate under clearly defined terms of references which set out respective areas of focus and reports its activities regularly to the Board. The terms of references and effectiveness of each Board Committee is subject to an annual review by the Board.



## Board and Board Committee Meetings

The Board will hold quarterly meetings in each financial year and convene meetings as and when necessary. To facilitate regular meetings and ensure maximum Directors’ participation, the Company’s Constitution allows for telephone conferencing meetings.

The record of attendance of the Directors at the meetings of the Board and meetings of the Board Committees held during FY2017 is as follows:

Director	Board		Audit Committee		Remuneration Committee		Nominating Committee	
	No of meetings held	No of meetings attended	No of meetings held	No of meetings attended	No of meetings held	No of meetings attended	No of meetings held	No of meetings attended
Pauline Gately	4	4	4	4	1	1	1	1
Suen Sze Man	4	4	N/A	N/A	N/A	N/A	N/A	N/A
Mahtani Bhagwandas	4	4	4	4	1	1	1	1
Ong Kian Guan	4	4	4	4	1	1	1	1

The Company encourages its Directors to keep abreast of any new rules and regulations as well as any revisions, amendments or updates to laws or regulations. To this end, the Company encourages Directors to attend relevant training programmes conducted by the Singapore Exchange Securities Trading Limited (“SGX-ST”), Singapore Institute of Directors, The Australian Institute of Company Directors and other relevant industry conferences.

# CORPORATE GOVERNANCE REPORT

During FY2017, the external auditors briefed the AC members on changes or amendments to accounting standards to enable the members of the AC to keep abreast of such changes and its corresponding impact on the financial statements, if any. The Executive Director provided update to the Board at each quarter's meeting on the business and strategic developments of the Company.

Newly appointed directors shall receive comprehensive and tailored induction upon joining the Board. This includes his/her duties as a director and how to discharge those duties, and an orientation program to ensure that they are familiar with the Company's business and governance practices. Training for first-time directors in areas such as accounting, legal and industry-specific knowledge as appropriate will also be provided. Further, each newly appointed Director will also be provided with a formal letter of appointment, setting out the Director's duties and obligations.

The Board has also established an internal framework for material transactions that are reserved for Board's approval. Such matters which require Board's approval include:

- (a) Overall business and budget strategy;
- (b) Capital expenditure, investment or divestment exceeding certain material limits;
- (c) All capital-related matters including capital issuance;
- (d) Significant policies governing the operations of the Company;
- (e) Corporate strategic development;
- (f) Material interested person transactions; and
- (g) Risk management.

## Board composition and guidance

**Principle 2:** *There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.*

The Board currently comprises four (4) Directors: one (1) Executive Director and three (3) Independent Non-Executive Directors, as follows:

Pauline Gately	Independent Non-Executive Chairman
Suen Sze Man	Executive Director
Ong Kian Guan	Independent Non-Executive Director
Mahtani Bhagwandas	Independent Non-Executive Director

Guideline 2.1 of the Code is met as the Independent Directors make up at least half the Board.

A description of the background of each director is presented in the "Board of Directors" section of this annual report.

The composition of the Board will be reviewed annually by the NC to ensure that there is an appropriate mix of experience, expertise and competencies to effectively make functional and informed decisions.

# CORPORATE GOVERNANCE REPORT

The Board is of the opinion that the current board size is appropriate to make effective decisions relating to the operations of the Company. The Board also believes that the current Board composition provides a diversity of skills, experience, gender and knowledge to the Company as follows:

Balance and Diversity of the Board		
	Number of Directors	Proportion of Board
Core Competencies		
– Accounting or finance	2	50%
– Business management	4	100%
– Legal or corporate governance	1	25%
– Relevant industry knowledge or experience	1	25%
– Strategic planning experience	4	100%
Gender		
– Male	2	50%
– Female	2	50%

The Board's policy in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender.

The Board has taken the following steps to maintain or enhance its balance and diversity:

- Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
- Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.

The NC will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors.

The Independent Non-Executive Directors namely, Ms Pauline Gately, Mr Ong Kian Guan and Mr Mahtani Bhagwandas have confirmed that they do not have any relationship with the Company or its related corporations, its 10% shareholders or its officers that could interfere or be reasonably perceived to interfere with the exercise of the Directors' independent business judgement with a view to the best interests of the Company. None of the Independent Non-Executive Directors has served on the Board beyond nine (9) years from the date of their appointment.

The independence of each Director is reviewed annually by the NC. The NC adopts the Code's definition of what constitutes an independent director. The NC has examined and determined that the Independent Non-Executive Directors are independent in character and judgement and are under no circumstances or relationships that are likely to affect or appear to affect their individual judgement. There are no relationships amongst the members of the Board.

# CORPORATE GOVERNANCE REPORT

Non-Executive Directors will constructively challenge and help develop proposals on strategy and propose strategies to review the performance of the Management in meeting agreed goals and objectives. During FY2017, the Non-Executive Directors met at least once without the presence of Management.

The interests of the Directors for FY2017 in shares and options in the Company are set out in the "Director's Report" section of this annual report.

## Chairman and Chief Executive Officer

*Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.*

The roles of the Chairman and CEO are kept separate. Ms Pauline Gately, the Independent Non-Executive Chairman and Mr Tjandra Pramoko, the CEO, are not related to each other. The Company believes in a clear division of responsibilities between the Independent Non-Executive Chairman and the CEO to ensure an appropriate balance of power, greater capacity of independent Board decision making and increased accountability.

Besides the Executive Director, the CEO is responsible for the business management of the day-to-day operations of the Company. His leading role is to manage, develop and expand the Company, including making major business and financial decisions within the delegated authority of the Board. He oversees the execution of the Company's business and corporate strategies as set out by the Board and ensures that the Board is kept informed and updated of the Company's progress.

The Independent Non-Executive Chairman leads the Board discussions and ensures that meetings are convened regularly and as and when necessary. She sets the Board meeting agenda and ensures that the Directors are provided with adequate, complete and timely information. She also chairs the meetings of the Board and encourages members of the Board to express their opinions on the topics being discussed at the meetings. She also ensures the compliance of the Company on corporate governance and encourages constructive relationships between the Board and Management, ensuring effective communications with shareholders.

The Board is of the opinion that there are sufficient safeguards and checks to ensure that the process of decision making by the Board is independent and based on collective decisions without any individual or group of individuals exercising any considerable concentration of power or influence.

## Board membership

*Principle 4: There should be a formal and transparent process for the appointment and re-appointment of Directors to the Board.*

The Board has established a NC which comprises three (3) members, all of whom are independent directors. The NC members are as follows:

Mr Mahtani Bhagwandas (Chairman)  
Ms Pauline Gately  
Mr Ong Kian Guan

# CORPORATE GOVERNANCE REPORT

The NC has written terms of reference, the key terms are as follows:

- (a) The NC shall consist of not less than three Directors, a majority of whom shall be independent non-executive Directors;
- (b) The Chairman of the NC shall be appointed by the Board and shall be an independent non-executive Director; and
- (c) The Board shall within three (3) months of a cessation of a member appoint a new member so that the number of members does not fall below three.

The functions of the NC includes, *inter alia*:

- (i) Making recommendations to the Board on:
  - (a) the succession plans for the Directors, the Chairman and the CEO;
  - (b) all Board appointments, including making recommendations on the composition of the Board generally; and
  - (c) the balance between Executive and Non-Executive Directors appointed to the Board.
- (ii) Regularly reviewing the Board structure, size and composition and making recommendations to the Board with regards to any adjustments that are deemed necessary.
- (iii) Making recommendations on the re-nomination or continuation in office of any Director having regard to the Director's contribution and performance (e.g. attendance, preparedness, participation and candour) including, if applicable, as an Independent Director.
- (iv) Identifying or nominating for the approval of the Board candidates to fill vacancies in the Board, as and when these arise.
- (v) Determining annually whether or not a Director is independent, bearing in mind the circumstances set forth in the Code and any other salient factors.
- (vi) Deciding whether or not a Director is able to and has been adequately carrying out his/her duties as a Director of the Company, particularly when he/she has multiple board representations.

The NC is of the view that the effectiveness of each Director is best assessed by a qualitative assessment of Director's contributions, after taking into account his other listed company board directorships and other principal commitments. The NC also believes that it is for each Director to assess his own capacity and ability to undertake other obligations or commitments together with serving on the Board effectively. The Board does not wish to omit from consideration outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as members of the Board. Notwithstanding, the Board has capped the maximum number of listed company board representations each Director may hold as six (6).

Currently, none of the Directors holds more than four (4) board representations on other listed companies. When a Director has multiple board representations, the NC also considers whether the Director is able to and has adequately carried out his duties as a Director of the Company.

The considerations in assessing the capacity of Directors include the following:

- Expected and/or competing time commitments of Directors;
- Geographical location of Directors;
- Size and composition of the Board; and
- Nature and scope of the Group's operations and size.

# CORPORATE GOVERNANCE REPORT

Mr Ong Kian Guan and Mr Mahtani Bhagwandas, the Non-Executive Directors of the Company, currently sit on the board of directors of three (3) and two (2) other listed companies, respectively. Ms Pauline Gately, Mr Ong Kian Guan and Mr Mahtani Bhagwandas have confirmed that notwithstanding their other directorships and/or principal commitments, they will have sufficient time to serve as Independent Directors of the Company. The NC is of the opinion that Ms Pauline Gately, Mr Ong Kian Guan and Mr Mahtani Bhagwandas are able to devote sufficient time to discharge their duties as Directors of the Company, notwithstanding that they have multiple board representations and/or principal commitments.

None of the Directors have appointed an alternate director.

The Company has procedures and policies in place for the appointment of new Directors to the Board, including a search and nomination process. Suitable candidates will be drawn from contacts and networks of existing Directors. New Directors will be appointed by way of Directors' resolution, after the NC has nominated and reviewed them and taken into consideration the experience and qualifications of each candidate. The Board will consider the candidate's ability to add value to the Company's business in line with its strategic objectives. The Company's Constitution clearly states the procedures for the appointment of new Directors and the election and removal of Directors.

Each Director shall retire from office once every three (3) years and for this purpose, at each annual general meeting, at least one-third of the Directors for the time being (or, if their number is not a multiple of three, the nearest to but not less than one-third) shall retire from office by rotation (except for a Chief Executive Officer/Managing Director who may be appointed for a term of up to three (3) years). A retiring Director shall be eligible for re-election at the meeting at which he or she retires. The Board will assess and evaluate whether Directors retiring at each annual general meeting are properly qualified for re-appointment by virtue of their skills, experience and contributions.

Pursuant to clause 12.3 of the Company's Constitution, the NC has recommended to the Board for Ms Suen Sze Man and Mr Ong Kian Guan to retire by rotation and be eligible for re-election at the forthcoming annual general meeting of the Company ("AGM"). In making the aforementioned recommendations, the NC had considered the Directors' overall contributions and performance. Ms Suen Sze Man will, upon re-election as Director of the Company, remain as the executive Director of the Company. Ms Suen Sze Man is spouse of Mr Tjandra Adi Pramoko, the Chief Executive Officer of the Company. As at 29 September 2017, Ms Suen Sze Man and Mr Tjandra Adi Pramoko are deemed to be interested in the 46,074,788 voting ordinary shares of the Company held by Living Waters Mining (Australia) Pty Ltd as they collectively hold, directly and beneficially, 100% of the shares in Living Waters Mining (Australia) Pty Ltd. Further information on Ms Suen Sze Man (including her shareholdings), can be found in the Annual Report 2017. Save as disclosed, Ms Suen Sze Man does not having any relationships, including immediate family relationships with the directors, the Company or its 10% shareholders. Mr Ong Kian Guan will, upon re-election as Director of the Company, remain as the Chairman of the AC and members of the NC and RC. Mr. Ong Kian Guan will be considered independent for the purpose of Rule 704(7) of the SGX-ST Listing Manual Section B: Rules of Catalyst ("**Catalist Rules**"). Mr Ong Kian Guan does not having any relationships, including immediate family relationships with the directors, the Company or its 10% shareholders.

The NC shall make recommendations to the Board on relevant matters relating to:

- a. the development of a process for evaluation of the performance of the Board, its Board Committees and Directors; and
- b. the review of training and professional development programs for the Board.

Each member of the NC abstains from voting on any resolution and making recommendation and/or participating in any deliberations in respect of matters in which he/she has an interest.

Key information regarding the Directors, including their present and past three year's directorships in other listed companies and their principal commitments are set out in the "Board of Directors" section of this annual report.

# CORPORATE GOVERNANCE REPORT

Details of the Directors are as follows:

Name of Director	Position held on the Board Committees served on (if any)	Board Membership	Date of first appointment	Date of last re-appointment
Pauline Gately	Chairman of the Board and RC and member of AC and NC	Independent Non-Executive Director	8 June 2011	26 October 2016
Suen Sze Man	Director	Executive Director	17 October 2011	30 October 2015
Mahtani Bhagwandas	Chairman of NC and member of AC and RC	Independent Non-Executive Director	11 April 2014	26 October 2016
Ong Kian Guan	Chairman of AC and member of NC and RC	Independent Non-Executive Director	20 June 2014	30 October 2015

## Board performance

*Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its Board committees and the contribution by each director to the effectiveness of the Board.*

The effectiveness of the Board is monitored by the NC. The NC has implemented a formal process for assessing the effectiveness of the Board as a whole on an annual basis. Given the relatively small size of the Board, the Board is of the view that no formal assessment is to be conducted on the Board Committees and contribution of each individual Director to the effectiveness of the Board. Members of the Board completed and sent the evaluation form to an independent coordinator after the end of each financial year. The independent coordinator collated the results and forwarded them to all members of the NC for discussion. The NC will thereafter report its findings to the Board. The results of the evaluation process would be used by the Board to effect continuing improvements on Board processes where considered necessary. The Board has met its performance objectives for FY2017.

The table below sets out the performance criteria, as recommended by the NC and approved by the Board, to be relied upon to evaluate the effectiveness of the Board as a whole:

Performance Criteria	Board
Qualitative	<ol style="list-style-type: none"> <li>1. Size and composition</li> <li>2. Access to information</li> <li>3. Board processes</li> <li>4. Strategic planning</li> <li>5. Board accountability</li> <li>6. Risk management</li> <li>7. Succession planning</li> </ol>



# CORPORATE GOVERNANCE REPORT

## Access to information

*Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.*

All Directors are provided on an on-going basis with adequate, complete and timely information concerning the Company to enable them to be fully informed of the decisions and actions of the Company's Management. Examples of information provided to the Board includes Board papers, copies of disclosure documents, forecasts, budgets and internal financial statements. The Board has unrestricted access to the Company's information and records.

The Board has autonomous and individual access to Management and the Company Secretary at all times. Management is always available to provide explanatory information in the form of briefings to the Directors or formal presentations at meetings of the Board or such information can also be provided by external consultants who have been engaged for specific functions.

The Company Secretary attends all meetings of the Board and meetings of the Board Committees to ensure that Board procedures are followed and applicable rules and regulations are adhered to. The Company Secretary ensures that appropriate information flows within the Board and its Board Committees and between the Management and the Independent Non-Executive Directors. The removal and appointment of the Company Secretary is a matter for the Board as a whole.

Each Director has the right to seek independent legal and professional advice, if necessary, at the Company's expense, concerning any aspects of the Company's operations or undertakings in order to fulfil their duties and responsibilities as Directors.

## REMUNERATION MATTERS

### Procedures for developing Remuneration Policies

*Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.*

The RC comprises of three (3) members, all of whom are Independent Non-Executive Directors, as follows:

Ms Pauline Gately (Chairman)  
Mr Mahtani Bhagwandas  
Mr Ong Kian Guan

The RC has written terms of reference, the key terms are as follows:

- (a) The RC shall comprise not less than three Directors, a majority of whom shall be independent non-executive Directors;
- (b) The Chairman of the RC shall be appointed by the Board and shall be an independent non-executive Director; and
- (c) The Board shall within three (3) months of a cessation of a member appoint a new member so that the number of members does not fall below three.

# CORPORATE GOVERNANCE REPORT

The functions of the RC includes, *inter alia*:

- (i) Reviewing and recommending to the Board in consultation with the Chairman of the Board (and where considered necessary by the RC, the CEO and the human resource executives of the Company) a framework of remuneration for the Directors and key executives (as determined by the RC), and determine specific remuneration packages for each executive Director and the CEO (or equivalent). The framework and packages will cover all aspects of remuneration which may include Director's fees, basic salaries, allowances, bonuses, options and benefits in kind.
- (ii) Reviewing and recommending to the Board on the remuneration packages of all managerial staff in the Company that are related to any of the Directors, the CEO or any substantial shareholder of the Company.
- (iii) Reviewing and making recommendations to the Board in consultation with the Chairman of the Board (and where considered necessary by the RC, the CEO and the human resource executives of the Company), regarding the implementation of any appropriate share option schemes or any long term incentive scheme for Directors, executives and employees of the Company.
- (iv) Reviewing and making recommendations to the Board in consultation with the Chairman of the Board (and where considered necessary by the RC, the CEO and the human resource executives of the Company), regarding the implementation of any appropriate performance-related element to be incorporated in the remuneration framework and packages for Directors and key executive officers, which performance-related element should incorporate meaningful targets and measures of assessing the Company's performance and the performance of individual Directors, the key executive officers and the CEO.
- (v) Making recommendations to the Board whether in any circumstances, the shareholders at the AGM of the Company should be invited to approve the remuneration policy.
- (vi) Administering the Alliance Employee Share Option Scheme ("**Scheme**") as the Committee appointed by the Board pursuant to the rules of the Scheme.

Each RC member will abstain from participating in the deliberations of and voting on any resolution in respect of his/her remuneration package or that of employees related to him/her.

The RC may from time to time, where necessary or required, seek advice from external consultants in framing the remuneration policy and determining the level and mix of remuneration for the Directors and the Management, so that the Company's remuneration packages remains competitive.

In the event of termination of the Executive Director's and the key executive officers' contracts of service, the RC will review the Company's obligations to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

On 26 June 2017, our company engaged "The Reward Practice (ABN 77 616 516 664)", a remuneration consulting company to do a review of the current market data on fixed remuneration to key personnel, chairman and independent non-executive directors against the remuneration and directors fees we currently paid to our key management personnel, independent directors and chairman of the Board. The Reward Practice is considered to be independent, as it currently does not have any relationship with our company.

## Level and mix of remuneration

**Principle 8:** *The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.*

# CORPORATE GOVERNANCE REPORT

In setting the remuneration packages, the RC will consider the pay and employment conditions within the industry and compare to similar companies. The RC will ensure that the structure of the remuneration packages for the Executive Director and key executive officers are appropriate in linking rewards with performance and are in line with the interests of the shareholders. The remuneration of the Independent Non-Executive Directors is also reviewed by the RC to ensure that the remuneration corresponds with their contribution and responsibilities.

The remuneration received by the Executive Directors takes into consideration his or her individual performance and contribution towards the overall performance of the Company. In FY2017, their remuneration was made up of a fixed compensation consisting of an annual base salary.

The review of the remuneration of the key executive officers will take into consideration the performance and the contributions of the key executive officers of the Company and will give due regard to the financial and business performance of the Company. The Company seeks to offer a competitive level of remuneration to attract, motivate and retain senior management of the required competency to run the Company successfully.

The Company will submit the quantum of Directors' fees of each financial year for shareholders' approval at each AGM.

On 26 May 2014, the Company entered into separate service agreements ("**Service Agreements**") with the Company's Executive Director, Ms Suen Sze Man, and the Company's CEO, Mr Tjandra Pramoko (collectively, the "**Executives**" and individually, the "**Executive**"), and these Service Agreements commenced on 1 June 2014.

Each of Service Agreement is valid for an initial period of three (3) years. Under the Service Agreement, each party may terminate the Service Agreement by giving to the other party not less than six (6) months' written notice. At the completion of the initial three year period, the employment of each Executive shall be automatically renewed on the same terms unless a new service agreement is signed. The RC has reviewed the terms of the Service Agreement and is finalising its recommendations for Board's approval. As no new agreements have been finalised and signed as at 31 May 2017, the Service Agreements have been automatically renewed on the same terms and conditions.

Pursuant to the terms of the respective Service Agreements, Ms Suen Sze Man and Mr Tjandra Pramoko will each receive a monthly salary of A\$15,000. In addition, each of them will be paid a performance bonus based on the Company's consolidated profit before tax. The rate of performance bonus payable will be computed as follows:

Profit Before Tax ("PBT")	Performance Bonus
PBT ≤ A\$8.0 million	Nil
A\$8.0 million < PBT ≤ A\$15.0 million	2.0% of PBT
PBT > A\$15.0 million	An aggregate of A\$300,000 and 2.5% of PBT for the amount in excess of A\$15 million

No performance bonuses were paid to the Company's CEO and Executive Director in respect of FY2017 as the aforementioned performance criteria had not been met.

# CORPORATE GOVERNANCE REPORT

## Disclosure on remuneration

*Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.*

The breakdown of the level and mix of remuneration of the Directors and CEO of the Company for FY2017 is as follows:

Name	Total Remuneration	Directors' Fees	Consultancy Fees	Salary & other benefits	Share based payment	Total
		(%)	(%)	(%)	(%)	(%)
<b>Directors</b>						
Pauline Gately	A\$33,271	100	–	–	–	100
Suen Sze Man	A\$200,385	–	–	100	–	100
Mahtani Bhagwandas	S\$30,000	100	–	–	–	100
Ong Kian Guan	S\$40,000	100	–	–	–	100
<b>Chief Executive Officer</b>						
Tjandra Pramoko <sup>(1)</sup>	A\$200,385	–	–	100	–	100

**Note:**

(1) Mr Tjandra Pramoko, the Company's CEO, is the spouse of Ms Suen Sze Man, the Company's Executive Director.

Other than the CEO, the Company has only one other Key Executive Officer for FY2017. The breakdown of the level and mix of the summary compensation table for the following key Executive Officer (who is not Directors or the CEO) for FY2017 is as follows:

Name	Remuneration	Consultancy Fees	Salary & other benefits	Share based payment	Total
	(A\$)	(%)	(%)	(%)	(%)
Key Executive Officer	(Between S\$0 to S\$250,000)				
Fiona Leaw Mun Ni <sup>(1)</sup>	76,306	–	100	–	100

**Note:**

(1) Executive officer is paid in Australian Dollars and the above amount when converted to Singapore dollars at the rate of S\$1.06 to A\$1, falls within the band of S\$0 and S\$250,000.

# CORPORATE GOVERNANCE REPORT

There are no termination, retirement and post-employment benefits granted to Directors, the CEO or the top key Executive Officer of the Company.

There was no employee of the Company who was an immediate family member of a Director and/or the CEO whose remuneration exceeds S\$50,000 during FY2017.

## The Alliance Employee Share Option Scheme (the "Scheme")

The Scheme was adopted and approved by shareholders of the Company pursuant to the extraordinary general meeting held on 16 June 2014. The Scheme is designed to provide an opportunity for Company's employees who have contributed significantly to the growth and performance of the Company (including Executive Directors) and who satisfy the eligibility criteria as set out in Rule 4 of the Scheme, to participate in the equity of the Company.

The Scheme is primarily a share incentive scheme. It recognises the fact that the services of such employees are important to the success and continued well-being of the Company. Implementation of the Scheme will enable the Company to give recognition to the contributions made by such employees. At the same time, it will give such employees an opportunity to have a direct interest in the Company and will also help to achieve the following positive objectives:

- (a) To motivate each participant to optimise his/her performance standards and efficiency and to maintain a high level of contribution to the Company;
- (b) To retain key employees and Directors whose contributions are essential to the long-term growth and profitability of the Company;
- (c) To instill loyalty to, and a stronger identification by the participants with the long-term prosperity of, the Company;
- (d) To attract potential employees with relevant skills to join and contribute to the Company and to create value for the Shareholders; and
- (e) To align the interests of the participants with the interests of the Shareholders.

The Scheme allows for participation by employees of the Company (including Executive Directors) who have attained the age of 21 on or prior to the relevant date of grant of the option, provided that none shall be an undischarged bankrupt or have entered into a composition with his creditors.

Controlling shareholders and their associates who have contributed to the development and success of the Company shall be eligible to participate in the Scheme, provided that: (i) the participation of; and (ii) the terms of any options to be granted and the actual number of options to be granted under the Scheme, to a participant who is a controlling shareholder or an associate of a controlling shareholder shall be approved by the independent shareholders in separate resolutions for each such person.

The Scheme shall be administered by the RC with powers to determine, inter alia, (i) persons to be granted options; (ii) number of options to be granted; and (iii) recommendations for modifications to the Scheme.

Further, the number of Shares to be received on the exercise of the options offered under the Scheme when aggregated with (i) the number of Shares issued during the previous five (5) years from the exercise of the options issued under the Scheme (or any other employee share plan extended only to employees of the Company); and (ii) the number of Shares that would be issued if each outstanding offer for Shares (including options to acquire unissued Shares or units of Shares) under any employee incentive scheme of the Company were to be exercised or accepted, does not exceed 5% of the total number of Shares on issue at the time of an offer under the Scheme (but disregarding any offer of Shares or option to acquire Shares that can be disregarded in accordance with the Class Order).

# CORPORATE GOVERNANCE REPORT

Since the commencement of the Scheme and up to the date of this report, no options were granted under the Scheme.

For further details of the Scheme, please refer to the Company's offer document dated 16 July 2014 ("**Offer Document**") as described in the section entitled "Alliance Employee Share Option Scheme" and Appendix I of the Offer Document for the terms of the Scheme.

## ACCOUNTABILITY AND AUDIT

### Accountability

*Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.*

The Board is accountable to the shareholders and is aware of its obligations to provide timely information, and to ensure full disclosure of material information to shareholders in compliance with the Catalist Rules.

Price sensitive information will be publicly released either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Financial results and annual reports will be announced or issued within the prescribed periods.

The Management shall provide members of the Board with updates covering operational performance, financial results, marketing and business development and other relevant information on a quarterly basis and as and when the Board may require from time to time, enabling the Board to make a balanced and informed assessment of the Company's performance, position and prospect.

The Board also acknowledges its responsibility in relation to the preparation of the financial statements of the Company. The Board ensures that the preparation of the financial statements is in accordance with statutory requirements and applicable accounting standards.

The statement of the auditors of the Company about their reporting responsibilities on the financial statements of the Company is set out in the "Financial Statements" section of this annual report.

### Risk Management and Internal Controls

*Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.*

Taking into consideration the size of the Board, the Board is of the view that, that it is not necessary to establish a separate board risk committee. Accordingly, the role and duties of a board risk committee shall be assumed and undertaken by the Board.

The Board is responsible for approving the Company's policies on risk oversight and management, and satisfying itself that the Management has developed and implemented a sound system of risk management and internal control. Implementation of the risk management system and day-to-day management of risk is the responsibility of the CEO as required.

# CORPORATE GOVERNANCE REPORT

The CEO has responsibility for identifying, assessing, monitoring and managing risks. The CEO is to report to the Board on the progress of, and on all matters associated with, risk management as a standing item at each meeting of the Board. The CEO is to report to the Board as to the effectiveness of the Company's management of its material business risks, at least annually. The Company considers that any risk that could have a material impact on its business should be included in its risk profile. The CEO is to ensure, with the approval of the Board, that the Company's risk profile is updated to reflect any material change.

The Board will review on an annual basis the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls.

For FY2017, the Board has received assurance from the CEO and the persons responsible for the financial records and statements of the Company ("**Assurances**") that:

- (a) the financial records of the Company have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances, and
- (b) the Company's risk management and internal controls systems are effective.

Based on the internal controls established and maintained by the Company, the work performed by the external auditors, the Assurances as well as reviews performed by the Management and the various Board Committees, the Board with the concurrence of the AC, are of the opinion that the Company's internal controls, addressing financial, operational, compliance, information technology risks were effective and adequate for FY2017.

## Audit Committee

*Principle 12: The Board should establish an Audit Committee with written terms of reference, which clearly set out its authority and duties.*

The Company has established the AC comprising the following three members, all of whom are Independent and Non-Executive Directors and do not have any management and business relationships with the Company or any substantial shareholder of the Company:

Mr Ong Kian Guan (Chairman)  
Mr Mahtani Bhagwandas  
Ms Pauline Gately

Further, none of the AC members were previous partners or directors of the Company's external audit firm within the last twelve months and none of the AC members hold any financial interest in the external audit firm.

All of the members of the AC have had many years of experience in senior management positions across different sectors. The Board is of the view that the members of the AC have sufficient management and/or financial expertise and experience to discharge the AC's functions.

# CORPORATE GOVERNANCE REPORT

The key terms of reference of the AC are as follows:

- (a) The AC shall comprise not less than three Directors, all of whom shall be non-executive Directors with the majority being independent non-executive Directors;
- (b) At least two members, including the Chairman of the AC, shall have recent and relevant accounting or related financial management expertise or experience;
- (c) The Chairman of the AC shall be appointed by the Board and shall be an independent non-executive Director; and
- (d) The Board shall within three (3) months of a cessation of a member appoint a new member so that the number of members does not fall below three.

The functions of the AC under its written terms of reference, and its responsibilities includes, *inter alia*, the following:

- a. review the quarterly financial statements and results of the Company and the annual financial statements of the Company before submission to the Directors;
- b. review all interested person transactions of the Company, and shall make such recommendations to the Board in respect thereof as the AC thinks appropriate;
- c. review and make recommendations to the Board on the appointment and re-appointment of the Company's external auditors, and approve the remuneration and terms of engagement of the external auditors;
- d. meet with the external auditors at least once each year, to review the audit plan, scope and results of the external audit, and the significant findings and recommendation of the external auditors and management's responses;
- e. review at least annually, and keep under review the following (but not limited to):
  - (i) independence and objectivity of the external auditors, taking into consideration the nature and extent of any non-audit services provided to the Company by the external auditors;
  - (ii) the cost effectiveness of the audit taking into consideration the audit fees and any other fees which are payable to the external auditors in respect of non-audit services;
  - (iii) evaluation of the external auditors, concerning issues on compliance with accounting standards, and concerning the Company's internal auditing standards and controls; and
  - (iv) the auditors' report.
- f. approve the hiring, removal, evaluation and compensation of the accounting/auditing firm or corporation to which the internal audit function is outsourced;
- g. review the adequacy and effectiveness of the internal audit function annually; and
- h. review significant findings and recommendations of the internal auditors and management's responses.

The AC shall have the authority to initiate, and to oversee, any investigation of matters within its terms of reference. For this purpose, it shall have full access to and be entitled to full co-operation from the Management, and full discretion to invite and permit any Director, executive, or employee of the Company, or any external consultant or professional advisor to attend its meetings, and to provide information and feedback to the AC. In the performance of its duties, the AC is authorised to obtain any information it requires from any employee of the Company.

The AC may commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls, or infringement of any law, rule or regulation which has or is likely to have a material impact on our Company operating results or financial position.



# CORPORATE GOVERNANCE REPORT

The AC will meet with the external auditors without the presence of the Management at least once a year, and this has been done in respect of FY2017.

The Company has put in place a whistle-blowing policy where employees and any other persons, such as suppliers, customers, sub-contractors and other stakeholders, with concerns about any impropriety in the Company's financial reporting and operations may come forward and email these concerns to [AuditCommittee@alliancemineralassets.com.au](mailto:AuditCommittee@alliancemineralassets.com.au) with the assurance that swift action will be taken if necessary.

If an employee has a concern, he/she may put in writing either addressing it to the Company or its board of directors or audit committee board.

The aggregate amount of fees paid or payable to the external auditors of the Company, broken down into audit and non-audit services during FY2017 are as follows:

	2017 \$	2016 \$
The auditor of Alliance Mineral Assets Limited is Ernst & Young Australia:		
Amounts paid or payable to Ernst & Young (Australia) for:		
– audit or review of the financial report	48,000	45,000
– audit of the farm-in exploration expenditure	9,000	–
– non audit – tax services	28,000	165,000
	<u>85,000</u>	<u>210,000</u>
Amounts paid or payable to Ernst & Young LLP (Singapore) for:		
– audit or review of the financial report	8,000	5,000
	<u>8,000</u>	<u>5,000</u>

The AC is satisfied that the Ernst & Young (Australia) remains independent after considering the following:

- that all relationships and/or arrangements between the Ernst & Young (Australia) and the Company that may reasonably be thought to affect the Ernst & Young (Australia)'s objectivity and as disclosed by the audit engagement partner did not impair the independence and objectivity of the Ernst & Young (Australia); and
- the audit engagement partner has confirmed that, in his professional judgement, Ernst & Young (Australia) is independent.

The AC has reviewed the non-audit services which was mainly tax related, and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

The external auditors has briefed the AC on changes or amendments to accounting standards to enable the members of the AC to keep abreast of such changes and its corresponding impact on the financial statements, if any.

The Company confirms that it is in compliance with Rule 712 of the Catalist Rules in relation to its external auditors. The Company does not have any subsidiaries and associated companies as at the date of this annual report.

# CORPORATE GOVERNANCE REPORT

## Internal Audit

*Principle 13: The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.*

The Board acknowledges that it is responsible for maintaining proper internal controls to safeguard shareholders' investment and the Company's assets and business.

The Board, having considered various factors, including the scale of the Company's current operations whereby the production and sale of Lithium and Tantalite ("**Production and Sale**") has not yet commenced, is of the opinion that an internal audit function is considered not necessary for FY2017. The AC will assess the adequacy of internal controls maintained by the Management on a continual basis and may commission an independent audit if it is not satisfied with the effectiveness of these internal controls. The Company will consider the establishment of an internal audit function and/or appointment of suitably qualified internal auditors when the Company commences full mining operations after the DMS plant is fully built and accepted as delivered to us from Primero Group Pty Ltd to mine Lithium concentrates under the Joint Venture arrangement with Lithco No. 2 Pty Ltd. Or when there is an increased level of operating activities. Currently it is estimated to be around second quarter of 2018 (i.e. April 2018) provided funding, construction, mining and do go according to our current plan. The AC will conduct periodic reviews on the Company's level of operating activities to assess whether such establishment of an internal audit function and/or appointment of suitably qualified internal auditors is required.

## SHAREHOLDER RIGHTS AND RESPONSIBILITIES

### Shareholder Rights

*Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.*

The Company is committed to making timely full and accurate disclosures to shareholders and the public. All information that could materially affect the price or value of the Company's shares will be promptly disseminated via SGXNet to provide fair communication with shareholders.

The Company shall ensure that shareholders have the opportunity to participate effectively in and vote at general meetings of shareholders. Shareholders would be informed of the rules, including voting procedures that governs general meetings of shareholders. The Company also ensure that its shareholders have the opportunity to participate effectively in and vote at the general meetings by allowing shareholders to appoint one or two proxies to attend the general meeting of the Company and provide essential information relating to the proposed resolutions table at the general meeting and the voting procedures that governs general meetings.

### Communication with shareholders

*Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.*

In accordance with the continuous disclosure obligations of the Company, pursuant to the Catalist Rules, the Board's policy is to ensure that all shareholders are informed of all significant developments that impact the Company. Information is released to shareholders and investors on a timely basis through:

- SGXNet announcements and news releases;

# CORPORATE GOVERNANCE REPORT

- Annual reports and notice of AGM issued to all shareholders;
- Press releases on major developments of the Company;
- Company's AGM; and
- Company's website at <http://www.alliancemineralassets.com.au> at which shareholders can access information on the Company.

In addition, if the need arises, the Company may organise media/analyst briefings to enable a better appreciation of the Company's performance and developments, which will also act as platforms to solicit and understand the views of shareholders and investors. Management shall observe and comply with SGX-ST's Corporate Disclose Policy set out in the Catalist Rules on a continuous basis.

The Company currently does not have a fixed dividend policy. However, as and when the Company is profitable and if the Board determine it to be in the best interests of the Company and the Shareholders, the Board may recommend the payment of dividend. The declaration and payment of dividends will be determined at the sole discretion of Directors after considering the Company's profits, subject to the approval of shareholders. The Company does not propose any dividend payments for FY2017 as the Company did not have any profits available for distribution.

## Conduct of shareholder meetings

*Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the Company.*

The Company's general meetings, AGM and/or Extraordinary General Meeting ("EGM") are principal events for discussion with shareholders. The Chairman and members of the Board, the Chairman of all Board Committees and the Company's external auditors will be available at the general meetings to answer questions from shareholders.

Shareholders are encouraged to attend the AGM or EGM to be informed of the Company's goals and strategies. Shareholders shall be given the opportunity to ask questions and to clarify issues that they may have regarding the resolutions tabled at the AGM or EGM.

The Company's constitution allows a shareholder to appoint not more than two proxies who need not be a shareholder to attend and vote at the meetings. It also allows a shareholder who is unable to vote in person at any general meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile.

The Company practices having separate resolutions at general meetings on each distinct issue. All resolutions at the Company's general meeting are put to vote by poll so as to better reflect shareholders' shareholding interests. The poll voting results will be announced at the meeting and in an announcement released after the meeting via SGXNet. The Company does not plan to implement electronic voting at general meetings in view of the cost involved, but will consider implementing it in future if electronic voting is more cost efficient to do so.

All queries from shareholders and the relevant responses from the Board and management shall be properly recorded. All minutes of general meetings will be available for inspection by shareholders within one month after the general meeting upon request by the shareholder of the Company.

# CORPORATE GOVERNANCE REPORT

## Dealing in Securities

In line with Rule 1204(19) of the Catalist Rules and the Company's internal compliance code, the Company will issue a memorandum to its Directors and all its officers to provide guidance with regards to dealings in securities of the Company by them, highlighting that Directors and all officers are prohibited from dealing in the Company's securities, commencing two (2) weeks before the announcement of the Company's financial results for each of the first three (3) quarters and one (1) month before the release of the Company's full-year financial results and ending on the date of the announcement of the financial results or when in possession of price-sensitive information which is not available to the public. They are also discouraged from dealing in the Company's securities on short-term considerations. The Directors and officers are also expected to observe insider-trading laws at all times even when dealing with securities within the permitted trading period.

## Interested Person Transaction Policy

The Company has established procedures to ensure that all transactions entered into with interested persons are properly documented and reported on a timely manner to the AC and that the transactions are conducted on normal commercial terms and on an arm's length basis and are not prejudicial to the interest of the Company and its minority shareholders, in accordance with the internal controls set up by the Company on dealing with interested person transactions. In the event that a member of the AC is involved in any interested person transaction, he/she will abstain from reviewing that particular transaction.

Further to the Sale of Business Agreement dated 20 December 2010 and the Supplemental Deed dated 18 June 2014, the Company has, pursuant to a Deed of Variation dated 30 June 2015 between Living Waters Mining (Australia) Pty Ltd ("**Living Waters Mining**") and the Company, agreed the following repayment terms for the loan:

- Repayment of the loan shall only be made to Living Waters Mining after January 2016
- The monthly repayment is subject to AMA having positive cash flow and such positive cash flow not less than twice the amount to be paid by AMA for the preceding calendar month. Free Cash Flow means the difference between the closing cash balance and the opening cash balance as reported in the monthly financial accounts of AMA for the preceding calendar month
- The monthly instalments as stipulated in the revised loan agreement defines the amount of each instalment to be paid as "the greater of AUD50,000 or 50% of the Free Cash Flow for the Preceding Calendar Month"
- No instalment shall be aggregated with any unpaid Instalment for any given calendar month.

As at 30 June 2016, due to the cash received from the R&D claims and the capital raising in June 2016, \$2,777,065 became due and payable to LWM in accordance with the terms of the revised loan agreement. In addition, an amount of \$344,396 which was expected to be payable in the next 12 months based on the R&D claim for the year ended 30 June 2016 resulting a current portion of the loan with Living Waters to be \$3,121,461.

On 5 September 2016, the repayment of the amount owing of \$2,777,065 was agreed to be made in 24 equal monthly instalments of \$115,711 commencing in July 2016. The change to the fair value of the loan resulting from this amendment has resulted in a parent equity contribution of \$442,415 being recognised for the year. During the current financial year, the Company repaid \$1,388,532 to Living Waters under the revised agreement reducing the loan balance to \$2,436,820 at 30 June 2017, all of which is expected to be repaid by 30 June 2018. As at 30 June 2017, the undiscounted amount owing to Living Waters Mining is \$2,611,468.

In July 2017, an amount \$397,222 was repaid as a result of Free Cash Flow generated from the receipt of the 30 June 2016 R&D claim in February 2017.

# CORPORATE GOVERNANCE REPORT

There were no interested person transactions entered into during FY2017 which were more than S\$100,000.

The Company does not have a general shareholders' mandate for interested person transactions pursuant to Rule 920 of the Catalist Rules.

## Material Contracts

### Sale of Business Agreement

Pursuant to the Sale of Business Agreement dated 20 December 2010, the Company acquired the assets comprising the Bald Hill Project, which includes the Tenements, the Project Intellectual Property and the Bald Hill Treatment Plant and the exploration and mining business carried out on the Bald Hill project site from Living Waters Mining for consideration shares and cash consideration of A\$4 million ("**Cash Component**"). As at 18 June 2014, the entire Cash Component remained outstanding to Living Waters Mining. Living Waters Mining and the Company entered into a Supplemental Deed on 18 June 2014 whereby Living Waters Mining agreed, confirmed and undertook to the Company that:

- (a) Living Waters Mining shall not be paid the outstanding Cash Component (or any part thereof) for a period of 18 months commencing from the date of the Listing ("**Minimum Non-Payment Period**");
- (b) the Cash Component has been, and will remain and continue to be, interest-free and unsecured; and
- (c) payment of the Cash Component by our Company to Living Waters Mining shall only be made by our Company to Living Waters Mining:
  - (i) after the date of expiry of the Minimum Non-Payment Period;
  - (ii) subject to the commencement of production and sales by our Company of Tantalite concentrate and positive cash flow based on the quarterly financial statements of our Company for the financial quarter preceding the date on which payment is approved to be made; and
  - (iii) with the approval in writing by the AC and the Directors (excluding Directors who are interested in such payment), after taking into consideration, without limitation, the general financial and business conditions, results of operations, earnings, capital expenditure, cash flow requirements and development plans of our Company at the time of the proposed payment.

Further information on the aforementioned can be found under the section "Interested Person Transactions" on pages 171 and 172 of the Offer Document.

On 30th June 2015 an additional deed ("**Deed**") was entered into to vary the terms of the payment of the outstanding amount. Key details of the amendment include:-

- Repayment of the loan shall only be made to Living Waters Mining after January 2016;
- The monthly repayment is subject to AMA having positive cash flow and such positive cash flow not less than twice the amount to be repaid by AMA for the preceding calendar month. Free Cash Flow means the difference between the closing cash balance and the opening cash balance as reported in the monthly financial accounts of AMA for the preceding calendar month.
- The monthly instalments as stipulated in the revised loan agreement defines the amount of each instalment to be paid as "the greater of A\$50,000 or 50% of the Free Cash Flow for the Preceding Calendar Month"
- No instalment shall be aggregated with any unpaid Instalment for any given calendar month.

# CORPORATE GOVERNANCE REPORT

As at 30 June 2016, due to the cash received from the R&D claims and the capital raising in June 2016, \$2,777,065 became due and payable to LWM in accordance with the terms of the revised loan agreement. In addition, an amount of \$344,396 which was expected to be payable in the next 12 months based on the R&D claim for the year ended 30 June 2016 resulting a current portion of the loan with Living Waters to be \$3,121,461.

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In July 2017, an amount \$397,222 was repaid as a result of Free Cash Flow generated from the receipt of the 30 June 2016 R&D claim in February 2017.

Save as disclosed above, there were no other material contracts entered into by the Company and/or any of its subsidiaries during FY2017 involving the interests of the CEO, any director or controlling shareholder of the Company either still subsisting at the end of FY2017 or if not then subsisting, entered into since the end of FY2017.

## Utilisation of Initial Public Offering ("IPO") Proceeds

The Company has raised gross proceeds amounting to S\$10 million (equivalent to approximately A\$8.569 million) from the IPO. As at 30 June 2017, the utilisation of the IPO proceeds is as set out below:

Use of Proceeds	Amount Allocated <sup>(1)</sup> (A\$'000)	Amount Utilised (A\$'000)	Amount Unutilised (A\$'000)
Exploration and drilling	1,028	197	831
Internal scoping study	428	300	128
Development of mining deposits	428	335	93
Working capital <sup>(2)</sup>	4,723	4,723	-
Listing expenses	1,962	1,962	-
<b>Total</b>	<b>8,569</b>	<b>7,517</b>	<b>1,052</b>

### Notes:

- The IPO proceeds were received on the 2nd of September 2014 and for the purpose of comparability have been converted to Australian dollars on the date received.
- The amount of working capital has been utilised for refurbishment and construction of the Bold Hill and Boulder facilities.

The use of the above IPO proceeds is in accordance with the allocation and its intended use as set out in the section entitled "Use of Proceeds from the Placement and Expenses Incurred" of the Offer Document. The Company will make periodic announcements on the material disbursement of the remaining IPO proceeds and as and when such proceeds are materially disbursed.

## Non-Sponsorship Fees

With reference to Rule 1204(21) of the Catalist Rules, there was no non-sponsorship fee paid to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd., during FY2017.

# DIRECTOR'S REPORT

The following report is submitted in respect of the results of the Company for the financial year ended 30 June 2017, together with the state of affairs of the Company as at that date.

## DIRECTORS

The names, qualifications and experience of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire financial year unless otherwise stated.

### Pauline Gately (Independent Non-executive Chairman)

Pauline Gately joined our Company in June 2011 and was appointed as Independent Non-Executive Chairman in 2014. An investment banking veteran with more than twenty years' experience, Pauline currently provides consulting advice to corporates and sits on the Board of a Western Australian Cancer Charity.

Prior to joining Alliance, Pauline served as a senior consultant at one of Australia's leading economic consultancies. During her tenure in Asia from 1986 through 2000, Pauline was a Director of Merrill Lynch and Deutsche Bank in Hong Kong. As Head of Investment Strategy for the Asia Pacific Region, Pauline forecast macroeconomic conditions and investment prospects across nine East Asian countries.

In the course of her work, Pauline has advised Asian, European and US institutions on a broad range of economic and financial issues of importance to institutional investors, industry and governments. She has led seminars on Asian Economics and Investment Strategy for institutions such as the Investment Arm of the Government of Singapore and World Economic Congress, and has written extensively on global economics and investment prospects. In this regard, she worked with personnel from the Hong Kong Government's economic think-tank prior to the Handover of Hong Kong in 1997 and, in 2006, served as a technical advisor to the Ministry of Finance of the People's Republic of China.

A native of Scotland, Pauline earned an undergraduate honours degree in economics from Strathclyde University and a postgraduate diploma in accounting from Glasgow University.

### Suen Sze Man (Executive Director)

Ms Suen joined our Company on 6 December 2010 as an Executive Director. As a founder of our Company, she procured, mobilised and organised relevant experienced staff and resources for the setting up of our business and operations. She is currently responsible for devising the business direction of our Company and overseeing the management of mining proposals and Tenements in relation to the Bald Hill Project. In 1990, Suen Sze Man was appointed as a non-executive director of Sun Kong Pty. Ltd, a company which specialised in the export of raw wool from Australia into China, between 1991 and 1997. In 1998, Suen Sze Man was appointed as a director in D & S Trading Pty Ltd, a family holding company involved in a number of businesses ranging from building and construction to health supplements. Initially, Suen Sze Man conducted her own import and distribution agreements for building and landscaping materials and was later involved in the importation and distribution of health supplements in Australia.

In 1999, Suen Sze Man was appointed as a director of Indo Expo Building Products Pty Ltd, a company which specialised in the supply of building and construction materials and services such as granite and marble. In this position, Suen Sze Man gained her initial experience in the mining industry. Between 2005 and 2010, Suen Sze Man was appointed as an executive director of Cell-Tech Suisse Pty Ltd, a company which specialised in stem cell transplantation services.

Suen Sze Man obtained a Bachelor of Business from Edith Cowan University, Western Australia, in 1994.

# DIRECTOR'S REPORT

## Mahtani Bhagwandas (Independent Director)

Mr. Bhagwandas joined our Company on 11 April 2014 as an Independent Director. He has been practising as an advocate and solicitor of the Supreme Court of Singapore since 1993, and practised with Harpal Mahtani & M. Seow from 1993 to 1998, Mahtani & Co from 1998 to 2000 and Harpal Mahtani Partnership from 2000 to 2011 previously, and is currently a partner of Legal Standard LLP, a law firm in Singapore. His area of practice is primarily in commercial litigation.

Mahtani is currently the Independent Director of SBI Offshore Limited and GRP Limited, companies listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

Apart from those companies, Mahtani has held, and continues to hold directorships in several private companies. He was also a former Independent Director of Next-Generation Satellite Communications Limited (previously known as Ban Joo & Company Limited), which is also listed on the SGX-ST. In the course of all his directorships, Mahtani has chaired Audit, Nominating, Remuneration and Board Risk Committees.

Mahtani graduated from the National University of Singapore with a Bachelor of Laws (Honours) degree in 1992.

## Ong Kian Guan (Independent Director)

Mr. Ong joined our Company on 20 June 2014, as an Independent Director. He has been an Audit Partner with Baker Tilly TFW LLP since 2005, where he is currently the Head of its Assurance and Capital Market practices. He was the Chief Financial Officer of Medtecs International Corporation Limited from 2002 until 2004. Between 1992 and 2002, Ong Kian Guan was an auditor with various international accounting firms and his last position held was a Senior Audit Manager with Arthur Andersen LLP, Singapore. He is also the Independent director and Chairman of audit committees of Serrano Limited and Weiye Holdings Limited which listed on SGX-ST, and China XLX Fertilisers Ltd, a company listed on Hong Kong Stock Exchange.

Ong Kian Guan obtained a Bachelor of Accountancy from Nanyang Technological University in 1992. He is fellow of the Institute of Singapore Chartered Accountants.

## Fiona Leaw Mun Ni (Company Secretary)

Ms Leaw was appointed as Company Secretary on 21 May 2014. Ms. Leaw holds a Bachelor of Commerce from Edith Cowan University, Western Australia and is a member of the Australian Certified Practising Accountants. In 2007 to 2008, Fiona worked for Westnet Infrastructure Group as their corporate accountant. During 2009 to 2010, Fiona worked for Department of Environment and Conservation and Department of Agriculture, both are divisions of the Government of Western Australia performing an Accounts Executive role with its IT and Procurement departments. From 2010 to early 2014 Fiona was solely in charge of all preparation of financial accounts for our Company for audit. Currently Fiona is in charge of sending out notices of meeting, coordinating the signing and filing of minutes of meetings prepared by DMS Corporate Services Pte. Ltd. and following up Company announcements to be loaded onto the website. Aside from performing our corporate secretarial work, Fiona assists with accounting and administrative matters for our Bald Hill Mine Site.



# DIRECTOR'S REPORT

## INTERESTS IN THE SECURITIES OF THE COMPANY

At 30 June 2017, the interests of the Directors in the securities of Alliance Mineral Assets Limited were:

Director	Ordinary Shares	Ordinary Shares (seized and frozen)	Total
Pauline Gately	326,081	–	326,081
Mahtani Bhagwandas	–	–	–
Suen Sze Man <sup>(1)</sup>	–	118,374,974 <sup>(1)</sup>	118,374,974 <sup>(1)</sup>
Ong Kian Guan	–	–	–

For the purposes of Rule 1204(7) of the SGX-ST Listing Manual Section B: Rules of Catalist of the SGX-ST, there were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 July 2017.

- (1) This represents an indirect interest in ordinary shares arising from the shareholding in the Company held by Living Waters Mining (Australia) Pty Ltd. Ms. Suen Sze Man and her spouse (Mr. Tjandra Pramoko) are deemed to be interested in the Shares of the Company held by Living Waters Mining (Australia) Pty Ltd as they collectively hold, directly and beneficially, 100% of the shares in Living Waters Mining (Australia) Pty Ltd.

As announced on 17 June 2017, Living Waters transferred 46,074,788 of the Company's shares as agreed under a personal settlement agreement between Living Water, its shareholders and Grande Pacific Limited ("Grande Pacific") ("the Settlement Agreement") reducing its holding to 118,374,974 shares. As further clarified in the announcement dated 2 August 2017, a further 46,074,788 shares held by Living Water are frozen ("Frozen Shares") under an order of the court as security for a potential payment for which Living Waters is liable to Grande Pacific, in connection with the following arrangement:

- i. If by 24 October 2017 (the "Expiration Date"), the value of the shares transferred to Jonathan Lim under the Settlement Agreement does not reach a price of \$0.50 per share (the "Strike Price"), then Living Waters Mining shall be liable to pay Grande Pacific Limited a sum equivalent to the difference between the Strike Price and the volume weighted average price ("VWAP") of the shares in the Company based on a "7 calendar day lookback period from the Expiration Date", for the number of shares in the Company held by Grande Pacific as at the Expiration Date. Following such payment, the Frozen Shares would be released to the Relevant Parties.
- ii. If by the Expiration Date the value of the shares transferred to Jonathan Lim reaches a value equal to the Strike Price, as determined by the VWAP with a "7 calendar day lookback period" from the Expiration Date, then the above payment obligations will not apply and the Frozen Shares would be released to the Relevant Parties.

A separate sum of S\$7,000,000 was also agreed to be paid to Grande Pacific under the Settlement Agreement, but this sum was unavailable to be transferred to Grande Pacific on the date as agreed in the Settlement Agreement. As a result, Grande Pacific Limited proceeded to apply for a writ of seizure and sale ("WSS") to recover this sum through Living Waters Mining ownership of shares in the Company.

On 30 June 2017, the WSS was filed and served by the Sheriff's Office, Supreme Court of Singapore to seize 72,300,186 shares (excluding the above 46,074,788 frozen shares) in the Company belonging to Living Waters. The WSS is however limited to a sum of S\$7,000,000 plus interest, and post judgment costs and disbursements. The actual number of shares to be sold would be determined based on the prevailing market price of the Company's shares at the time of the sale. Any remaining shares will be transferred back to Living Waters.

The above is a matter between a major shareholder and a third party and does not affect the financial position or the performance of the Company.

## RESULTS OF OPERATIONS

The net loss of the Company for the financial year after income tax was \$4,803,859 (2016: \$4,082,094 loss).

## DIVIDENDS

No dividend was paid or declared by the Company in the financial year and up to the date of this report.

# DIRECTOR'S REPORT

## OUR COMPANY

On 6 December 2010, our Company was incorporated in the Commonwealth of Australia under the Corporations Act as a public company limited by shares, under the name of "HRM Resources Australia Ltd". On 13 March 2014, our name was changed to "Alliance Mineral Assets Limited". Our Company registration number is ACN 147 393 735. The Company listed on Singapore's Catalist Exchange on 25 July 2014.

Our Company is currently headquartered in Perth, Western Australia, and our Company possesses the rights to explore and mine Tantalum and Lithium at the Bald Hill Project located within the Eastern Goldfields Province of the Archaean Yilgran Block, within the Shire of Coolgardie, which is approximately 50km east of Widgiemooltha, the nearest township.

## NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

We are principally engaged in the business of exploring and developing Tantalum and Lithium Mineral Resources in Australia.

During the financial year, the principal activity was the exploration, evaluation and development of the Bald Hill Project for lithium and tantalum, together with Lithco No. 2 Pty Ltd, who have farmed into the lithium rights of the Project.

## EMPLOYEES

As at 30 June 2017, we have four (4) Australian employees, with three (3) based in our Perth Head Office and one (1) based at our Bald Hill Operation.

## REVIEW OF OPERATIONS

### Highlights

- AMA is an Australian public company, focused on the exploration, evaluation and development of the Bald Hill Lithium and Tantalum project, in the Eastern Goldfields of Western Australia, near Kalgoorlie.
- The main activity undertaken during the year was the exploration, evaluation and development activities associated with lithium and tantalum at our Bald Hill Mine Site through the farm-in and joint venture arrangement with Lithco No. 2 Pty Ltd.
- AMA has on 3rd June 2016 signed a binding terms sheet with Lithco No. 2 Pty Ltd ("Lithco"), pursuant to which the Company and Lithco have agreed upon the principal terms for, amongst other things, the establishment of a farm-in and joint venture arrangement with respect to Project, pursuant to which Lithco is entitled to earn a 50% joint venture interest in all rights to lithium minerals on the Tenements, including rights to explore and mine for lithium on the Tenements, and provided further expenditure commitments are met, the right to earn a 50% joint venture interest in the overall Project ("Transaction").
- An extraordinary general meeting on 15 September 2016, obtained shareholders' approval for the Company to proceed with the Transaction with Lithco as contemplated by the Binding Terms Sheet.
- Lithco commenced exploration shortly after shareholder approval was obtained and has reported positive exploration results for both lithium and tantalum throughout the year, with a maiden resource published on 13 June 2017.

# DIRECTOR'S REPORT

- On 23 February 2017, the Company and Lithco ("Parties") entered into a farm-in agreement ("Farm-in Agreement") for the following:
  - (a) AMA to grant Lithco the right to acquire an interest of 50% as tenant in common in the lithium rights in the Tenements and the mining information that relates to lithium ("Lithium Rights Interest") upon completion of the expenditure commitment of \$7.5 million, and subject to further completion of the capital expenditure of \$12.5 million, the right to acquire an interest of 50% as tenant in common in the Tenements, the Plant and in the mining information ("Project Interest");
  - (b) The Parties agree that if Lithco acquires the Lithium Rights Interest pursuant to the Farm-in Agreement then the parties shall associate themselves as a joint venture for the exploration and commercial exploitation of lithium on the Tenements ("Lithium Rights JV"); and
  - (c) Furthermore, if Lithco acquires the Project Interest, then the Parties shall associate themselves as a joint venture (which will replace any existing joint venture that have been formed in (b) above) for the exploration and commercial exploitation of all minerals on the Tenements ("Project JV"),on the terms and conditions set out in the Farm-in Agreement.
- On 10 April 2017, the Parties entered into a lithium rights joint venture agreement ("Lithium Rights JVA") that will apply in relation to lithium after Lithco has spent the expenditure commitment of \$7.5 million in accordance with the Farm-in Agreement. The commencement date of the Lithium Rights JVA will be the date on which the Independent Auditor determines that Lithco has spent the Expenditure Commitment.
- On 18 April 2017, the Parties entered into the Bald Hill Joint Venture Agreement ("BHJVA") that will apply after Lithco has spent the expenditure commitment of \$7.5 million and capital expenditure of \$12.5 million. The commencement date of the BHJVA will be the date on which the Independent Auditor determines that Lithco has spent the capital expenditure of \$12.5 million. At that time:
  - (a) The Lithium Rights Joint Venture and the Lithium Rights JVA will be deemed to have been dissolved by the Parties;
  - (b) An unincorporated joint venture will be created between the Parties on the terms and conditions of the BHJVA;
  - (c) The terms of the BHJVA will be deemed to have commenced; and
  - (d) The relationship of the Parties in relation to ongoing activities in respect of the Project and the funding and management of those activities will be governed by the BHJVA.
- On 20 April 2017, the Company entered into a lithium concentrate offtake agreement with a wholly owned subsidiary of Burwill Holdings Limited ("Burwill") for the supply of lithium concentrate from the Bald Hill Project over an approximate initial five year term. The contract is subject to certain conditions precedent. Under the terms of the contract, the Company will supply Burwill an agreed minimum amount of 6% Li<sub>2</sub>O concentrate commencing from the first quarter 2018 and receive a fixed price of US\$880 per tonne subject to adjustment for grade, punctuality of delivery and punctuality of acceptance of delivery. Burwill will make a prepayment of A\$12,500,000 of which A\$3,750,000 has been received at 30 June 2017. The second tranche of the prepayment of A\$4,375,000 was received in July 2017.
- On 11 July 2017, Tawana Resources NL (the corporate parent of Lithco) released the Bald Hill Pre-Feasibility Study commissioned by Tawana/Lithco.

# DIRECTOR'S REPORT

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than what has been disclosed in the review of operations section, there has been no change in the state of affairs during the financial year.

## SIGNIFICANT EVENTS AFTER THE BALANCE DATE

In July 2017 the Company repaid \$397,222 of the loan owing to Living Waters Mining as a result of free cash flows generated from the 30 June 2016 R&D claim which was received in February 2017.

On 18 July 2017, the Company received the second lithium offtake prepayment of \$4,375,000 due under the lithium concentrate offtake agreement from a subsidiary of Burwill Holdings Ltd.

On 8 August 2017, the Company announced that Tawana (the corporate parent of Lithco) released the Bald Hill Pre-Feasibility Study on 11 July 2017.

On 15 August 2017, the Company and Tawana Resources NL, executed an Engineering, Procurement and Construction ("EPC") contract with Primero Group to build a 1.2 million tonne per annum Dense Media Separation ("DMS") circuit at the Bald Hill Project. The EPC contract is a "lump sum, fixed price" contract valued at \$30 million.

In September 2017, the Board resolved to issue a total of 12.45 million performance shares to directors and key executives in recognition of the Company's achievements to date and as an incentive for future performance. Shareholder approval will be sought where appropriate.

No other matters or circumstances have arisen subsequent to the balance date which would significantly affect the operations of the Company, its operating results or its state of affair in the subsequent financial years.

## LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Directors expect to raise additional funding through equity or debt in FY2018 as discussed further in note 2(c) of the financial statements.

The Directors expect that the farm-in and joint venture arrangement with Lithco will proceed during the year and the Company expects a loss for the FY2018 year.

## ENVIRONMENTAL REGULATION AND PERFORMANCE

The operations of the Company are presently subject to environmental regulation under the laws of the Commonwealth of Australia and Western Australia. The Company has been, at all times, in full environmental compliance with the conditions of its licenses.

# DIRECTOR'S REPORT

## SHARE OPTIONS

As at the date of this report, there were 11,400,000 options exercisable into 11,400,000 new ordinary shares of the Company as follows:

Conditions	Tranche 1	Tranche 2	Tranche 3
Number of options	3,800,000	3,800,000	3,800,000
Exercise price	S\$0.24	S\$ 0.30	S\$ 0.36
Expiry	3 years from date of issue (24 May 2020)	3 years from date of issue (24 May 2020)	3 years from date of issue (24 May 2020)
Vesting conditions	None	None	None

No options were exercised during the financial year.

## INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has entered into an agreement indemnifying all the Directors and officers of the Company against all losses or liabilities incurred by each Director or officer in their capacity as Directors or officers of the Company to the extent permitted by the Corporations Act 2001. The indemnification specifically excludes wilful acts of negligence.

A Director's and Officer's insurance policy is in place for which a premium of A\$17,500 was paid by the Company during the financial year.

## INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since beginning the financial year ended 30 June 2017.

## DIRECTORS' MEETINGS

The attendance of the Directors at Board meetings during the financial year was as follows:

Director	Number of Meetings Eligible to Attend	Number of Meetings Attended
Pauline Gately	4	4
Suen Sze Man	4	4
Mahtani Bhagwandas	4	4
Ong Kian Guan	4	4

# DIRECTOR'S REPORT

The attendance of members of Remuneration Committee at its meetings held during the financial year was as follows:

Director	Number of Meetings Eligible to Attend	Number of Meetings Attended
Pauline Gately	1	1
Mahtani Bhagwandas	1	1
Ong Kian Guan	1	1

The attendance of members of Audit Committee at its meetings held during the financial year was as follows:

Director	Number of Meetings Eligible to Attend	Number of Meetings Attended
Pauline Gately	4	4
Mahtani Bhagwandas	4	4
Ong Kian Guan	4	4

The attendance of members of Nomination Committee at its meetings held during the financial year was as follows:

Director	Number of Meetings Eligible to Attend	Number of Meetings Attended
Pauline Gately	1	1
Mahtani Bhagwandas	1	1
Ong Kian Guan	1	1

## PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the financial year.

## Auditor's Independence

Section 307C of the Corporations Act 2001 requires the Company's auditors to provide the Directors of Alliance Mineral Assets Limited with an Independence Declaration in relation to the audit of the financial report. A copy of that declaration is included at page 62 of this report.

# DIRECTOR'S REPORT

## NON-AUDIT SERVICES

The following non-audit services were provided by the Company's auditor, Ernst and Young, during the financial year. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

	FY2017 \$	FY2016 \$
Amounts paid or payable to Ernst & Young (Australia) for:		
– taxation services – R&D Claims	–	150,000
– taxation services – compliance	8,000	–
– taxation services – advice	20,000	15,000
	<u>28,000</u>	<u>165,000</u>

Signed in accordance with a resolution of the Directors.

On behalf of the Directors.



**Simone Suen**  
Director

29 September 2017

# AUDITOR'S INDEPENDENCE DECLARATION



Ernst & Young  
11 Mounts Bay Road  
Perth WA 6000 Australia  
GPO Box M939 Perth WA 6843

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Fax: +61 8 9429 2436  
ey.com/au

## Auditor's Independence Declaration to the Directors of Alliance Mineral Assets Limited

As lead auditor for the audit of Alliance Mineral Assets Limited for the financial year ended 30 June 2017, I declare to the best of my knowledge and belief, there have been:

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

Ernst & Young

V L Hoang  
Partner  
Perth  
29 September 2017



# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALLIANCE MINERAL ASSETS LIMITED



Building a better  
working world

Ernst & Young  
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Perth WA 6000 Australia  
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## Independent Auditor's Report to the Members of Alliance Mineral Assets Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Alliance Mineral Assets Limited (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration of the Company.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year ended on that date;
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- c) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(b).

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards and International Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material uncertainty related to going concern

We draw attention to Note 2(c) in the financial report, which describes the principal conditions that raise doubt about the Company's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALLIANCE MINERAL ASSETS LIMITED



We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

## Impairment assessment of Bald Hill project's non-current assets

Why significant	How our audit addressed the key audit matter
<p>The Company assessed during the reporting period whether there was any indication that an asset may be impaired or previously recognised impairment charges should be reversed. The Company's policy is that if any such indication exists, the entity shall estimate the recoverable amount of the asset. At year end, the Company has concluded:</p> <ul style="list-style-type: none"> <li>▶ There is no reversal of impairment that should be recorded in the current financial year.</li> <li>▶ There is no impairment required to be recorded in respect of the Company's non-current assets.</li> </ul> <p>This matter was important to our audit due to the quantum of the carrying value of the non-current assets and the judgments involved in the assessment of their fair value less cost to disposal. In performing the impairment test at 30 June 2017, the Company considered a range of factors including its market capitalisation, recent comparable transactions as well as the result of a recent pre-feasibility economic study on its Bald Hill project, which have been disclosed in note 2 to the financial report.</p>	<p>We performed the following procedures:</p> <ul style="list-style-type: none"> <li>▶ Evaluated the Company's basis for no impairment and no reversal of prior period impairment including assessing the supporting documentation used in reaching this position, as detailed below.</li> <li>▶ Involved our valuation specialists to assess the key considerations used in determining the fair value less cost of disposal of the assets including those relating to recent comparable transactions, the market capitalisation of the Company and the recent pre-feasibility economic study on the Bald Hill project.</li> <li>▶ Undertook a site visit to understand the current development status of the assets, including any evidence of obsolescence or physical damage.</li> <li>▶ Enquired with the Company and assessed the Board of Director's meeting minutes and various operational reports and plans in order to understand the future plans of the Company and to evaluate whether these were considered in the Company's evaluation of impairment.</li> </ul>

## Information other than the financial report and auditor's report

The directors are responsible for the other information. The other information comprises the information included in the Company's 2017 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALLIANCE MINERAL ASSETS LIMITED



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, International Financial Reporting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards and International Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards and International Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALLIANCE MINERAL ASSETS LIMITED



- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A handwritten signature in black ink that reads 'Ernst &amp; Young'.

Ernst & Young

A handwritten signature in black ink, appearing to be 'V L Hoang'.

V L Hoang  
Partner  
Perth  
29 September 2017

# STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
<b>Revenue</b>			
Interest income		35,013	22,742
<b>Total Revenue</b>		35,013	22,742
Other income	5	320,618	134,560
Foreign exchange (loss)/gain	5	(174,424)	110,859
Loss on disposal of assets		(1,972)	(15,417)
Accounting and audit expenses		(186,020)	(146,407)
Consulting and directors' fees		(273,777)	(343,999)
Tenement expenses		-	(175,882)
Administrative expenses	5	(1,826,635)	(680,952)
Employee salaries and other benefits expenses	5	(368,596)	(489,025)
Site operating expenses	5	(1,840,434)	-
Borrowing costs	5	(487,632)	(787,625)
<b>Loss before income tax</b>		<b>(4,803,859)</b>	<b>(2,371,146)</b>
Income tax expense	4	-	(1,710,948)
<b>Loss after tax attributable to equity holders of the Company</b>		<b>(4,803,859)</b>	<b>(4,082,094)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the financial year attributable to equity holders of the Company</b>		<b>(4,803,859)</b>	<b>(4,082,094)</b>
Basic and diluted loss per share (cents per share)	20	(1.0)	(1.0)

The accompanying notes form part of these financial statements

# STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Notes	2017 \$	2016 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	18	2,857,090	5,389,663
Other receivables	8	147,600	2,147,645
Other current assets	9	3,790,349	23,247
<b>TOTAL CURRENT ASSETS</b>		<b>6,795,039</b>	<b>7,560,555</b>
<b>NON CURRENT ASSETS</b>			
Mine development	6	3,506,374	3,088,018
Property, plant & equipment	7	12,294,022	13,635,758
<b>TOTAL NON CURRENT ASSETS</b>		<b>15,800,396</b>	<b>16,723,776</b>
<b>TOTAL ASSETS</b>		<b>22,595,435</b>	<b>24,284,331</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	7,001,220	3,585,753
Employee benefit liabilities	11	45,002	37,605
Interest bearing loans and borrowings	12	25,051	1,032,188
<b>TOTAL CURRENT LIABILITIES</b>		<b>7,071,273</b>	<b>4,655,546</b>
<b>NON CURRENT LIABILITIES</b>			
Trade and other payables	10	–	669,511
Provision for rehabilitation	14	1,078,987	1,078,987
Interest bearing loans and borrowings	12	17,320	34,507
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>1,096,307</b>	<b>1,783,005</b>
<b>TOTAL LIABILITIES</b>		<b>8,167,580</b>	<b>6,438,551</b>
<b>NET ASSETS</b>		<b>14,427,855</b>	<b>17,845,780</b>
<b>EQUITY</b>			
Issued capital	15	38,960,275	38,960,275
Reserves	16	3,849,439	2,463,505
Accumulated losses	17	(28,381,859)	(23,578,000)
<b>TOTAL EQUITY</b>		<b>14,427,855</b>	<b>17,845,780</b>

The accompanying notes form part of these financial statements

# STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Issued Capital \$	Parent Equity Contribution Reserve \$	Share-based payment reserve \$	Accumulated Losses \$	Total \$
Balance as at 1 July 2015	34,011,265	1,786,822	676,683	(19,495,906)	16,978,864
Loss for the financial year	–	–	–	(4,082,094)	(4,082,094)
Total comprehensive loss for the financial year	–	–	–	(4,082,094)	(4,082,094)
Equity Transactions:					
Issue of 83,500,000 shares	4,980,614	–	–	–	4,980,614
Issue of 3,333,333 shares	198,827	–	–	–	198,827
Transaction costs on share issued	(230,431)	–	–	–	(230,431)
<b>Balance as at 30 June 2016</b>	<b>38,960,275</b>	<b>1,786,822</b>	<b>676,683</b>	<b>(23,578,000)</b>	<b>17,845,780</b>
Balance as at 1 July 2016	38,960,275	1,786,822	676,683	(23,578,000)	17,845,780
Loss for the financial year	–	–	–	(4,803,859)	(4,803,859)
Total comprehensive loss for the financial year	–	–	–	(4,803,859)	(4,803,859)
Equity Transactions:					
Parent equity contributions – interest free loan	–	442,415	–	–	442,415
Share-based payments	–	–	943,519	–	943,519
<b>Balance as at 30 June 2017</b>	<b>38,960,275</b>	<b>2,229,237</b>	<b>1,620,202</b>	<b>(28,381,859)</b>	<b>14,427,855</b>

The accompanying notes form part of these financial statements

# STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Notes	2017 \$	2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest received		35,013	22,742
Interest paid		(10,838)	(30,601)
Research and development tax rebate on operating expenditure		399,774	919,326
Other income received		191,010	-
Payments to suppliers and employees		(2,520,802)	(1,754,135)
<b>NET CASH FLOWS USED IN OPERATING ACTIVITIES</b>	18	<b>(1,905,843)</b>	<b>(842,668)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from the Sale of Assets		28,710	-
Proceeds from redemption of fixed deposit		988,021	-
Proceeds from sale of tantalum		187,574	37,631
Research and development tax rebate on capital expenditure		705,619	784,086
Mine development expenditure		-	(3,054,449)
Purchase and refurbishment of plant & equipment		(3,773)	(423,707)
<b>NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		<b>1,906,151</b>	<b>(2,656,439)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from share issues	15	-	4,980,614
Payments for share issue costs		-	(31,603)
Repayment of secured loan		(942,907)	-
Payment of finance lease principal		(17,187)	(16,241)
Payment of insurance premium loan principal		(169,961)	(70,448)
Proceeds from insurance premium loan		160,130	59,452
Repayment of unsecured loan		(1,388,532)	-
<b>NET CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES</b>		<b>(2,358,457)</b>	<b>4,921,774</b>
Net (decrease)/increase in cash and cash equivalents		(2,358,149)	1,422,667
Cash and cash equivalents at beginning of financial year		5,389,663	3,856,137
Net foreign exchange difference on cash balances		(174,424)	110,859
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	18	<b>2,857,090</b>	<b>5,389,663</b>

The accompanying notes form part of these financial statements



# NOTES TO THE FINANCIAL STATEMENTS

## 1. CORPORATE INFORMATION

The financial report of Alliance Mineral Assets Limited ("Alliance Mineral Assets Limited" or "the Company") for the financial year ended 30 June 2017 was authorised for issue in accordance with a resolution of the directors on 29 September 2017.

Alliance Mineral Assets Limited is a public company limited by shares incorporated in Australia and listed on SGX-ST. The Company is principally engaged in the business of exploring and developing Lithium and Tantalum Mineral Resources in Australia. During the financial year, the principal activity was exploration, evaluation and development for lithium at the Bald Hill Project. The Company's registered office and principal place of business is Unit 6, 24 Parkland Road, Osborne Park, Western Australia 6017.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and International Financial Reporting Standards as issued by the International Accounting Standards Board. The financial report has also been prepared on a historical cost basis in accordance with the accounting policies below. The presentation and functional currency is Australian dollars.

The Company is a for-profit entity for the purpose of preparing financial statements.

### (b) Statement of Compliance

The financial report complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

### (c) Going concern

This report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The company has incurred a loss after tax for the year of \$4,803,859 (2016: \$4,082,094) and experienced net cash outflows from operating activities of \$1,905,843 (2016: \$842,668). As at 30 June 2017 and 28 September 2017, the Company had cash and restricted cash totalling to \$6,616,793 and \$9,082,430 respectively. The increase in the cash and restricted cash balance reflects the additional instalment payment of \$4,375,000 received under the lithium concentrate offtake agreement with Burwill Holdings Ltd dated April 2017.

The Company's cash flow forecast reflect that the Company will need to raise additional funds during the quarter ending 31 December 2017 to enable it to meet its committed and planned capital expenditure in the Bald Hill project and for on-going working capital requirements. The Directors are currently reviewing a range of financing options which may include further issue of new equity or obtaining new borrowings. The Directors have reviewed the company's financial position and are satisfied that based on the ongoing discussions with relevant parties, they will be successful in securing additional funds through debt or equity issues and thus it is appropriate to prepare the financial statements on a going concern basis.

Should the company not achieve the matters set out above, there is a significant uncertainty whether the company will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of recorded assets or liabilities that might be necessary should the company not be able to continue as a going concern.

# NOTES TO THE FINANCIAL STATEMENTS

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (d) Critical Accounting Estimates and Judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### *Determination of mineral resources*

The Company estimates its mineral resources in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC code'). The information on mineral resources was prepared by or under the supervision of Competent Persons as defined in the JORC code.

There are numerous uncertainties inherent in estimating mineral resources and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in mineral resources may impact the recoverability and useful lives of the exploration and evaluation, mine development and property, plant and equipment assets. Refer to Note 6 for mine development and Note 7 for property, plant and equipment.

#### *Share-based payment transactions*

The Company measures the cost of equity-settled transactions with employees or third parties by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black Scholes model, using the assumptions detailed in note 28.

#### *Recognition of deferred tax asset*

The Company recognises deferred tax assets on the basis that it is considered probable that there will be sufficient future taxable profits available against which the unused tax losses can be utilised in the foreseeable future. Refer to note 4.

#### *Rehabilitation provision*

The Company records the present value of the estimated cost of restoring operating locations in the period in which the obligation arises, which is typically at acquisition or disturbance to the environment. The nature of the restoration activities includes the removal of facilities, abandonment of mine sites and rehabilitation of the affected areas. In most instances this arises many years in the future. The application of this policy necessarily requires judgmental estimates and assumptions regarding the date of abandonment, environmental legislation, the engineering methodology adopted, technologies to be used, expected future inflation rates and the asset specific discount rates used to determine the present value of these cash flows. Refer to Note 14.

# NOTES TO THE FINANCIAL STATEMENTS

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (d) Critical Accounting Estimates and Judgements (Continued)

#### *Commencement of project development*

The Company has a policy of recognising acquired exploration and evaluation as an asset at cost. Otherwise exploration and evaluation expenditure is expensed as incurred. Once the Board has made a positive decision to develop a project a portion of the carrying amount of acquired exploration and evaluation is transferred to the mine development asset. Judgment is required in determining the amount to be transferred, including consideration of the assets originally acquired, the resource or reserve existing at the time of transfer and the remaining potential of the tenure not classified as a resource or reserve. It was determined that a positive decision to develop the tantalum and lithium Bald Hill project was reached during the financial year through the successful negotiation of the offtake agreement and the commencement of the development earn-in for the project by Lithco No. 2 Pty Ltd. As at 30 June 2017, the carrying value of mine development assets was \$3,506,374 (2016: \$3,088,018). Refer to Note 6.

#### *Impairment of property, plant and equipment and mine development*

The Company assesses each asset or cash generating unit (CGU) in each reporting period to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs of disposal (FVLCD) and value in use (VIU). The FVLCD assessment is based on a market comparison approach using available data from sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. In the current year, the directors have made an estimate of FVLCD and have concluded carrying value approximates fair value and therefore no impairment is required and there is no reversal required for previously recognised impairment expenses. The fair value methodology adopted was categorised as Level 3 in the fair value hierarchy. Refer Note 6 and Note 7 for the carrying values of mine development and property, plant and equipment respectively.

### (e) Impairment of non-financial assets other than goodwill

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset.

# NOTES TO THE FINANCIAL STATEMENTS

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (e) Impairment of non-financial assets other than goodwill (Continued)

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

### (f) Exploration expenditure

Exploration and evaluation expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation.

Exploration and evaluation expenditure for each area of interest is expensed as incurred.

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition, as determined by the requirements of AASB 6 Exploration for and evaluation of mineral resources (AASB 6 or IFRS 6).

Carried forward expenditure on areas of interest where tenure is no longer current is written off. Furthermore, the directors regularly review the carrying value of exploration and evaluation expenditure if impairment indicators are present and make write downs if the values are not expected to be recoverable.

When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off.

Expenditure is not carried forward in respect of any area of interest/mineral resource unless the Company's rights of tenure to that area of interest are current.

### (g) Mine Development Expenditure

From the date that the commercial viability of extracting a mineral resource is demonstrable expenditure on that area of interest is capitalised as development expenditure. At the same time an appropriate portion of the carrying amount of exploration and evaluation is reclassified to development expenditure.

Development expenditure ceases to be capitalised once a commercial level of production is achieved and the asset is amortised over the assessed useful life from that date.

# NOTES TO THE FINANCIAL STATEMENTS

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (h) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost and, where applicable, any accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss during the financial period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Once an asset is installed and commissioned it will be depreciated over its useful life.

### (i) Trade and Other Receivables

Trade receivables, which generally have 30 – 90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Company in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Company. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

### (j) Cash and Cash Equivalents

Cash and short term deposits in the statement of financial position include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown as current liabilities in the statement of financial position. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as described above.

# NOTES TO THE FINANCIAL STATEMENTS

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (k) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money, and where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### (l) Provision for rehabilitation

The provision for rehabilitation represents the cost of restoring site damage following initial disturbance. Increases in the provision are capitalised to the associated assets to the extent that the future benefits will arise. Costs incurred that relate to an existing condition caused by past operations and do not have a future economic benefit are expensed.

Gross rehabilitation costs are estimated at the present value of the expenditures expected to settle the obligation, using estimated cash flows based on current prices. The estimates are discounted at a pre-tax rate that reflects current market assessments of the time value of money and where appropriate the risk specific to the liability. The unwinding of the discount is recorded as an accretion charge within finance costs.

### (m) Income Tax

Deferred income tax is provided for on all temporary differences at balance date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

No deferred income tax will be recognised from the initial recognition of goodwill or of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

# NOTES TO THE FINANCIAL STATEMENTS

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (m) Income Tax (Continued)

The amount of benefits brought to account or which may be realised in the future is based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance date and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law. The carrying amount of deferred tax assets is reviewed at each balance date and only recognised to the extent that sufficient future assessable income is expected to be obtained. Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

### (n) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### (o) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue is capable of being reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### *Interest income*

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

#### *Other income*

Other income comprises of Research and Development incentives and mining camp and administrative services. This income is recognised in the period that it is earned.

### (p) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

# NOTES TO THE FINANCIAL STATEMENTS

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (q) Earnings per share

#### *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than dividends, by the weighted average number of ordinary shares, adjusted for any bonus elements.

#### *Diluted earnings per share*

Diluted earnings per share is calculated as net profit attributable to members of the Company, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses;
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; and
- divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus elements.

Where there has been a share split the number of shares used in calculating both basic and diluted earnings per share are adjusted on a retrospective basis.

### (r) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Tax Office is included as part of receivables or payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which is receivable from or payable to the ATO, are disclosed as operating cash flows.

### (s) Trade and other payables

Liabilities for trade creditors and other amounts are measured at amortised cost, which is the fair value of the consideration to be paid in the future for goods and services received that are unpaid, whether or not billed to the Company.



# NOTES TO THE FINANCIAL STATEMENTS

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (t) Share based payment transactions

The Company provides benefits to individuals acting as, and providing services similar to employees (including Directors) of the Company in the form of share based payment transactions, whereby individuals render services in exchange for shares or rights over shares ('equity settled transactions').

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using the Black Scholes formula taking into account the terms and conditions upon which the instruments were granted, as discussed in note 28.

In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the value of the shares of Alliance Mineral Assets Limited ('market conditions').

The cost of the equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of the market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised at the beginning and end of the period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

Where an equity settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the award is recognised immediately. However if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The cost of equity-settled transactions with non-employees is measured by reference to the fair value of goods and services received unless this cannot be measured reliably, in which case the cost is measured by reference to the fair value of the equity instruments granted.

Where the equity settled award is provided by the parent entity and the Company does not compensate the parent for that award, the expense is recognised as an equity contribution by the parent.

The dilutive effect, if any, of outstanding options is reflected in the computation of loss per share (see note 20).

# NOTES TO THE FINANCIAL STATEMENTS

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (u) Interest bearing loans and borrowings

Loans and borrowings other than financial instruments issued by the Company are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, all interest bearing loans and borrowings, other than liabilities held for trading, are subsequently measured at amortised cost using the effective interest method.

### (v) Fair value measurement

The Company measures financial instruments, such as derivatives, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- \* In the principal market for the asset or liability, or
- \* In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

### (x) Foreign currencies

Transactions in foreign currencies are recorded in the Company's functional currency (Australian Dollars) at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. All exchange differences on monetary items are included in determining profit or loss. Non-monetary items are recorded in the applicable functional currency using the exchange rate at the date of the transaction.

# NOTES TO THE FINANCIAL STATEMENTS

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (y) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

### (z) Employee entitlements

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date. Liabilities arising in respect of wages and salaries, annual leave and other benefits due to be settled within twelve months of the reporting date are measured at rates which are expected to be paid when the liability is settled.

All other employee entitlement liabilities are measured at the present value of estimated payments to be made in respect of services rendered up to reporting date.

Contributions for pensions and other post-employment benefits to defined contribution plans are recognised in comprehensive income as incurred during the period in which employees render the related service.

### (aa) Unearned revenue

Revenue from long-term offtake agreements is a payment for future product to be delivered. Advance customer payments are unearned revenues at the time of receipt. When the product is delivered to the customer the unearned revenue will be released to the profit or loss on an undiscounted basis. Unearned revenue is classified within trade and other payables.

### (ab) Deposits

Deposits received are classified as other current assets until such time that they are no longer restricted in terms of their use.

## 3. SEGMENT INFORMATION

For management purposes, the Company is organised into one operating segment, which involves exploration for and development of the mineral assets in Australia. All of the Company's activities are interrelated, and discrete financial information is reported to the Board of Directors (Chief Operating Decision Makers) as a single segment.

Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole. All of the Company's non-current assets reside in Australia.

## NOTES TO THE FINANCIAL STATEMENTS

### 4. INCOME TAX

#### (a) Income tax benefit/(expense)

	2017 \$	2016 \$
Major component of tax expense for the financial year:		
Current tax	-	-
Deferred tax	36,387	(1,710,948)
Recognition of temporary differences and tax losses not previously brought to account	(36,387)	-
	<u>-</u>	<u>(1,710,948)</u>

#### (b) Numerical reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory income tax rate

A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Company's applicable tax rate is as follows:

	2017 \$	2016 \$
Loss before tax	(4,803,859)	(2,371,146)
Tax at the company rate of 27.5% (2016: 30%)	(1,321,061)	(711,344)
Non-deductible expenses	390,586	227,107
Taxable gains on issue of lithium rights	1,031,250	-
Non-assessable income	(8,956)	(40,368)
Income tax benefit not brought to account	(55,432)	1,214,030
Income tax benefits not recognised previously now recognised	(36,387)	1,021,523
Income tax expense	<u>-</u>	<u>1,710,948</u>

# NOTES TO THE FINANCIAL STATEMENTS

## 4. INCOME TAX (CONTINUED)

### (c) Deferred tax

The following deferred tax balances have not been brought to account:

	2017 \$	2016 \$
<i>Liabilities</i>		
Temporary differences	(8,428)	(3,004)
Offset by deferred tax assets	8,428	3,004
	-	-
<i>Assets</i>		
Total losses available to offset against future taxable income	1,956,151	1,775,849
Temporary differences	851,169	1,211,898
Deferred tax assets offset against deferred tax liabilities	(8,428)	(3,004)
Deferred tax assets not brought to account as realisation is not regarded as probable	(2,798,892)	(2,984,743)
Deferred Tax asset	-	-

### (d) Unused tax losses

	2017 \$	2016 \$
Potential tax benefit not recognised	7,113,277	5,919,496
Potential tax benefit not recognised at 27.5% (2016: 30%)	1,956,151	1,775,849

The benefit for tax losses will only be obtained if:

- (i) the Company derives future assessable income in Australia of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised, and
- (ii) the Company continues to comply with the conditions for deductibility imposed by tax legislation in Australia and
- (iii) no changes in tax legislation in Australia, adversely affect the Company in realising the benefit from the deductions for the losses.

No deferred tax assets have been recognised as at 30 June 2017 (30 June 2016: nil) as it is not considered probable that there will be sufficient future taxable profits available against which the unused tax losses can be utilised in the foreseeable future.

## NOTES TO THE FINANCIAL STATEMENTS

### 5. OTHER INCOME AND EXPENDITURES

	2017 \$	2016 \$
Other income comprises:		
Research and Development incentives	32,566	134,560
Mining camp and administration services	286,805	-
Sundry income	1,247	-
Total Other income	<u>320,618</u>	<u>134,560</u>
(Loss)/Gain on foreign exchange	<u>(174,424)</u>	<u>110,859</u>
Administrative expenses includes:		
Legal fees	<u>177,882</u>	<u>63,809</u>
Listing associated fees	224,073	192,291
Share based payments (advisor fees)	943,520	-
Depreciation	51,710	54,036
General expenses	<u>429,450</u>	<u>370,816</u>
Total administrative expenses	<u>1,826,635</u>	<u>680,952</u>
Employee salaries and other benefits expenses comprises:		
Salaries and wages	282,140	426,260
Superannuation	38,370	42,523
Payroll tax and worker compensations	<u>48,086</u>	<u>20,242</u>
Total employee benefits expense	<u>368,596</u>	<u>489,025</u>
Site operating expenses includes:		
Plant maintenance	62,578	-
Tenement maintenance	178,549	-
Depreciation	1,265,727	-
Other site operating expenses	<u>333,580</u>	<u>-</u>
Total site operating expenses	<u>1,840,434</u>	<u>-</u>
Borrowing costs comprises:		
Accretion of discount on Living Waters Mining loan	476,794	757,024
Interest payable on secured loan	8,407	22,924
Interest payable on other loans	<u>2,431</u>	<u>7,677</u>
	<u>487,632</u>	<u>787,625</u>

# NOTES TO THE FINANCIAL STATEMENTS

## 6. MINE DEVELOPMENT

	2017 \$	2016 \$
At beginning of the financial year	3,088,018	392,602
Additions	596,565	3,033,950
Reduction in rehabilitation provision	-	(338,534)
Proceeds from sale of tantalum	(178,209)	-
<b>Total mine development</b>	<b>3,506,374</b>	<b>3,088,018</b>

Refer to note 2(d) where we have considered impairment of mine development.

## 7. PROPERTY, PLANT AND EQUIPMENT

	2017 \$	2016 \$
<b>Assets under construction</b>		
At cost	70,045	70,045
<b>Buildings</b>		
At cost	2,966,353	2,966,353
Less: Accumulated depreciation	(515,407)	(325,182)
	<b>2,450,946</b>	<b>2,641,171</b>
<b>Furniture and fittings</b>		
At cost	97,263	97,263
Less: Accumulated depreciation	(38,992)	(24,096)
	<b>58,271</b>	<b>73,167</b>
<b>Office equipment</b>		
At cost	187,401	183,628
Less: Accumulated depreciation	(100,526)	(59,547)
	<b>86,875</b>	<b>124,081</b>
<b>Plant and equipment</b>		
At cost	11,516,457	11,516,457
Less: Accumulated depreciation	(1,992,902)	(958,783)
	<b>9,523,555</b>	<b>10,557,674</b>
<b>Motor vehicles</b>		
At cost	198,885	257,470
Less: Accumulated depreciation	(94,555)	(87,850)
	<b>104,330</b>	<b>169,620</b>
<b>Total Property, plant &amp; equipment</b>	<b>12,294,022</b>	<b>13,635,758</b>

Refer to note 2(d) where we have considered impairment of property, plant and equipment.

## NOTES TO THE FINANCIAL STATEMENTS

### 7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of movement in property, plant and equipment:

	Assets under construction	Buildings	Furniture and fittings	Office equipment	Plant & equipment	Motor vehicles	Total
Balance at 1 July 2016	70,045	2,641,171	73,167	124,081	10,557,674	169,620	13,635,758
Additions	-	-	-	3,773	-	-	3,773
Disposals	-	-	-	-	-	(28,072)	(28,072)
Transfers	-	-	-	-	-	-	-
Depreciation expense	-	(190,225)	(14,896)	(40,979)	(1,034,119)	(37,218)	(1,317,437)
Closing balance	70,045	2,450,946	58,271	86,875	9,523,555	104,330	12,294,022
Balance at 1 July 2015	212,020	2,828,074	88,063	144,393	10,918,541	118,311	14,309,402
Additions	423,707	-	-	-	-	-	423,707
Disposals	-	-	-	-	(15,417)	-	(15,417)
Transfers	(565,682)	3,528	-	18,828	470,431	72,895	-
Depreciation expense	-	(190,431)	(14,896)	(39,140)	(815,881)	(21,586)	(1,081,934)
Closing balance	70,045	2,641,171	73,167	124,081	10,557,674	169,620	13,635,758

Included above are assets with a cost of \$105,287 (2016: \$105,287) and accumulated depreciation of \$32,945 (2016: \$22,547) which are secured pursuant to a finance lease arrangements.

### 8. OTHER RECEIVABLES

	2017 \$	2016 \$
<b>Current</b>		
GST Receivable (i)	17,936	38,620
Other Receivables (i)	129,664	1,081,799
Security term deposit (ii)	-	1,027,226
	<b>147,600</b>	<b>2,147,645</b>

(i) GST and other receivables are non-interest bearing. Due to their short term nature, the carrying value of GST and other receivables is assumed to approximate their fair value. Other receivables in the current year mainly relate to the provision of mining camp and administration services (2016: Estimated Research and Development incentive claims).

(ii) The security term deposit related to a S\$1,030,000 term deposit with a Singaporean bank used as a security for the Company's S\$1,000,000 bank loan. The term deposit earned an interest rate of 1% with fair value approximately the same as its carrying value. The term deposit matured during the current financial year and was not reinvested.



# NOTES TO THE FINANCIAL STATEMENTS

## 9. OTHER CURRENT ASSETS

	2017 \$	2016 \$
Prepayment	30,646	23,247
Restricted cash <sup>(i)</sup>	3,759,703	–
	<u>3,790,349</u>	<u>23,247</u>

(i) Restricted cash relates to the first prepayment received under the long-term lithium concentrate offtake contract with a wholly owned subsidiary of Burwill Holdings Limited (“Burwill”). The terms of the contract contained a number of conditions precedent which not all have been satisfied as at balance date. Specifically:

- Lithco and AMA forming an unincorporated 50:50 joint venture in respect of the project.
- The announcement of a JORC-code compliant mineral resource of not less than 12,000,000 tonnes at not less than 1.1% Li2O.
- AMA or the joint venture obtaining all relevant regulatory approvals or consents necessary to fulfil its obligations under this agreement.

The restricted cash was paid to a nominated bank account specifically dedicated to the Bald Hill project and shall be used for the continued development and operational costs of the project.

## 10. TRADE AND OTHER PAYABLES

	2017 \$	2016 \$
<b>Current</b>		
Trade and other payables <sup>(i)</sup>	175,345	59,432
Accruals	687,233	404,860
Due to controlling entity, Living Waters Mining Pty Ltd <sup>(ii)</sup>	2,436,820	3,121,461
Unearned revenue <sup>(iii)</sup>	3,701,822	–
	<u>7,001,220</u>	<u>3,585,753</u>
<b>Non-current</b>		
Due to controlling entity, Living Waters Mining Pty Ltd <sup>(ii)</sup>	–	669,511

(i) Trade and other payables and accruals are non-interest bearing and payable on demand. Due to their short term nature, the carrying value of trade and other payables and accruals is assumed to approximate their fair value.

(ii) The balance owing to Living Waters Mining Pty Ltd (LWM) is represented by the balance due under the agreement to purchase the Bald Hill Tantalum Project. The balance is interest free and was previously payable on demand. Pursuant to a Supplemental Deed dated 18 June 2014 between LWM and the Company, LWM agreed, confirmed and undertook to the Company that LWM shall not be paid the outstanding Cash Component (or any part thereof) for a period of 18 months commencing from the date of the Listing (“Minimum Non-Payment Period”); and LWM has agreed not to demand repayment unless the Company has adequate funds.

As at 30 June 2016, due to the cash received from the R&D claims and the capital raising in June 2016, \$2,777,065 became due and payable to LWM in accordance with the terms of the revised loan agreement. In addition, an amount of \$344,396 which was expected to be payable in the next 12 months based on the R&D claim for the year ended 30 June 2016 resulting a current portion of the loan with Living Waters to be \$3,121,461.

On 5 September 2016, the repayment of the amount owing of \$2,777,065 was agreed to be made in 24 equal monthly instalments of \$115,711 commencing in July 2016. The change to the fair value of the loan resulting from this amendment has resulted in a parent equity contribution of \$442,415 being recognised for the year. During the current financial year, the Company repaid \$1,388,532 to Living Waters under the revised agreement reducing the loan balance to \$2,436,820 at 30 June 2017, all of which is expected to be repaid by 30 June 2018. As at 30 June 2017, the undiscounted amount owing to Living Waters Mining is \$2,611,468.

In July 2017, an amount \$397,222 was repaid as a result of Free Cash Flow generated from the receipt of the 30 June 2016 R&D claim in February 2017.

# NOTES TO THE FINANCIAL STATEMENTS

## 10. TRADE AND OTHER PAYABLES (CONTINUED)

(iii) On 20 April 2017, the Company entered into a lithium concentrate offtake agreement with a 100% owned subsidiary of Burwill Holdings Limited ("Burwill"). The contract is for the supply of lithium concentrate from the Bald Hill Project in Western Australia over an approximate initial five-year term. As part of the terms of the lithium concentrate offtake agreement, Burwill also agreed to advance \$12,500,000 ("Advance Payment Amount") in the amounts and on the dates set out below:

- \$3,750,000 was received on signing of this agreement;
- \$4,375,000 on 15 July 2017 (this has also been subsequently received); and
- \$4,375,000 on 15 September 2017 (this has not yet been subsequently received at the date of this report).

The advance payments shall be used for the development and operational costs of the Bald Hill project.

## 11. EMPLOYEE BENEFIT LIABILITIES

	2017 \$	2016 \$
<b>Current</b>		
Annual Leave	45,002	37,605
	<u>45,002</u>	<u>37,605</u>

## 12. INTEREST BEARING LOANS AND BORROWINGS

	2017 \$	2016 \$
<b>Current</b>		
Finance lease liabilities <sup>(i)</sup>	17,186	17,186
Insurance Premium Funding	7,865	17,695
Secured Loan <sup>(ii)</sup>	-	997,307
	<u>25,051</u>	<u>1,032,188</u>
<b>Non-Current</b>		
Finance lease liabilities <sup>(i)</sup>	17,320	34,507
	<u>17,320</u>	<u>34,507</u>

(i) The carrying amount of the finance lease liability approximates fair value.

(ii) The secured loan incurred interest of 2.32% and was repaid on 3 October 2016. The facility was secured up until its full repayment during the year by a term deposit of \$1,027,226 (refer to note 8).

There are no other financing facilities available to the Group as at 30 June 2017.

## 13. FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The fair value of a financial asset and financial liability is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the reporting date.

All of the Company's financial assets and financial liabilities are measure at amortised cost, which approximates fair value.

# NOTES TO THE FINANCIAL STATEMENTS

## 14. PROVISION FOR REHABILITATION

	2017 \$	2016 \$
At beginning of the financial year	1,078,987	1,417,521
Decrease during the year	-	(338,534)
<b>Total provision for rehabilitation</b>	<b>1,078,987</b>	<b>1,078,987</b>

The provision for rehabilitation work relate to the Bald Hill Tantalum project. The timing of settlement of this obligation cannot be established with any certainty. The Company has commenced mining the project and many of the old pits identified for rehabilitation work will be subject to new mining. In calculating the provision for rehabilitation an inflation rate of 1.9% (2016: 1.6%) and discount rate of 2.41% (2016: 2.12%) have been used by the company.

## 15. ISSUED CAPITAL

### (a) Issued and paid up capital

	2017 \$	2016 \$
Ordinary shares fully paid	38,960,275	38,960,275

### (b) Movements in ordinary shares

	2017		2016	
	Number of shares	\$	Number of shares	\$
Opening balance	480,763,760	38,960,275	393,930,427	34,011,265
Placement	-	-	83,500,000	4,980,614
Placement commission	-	-	3,333,333	198,827
Transaction costs on share issues	-	-	-	(230,431)
<b>Closing balance</b>	<b>480,763,760</b>	<b>38,960,275</b>	<b>480,763,760</b>	<b>38,960,275</b>

### (c) Ordinary shares

The Company does not have authorised capital nor par value in respect of its issued capital. Ordinary shares have the right to receive dividends as declared and, in the event of a winding up of the Company, to participate in the proceeds from sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or proxy, at a meeting of the Company.

### (d) Capital risk management

The Company's capital comprises share capital and reserves less accumulated losses. As at 30 June 2017, the Company has net assets of A\$14,427,855. The Company manages its capital to ensure its ability to continue as a going concern and to optimise returns to its shareholders. Refer to note 24 for information on the Company's financial risk management policies.

## NOTES TO THE FINANCIAL STATEMENTS

### 16. RESERVES

	2017 \$	2016 \$
Parent equity contributed reserve <sup>(i)</sup>	2,229,237	1,786,822
Share based payments reserve <sup>(ii)</sup>	1,620,202	676,683
	<u>3,849,439</u>	<u>2,463,505</u>

(i) The parent equity contributed reserve comprises benefits provided to the Company by the parent entity, for which no compensation or reimbursement is paid or payable by the Company. During the current financial year the controlling shareholder provided the Company with the benefit of an interest free loan of \$442,415. Refer to note 10(ii) for further details.

(ii) Share based payments reserve is the value of equity benefits provided to employees, directors and consultants by the Company as part of their remuneration. No shares or options were issued to employees during the current financial year. Refer to note 28 for details of options issued to consultants during the year.

#### (a) Movement in reserves

	2017 \$	2016 \$
Movements in the parent equity contribution reserve are as follows:		
Opening balance	1,786,822	1,786,822
Parent equity contribution (Note 10(ii))	442,415	-
Closing balance	<u>2,229,237</u>	<u>1,786,822</u>
Movements in the share based payment reserve are as follows:		
Opening balance	676,683	676,683
Options issued during the year (Note 28(a))	943,519	-
Closing balance	<u>1,620,202</u>	<u>676,683</u>

### 17. ACCUMULATED LOSSES

	2017 \$	2016 \$
Movements in accumulated losses were as follows:		
Opening balance	23,578,000	19,495,906
Loss for the financial year	4,803,859	4,082,094
Closing balance	<u>28,381,859</u>	<u>23,578,000</u>

# NOTES TO THE FINANCIAL STATEMENTS

## 18. CASH AND CASH EQUIVALENTS

### Reconciliation of operating loss after tax to net cash flows from operations

	2017 \$	2016 \$
Loss after tax	(4,803,859)	(4,082,094)
<i>Add/(less) non-cash items:</i>		
Non-cash borrowing costs	476,794	757,024
Depreciation	1,317,437	11,885
Foreign exchange gain	174,424	(110,859)
Share based payments	943,519	-
<i>Changes in assets and liabilities:</i>		
Trade and other payables	(1,063,897)	192,822
Deferred tax asset	-	1,710,948
Trade and other receivables	1,049,739	677,606
Net cash flow used in operating activities	<u>(1,905,843)</u>	<u>(842,668)</u>
<b>Reconciliation of cash</b>		
Cash balance comprises:		
Cash at bank	<u>2,857,090</u>	<u>5,389,663</u>

## 19. SUBSEQUENT EVENTS

In July 2017 the Company repaid \$397,222 of the loan owing to Living Waters Mining as a result of free cash flows generated from the 30 June 2016 R&D claim which was received in February 2017.

On 18 July 2017, the Company received the second lithium offtake prepayment of \$4,375,000 due under the lithium concentrate offtake agreement from a subsidiary of Burwill Holdings Ltd.

On 8 August 2017, the Company announced that Tawana (the corporate parent of Lithco) released the Bald Hill Pre-Feasibility Study on 11 July 2017.

On 15 August 2017, the Company and Tawana Resources NL, executed an Engineering, Procurement and Construction ("EPC") contract with Primero Group to build a 1.2 million tonne per annum Dense Media Separation ("DMS") circuit at the Bald Hill Project. The EPC contract is a "lump sum, fixed price" contract valued at \$30 million.

In September 2017, the Board resolved to issue a total of 12.45 million performance shares to directors and key executives in recognition of the Company's achievements to date and as an incentive for future performance. Shareholder approval will be sought where appropriate.

No other matters or circumstances have arisen subsequent to the balance date which would significantly affect the operations of the Company, its operating results or its state of affair in the subsequent financial years.

## NOTES TO THE FINANCIAL STATEMENTS

### 20. LOSS PER SHARE

	2017 \$	2016 \$
Loss used in calculating basic and diluted loss per share	(4,803,859)	(4,082,094)
Weighted average number of ordinary shares used in calculating basic and diluted loss per share:	<u>480,763,760</u>	<u>393,930,427</u>

At balance date, 11,400,000 unlisted options (2016: nil options) were not included in the diluted loss per share calculation as they were considered anti-dilutive.

### 21. AUDITOR'S REMUNERATION

	2017 \$	2016 \$
The auditor of Alliance Mineral Assets Limited is Ernst & Young Australia: Amounts paid or payable to Ernst & Young (Australia) for:		
– audit or review of the financial report	48,000	45,000
– audit of the farm-in exploration expenditure	9,000	–
– tax services	<u>28,000</u>	<u>165,000</u>
	<u>85,000</u>	<u>210,000</u>
Amounts paid or payable to Ernst & Young LLP (Singapore) for:		
– audit or review of the financial report	<u>8,000</u>	<u>5,000</u>
	<u>8,000</u>	<u>5,000</u>

### 22. KEY MANAGEMENT PERSONNEL DISCLOSURES

#### (a) Details of Key Management Personnel

Ms. Pauline Gately (Non-Executive Chairman)

Ms. Suen Sze Man (Executive Director)

Mr. Mahtani Bhagwandas (Non-Executive Director)

Mr. Ong Kian Guan (Non-Executive Director)

Mr. Tjandra Pramoko (CEO)

Ms. Fiona Leaw Mun Ni (Company Secretary)

Mr. Paul Robson (Chief Financial Officer, appointed 16 April 2015, resigned 19 February 2016)

# NOTES TO THE FINANCIAL STATEMENTS

## 22. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

### (b) Compensation of Key Management Personnel

	2017 \$	2016 \$
Included in consulting and directors' fees:		
• Directors fees	99,409	125,489
• Salary, Wages & other benefits	200,385	204,681
Included in Employee salaries and other benefits expenses		
• Salaries & Wages	252,686	376,866
• Superannuation and other entitlements	24,005	35,802
Total Key Management Personnel remuneration	<u>576,485</u>	<u>742,838</u>

The compensation of key management personnel was within the following bands:

	2017	2016
<b>Directors</b>		
Pauline Gately	Band A	Band A
Suen Sze Man	Band A	Band A
Mahtani Bhagwandas	Band A	Band A
Ong Kian Guan	Band A	Band A
	<u>2017</u>	<u>2016</u>
<b>Executive officers</b>		
Tjandra Pramoko	Band A	Band A
Fiona Leaw Mun Ni	Band A	Band A
Paul Robson (appointed on 16 April 2015, resigned 19 February 2016)	N/A	Band A

Band A compensation (including share based payments) is between S\$0 and S\$250,000 per annum.

### (c) Shareholdings and option holdings of key management personnel

The number of shares in the company held during the financial year held by each key management personnel of Alliance Mineral Assets Limited, including their personally related parties, is set out below.

30 June 2017 Key Management Personnel	Balance at the beginning of the financial year	Acquisitions during the financial year	Disposals during the financial year	Balance at the end of the financial year
Pauline Gately	326,081	–	–	326,081
Tjandra Pramoko*	196,187,950	300,000 <sup>(1)</sup>	(78,112,976) <sup>(2)</sup>	118,374,974 <sup>(2)</sup>
Suen Sze Man*	196,187,950	300,000 <sup>(1)</sup>	(78,112,976) <sup>(2)</sup>	118,374,974 <sup>(2)</sup>
Mahtani Bhagwandas	–	–	–	–
Ong Kian Guan	–	–	–	–
Fiona Leaw Mun Ni	163,051	–	–	163,051

## NOTES TO THE FINANCIAL STATEMENTS

### 22. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

#### (c) Shareholdings and option holdings of key management personnel (Continued)

30 June 2016 Key Management Personnel	Balance at the beginning of the financial year	Granted as remuneration during the financial year	Other changes during the financial year	Balance at the end of the financial year
Pauline Gately	326,081	–	–	326,081
Tjandra Pramoko*	196,187,950	–	–	196,187,950
Suen Sze Man*	196,187,950	–	–	196,187,950
Mahtani Bhagwandas	–	–	–	–
Ong Kian Guan	–	–	–	–
Paul Robson (appointed 16 April 2015 resigned 19 February 2016)	–	–	–	–
Fiona Leaw Mun Ni	163,051	–	–	163,051

\* The interests of Tjandra Pramoko and Suen Sze Man arise from their interest in Living Waters Mining (Australia) Pty Ltd ("Living Water"), the major shareholder of the Company.

(1) This relates to on-market acquisition as announced on 3 April 2017.

(2) This relates to:

- on-market disposal of 32,038,188 shares as announced to the market on 14 October 2016.
- off-market disposal of 46,074,788 shares as announced on 17 June 2017, where Living Waters transferred 46,074,788 of the Company's shares as agreed under a personal settlement agreement between Living Water, its shareholders and Grande Pacific Limited ("Grande Pacific") ("the Settlement Agreement"). As further clarified in the announcement dated 2 August 2017, a further 46,074,788 shares held by Living Water are frozen ("Frozen Shares") under an order of the court as security for a potential payment for which Living Waters is liable to Grande Pacific, in connection with the following arrangement:
  - (i) If by 24 October 2017 (the "Expiration Date"), the value of the shares transferred to Jonathan Lim under the Settlement Agreement does not reach a price of \$0.50 per share (the "Strike Price"), then Living Waters Mining shall be liable to pay Grande Pacific Limited a sum equivalent to the difference between the Strike Price and the volume weighted average price ("VWAP") of the shares in the Company based on a "7 calendar day lookback period from the Expiration Date", for the number of shares in the Company held by Grande Pacific as at the Expiration Date. Following such payment, the Frozen Shares would be released to the Relevant Parties.
  - (ii) If by the Expiration Date the value of the shares transferred to Jonathan Lim reaches a value equal to the Strike Price, as determined by the VWAP with a "7 calendar day lookback period" from the Expiration Date, then the above payment obligations will not apply and the Frozen Shares would be released to the Relevant Parties.

A separate sum of S\$7,000,000 was also agreed to be paid to Grande Pacific under the Settlement Agreement, but this sum was unavailable to be transferred to Grande Pacific on the date as agreed in the Settlement Agreement. As a result, Grande Pacific Limited proceeded to apply for a writ of seizure and sale ("WSS") to recover this sum through Living Waters Mining ownership of shares in the Company.

On 30 June 2017, the WSS was filed and served by the Sheriff's Office, Supreme Court of Singapore to seize 72,300,186 shares (excluding the above 46,074,788 frozen shares) in the Company belonging to Living Waters. The WSS is however limited to a sum of S\$7,000,000 plus interest, and post judgment costs and disbursements. The actual number of shares to be sold would be determined based on the prevailing market price of the Company's shares at the time of the sale. Any remaining shares will be transferred back to Living Waters.

The above is a matter between a major shareholder and a third party and does not affect the financial position or the performance of the Company.



# NOTES TO THE FINANCIAL STATEMENTS

## 22. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

### (d) Other transactions with key management personnel

Transactions between our Company and any of our Interested Persons (namely, our Directors, Controlling Shareholder of our Company, or the Associates of such persons) are generally known as Interested Person Transactions. With the exception of items disclosed in note 22 and note 23 there were no other transactions with key management personnel.

## 23. RELATED PARTY DISCLOSURES

### Payables owing to Living Waters Mining from the Sale of Business Agreement:

#### Sale of Business Agreement

Pursuant to the Sale of Business Agreement dated 20 December 2010, our Company acquired the Project Assets and the exploration and mining business carried out on the Bald Hill Project site from Living Waters Mining for a consideration comprising the allotment and issuance of 31,999,999 Shares of our Company at an issue price of A\$0.50 per Share and A\$4,000,000 ("Cash Component"), which was based on a willing-buyer willing-seller basis. Our Directors are of the view that the foregoing acquisition was not on an arm's length basis as it was undertaken for the purpose of having the Project Assets and the Bald Hill Project acquired by our Company for the purposes of the Listing.

The entire Cash Component of A\$4.0 million under the Sale of Business Agreement dated 20 December 2010 remained outstanding to Living Waters Mining during the Relevant Period. Subsequently, pursuant to a Supplemental Deed dated 18 June 2015 between Living Waters Mining and our Company, Living Waters Mining agreed, confirmed and undertook to our Company that:

- (a) Living Waters Mining shall not be paid the outstanding Cash Component (or any part thereof) for a period of 18 months commencing from the date of the Listing ("Minimum Non-Payment Period");
- (b) the Cash Component has been, and will remain and continue to be, interest-free and unsecured; and
- (c) payment of the Cash Component by our Company to Living Waters Mining shall only be made by our Company to Living Waters Mining:
  - (i) after the date of expiry of the Minimum Non-Payment Period;
  - (ii) subject to the commencement of production and sales by our Company of Tantalite concentrate and positive cash flow based on the quarterly financial statements of our Company for the financial quarter preceding the date on which payment is approved to be made; and
  - (iii) with the approval in writing by the Audit Committee and the Directors (excluding Directors who are interested in such payment), after taking into consideration, without limitation, the general financial and business conditions, results of operations, earnings, capital expenditure, cash flow requirements and development plans of our Company at the time of the proposed payment.

# NOTES TO THE FINANCIAL STATEMENTS

## 23. RELATED PARTY DISCLOSURES (CONTINUED)

### Payables owing to Living Waters Mining from the Sale of Business Agreement: (Continued)

#### Sale of Business Agreement (Continued)

As at 30 June 2016, due to the cash received from the R&D claims and the capital raising in June 2016, \$2,777,065 became due and payable to LWM in accordance with the terms of the revised loan agreement. In addition, an amount of \$344,396 which was expected to be payable in the next 12 months based on the R&D claim for the year ended 30 June 2016 resulting a current portion of the loan with Living Waters to be \$3,121,461.

On 5 September 2016, the repayment of the amount owing of \$2,777,065 was agreed to be made in 24 equal monthly instalments of \$115,711 commencing in July 2016. The change to the fair value of the loan resulting from this amendment has resulted in a parent equity contribution of \$442,415 being recognised for the year. During the current financial year, the Company repaid \$1,388,532 to Living Waters under the revised agreement reducing the loan balance to \$2,436,820 at 30 June 2017, all of which is expected to be repaid by 30 June 2018. As at 30 June 2017, the undiscounted amount owing to Living Waters Mining is \$2,611,468.

In July 2017, an amount \$397,222 was repaid as a result of Free Cash Flow generated from the receipt of the 30 June 2016 R&D claim in February 2017.

## 24. FINANCIAL RISK MANAGEMENT

Exposure to interest rate risk, liquidity risk and foreign exchange movements arises in the normal course of the Company's business.

The Company uses different methods as discussed below to manage risks that arise from these financial instruments. The objective is to support the delivery of the financial targets while protecting future financial security.

### (a) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash facilities to meet the operating requirements of the business. The responsibility for liquidity risk management rests with the Board of Directors.

Alternatives for sourcing our future capital needs include the cash position and financial support with related parties. These alternatives are evaluated to determine the optimal mix of capital resources for our capital needs.

#### *Maturity analysis for financial liabilities*

Financial liabilities of the Company comprise trade and other payables and interest bearing loans and borrowings. As at 30 June 2017 all financial liabilities, other than those due under loans as disclosed in note 12 and to related parties in note 10, are contractually matured within 60 days. The related party loan from Living Waters Mining is payable as at 30 June 2017 was payable with undiscounted cash flows as below.

	2017 \$	2016 \$
Within 6 months	1,091,488	3,121,461
6 to 12 months	1,519,980	-
12 to 24 months	-	878,539
Total	2,611,468	4,000,000

# NOTES TO THE FINANCIAL STATEMENTS

## 24. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (b) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

The Company's exposure to market risk for changes to interest rate risk relates primarily to its earnings on cash and term deposits and its payments on the loan. Cash on hand held during the majority of the financial year was minimal and hence the Company's exposure to interest rate risk is immaterial. Accordingly there was no sensitivity to earnings arising from changes in interest rates.

	2017 \$	2016 \$
Cash and cash equivalents	<u>2,857,090</u>	<u>5,389,663</u>

The loans and finance lease are subject to fixed interest rates.

### (c) Foreign exchange risk

The Company's functional currency is Australian dollars (AUD). At balance date the Company held Singapore dollar and United States dollar denominated cash balances. In addition to this, in the prior year there was one Singapore dollar loan secured by a Singapore dollar security deposit. The loan and security in the prior year negate any foreign currency risk and the cash held in the bank account is the only amount at risk to currency fluctuations.

	2017 S\$	2016 S\$
Cash and cash equivalents denominated in Singapore dollars	<u>1,332,540</u>	5,303,839
Receivables equivalents denominated in Singapore dollars	-	1,030,000
Loans equivalents denominated in Singapore dollars	-	<u>(1,000,000)</u>
Net exposure in Singapore dollars	<u>1,332,540</u>	<u>5,333,839</u>
	<u>US\$</u>	<u>US\$</u>
Cash and cash equivalents denominated in United States dollars	<u>168,246</u>	-
Net exposure in United States dollars	<u>168,246</u>	-

The following table summarises the sensitivity of financial instruments held at balance date to movements in the Singapore dollar exchange rate. These are based on reasonably possible changes, over a financial year, using the observed range of actual historical rates for the preceding financial year period.

Judgments of reasonable possible movements	Impact on profit/equity Pre-tax gain/(loss)	
	2017 S\$	2016 S\$
10% strengthening of Singapore \$ against AUD (2016: 10%)	<u>133,254</u>	533,384
10% weakening of Singapore \$ against AUD (2016: 10%)	<u>(133,254)</u>	(533,384)
	<u>US\$</u>	<u>US\$</u>
10% strengthening of United States \$ against AUD	<u>16,825</u>	-
10% weakening of United States \$ against AUD	<u>(16,825)</u>	-

## NOTES TO THE FINANCIAL STATEMENTS

### 25. CONTINGENT LIABILITIES

Certain tenements held by the Company are subject to a royalty equal to 2.5% of the sale of all finished processed material of tantalum and tin and 5% of the sale of all finished processed materials other than tantalum and tin mined and extracted from those tenements. The Company's resource estimate arises from tenements that are not subject to this royalty.

### 26. COMMITMENTS

#### Exploration commitments:

At 30 June 2017 the Company has commitments of A\$1,855,401 (2016: A\$2,770,210) relating to exploration expenditure incurred in prospecting the licensed area of the company's tenements.

	2017 \$	2016 \$
Within one year	412,607	527,288
After one year but not more than five years	1,048,422	1,169,265
Longer than five years	394,372	1,073,657
	<u>1,855,401</u>	<u>2,770,210</u>

The exploration commitments presented above represent the Company's share under the terms of the Lithium Rights Exploration joint venture with Lithco No. 2 Pty Ltd which was formed on 31 May 2017.

#### Finance lease commitments:

	2017 \$	2016 \$
Within one year	19,613	19,613
After one year but not more than five years	16,777	36,390
Longer than five years	-	-
	<u>36,390</u>	<u>56,002</u>

#### Lithium concentrate offtake agreement

On 20 April 2017, the Company entered into a lithium concentrate offtake agreement with a wholly owned subsidiary of Burwill Holdings Limited ("Burwill") for the supply of lithium concentrate from the Bald Hill Project over an approximate initial five year term. The contract is subject to certain conditions precedent. Under the terms of the contract, the Company will supply Burwill an agreed minimum amount of 6% Li<sub>2</sub>O concentrate commencing from the first quarter 2018 and receive a fixed price of US\$880 per tonne subject to adjustment for grade, punctuality of delivery and punctuality of acceptance of delivery. Burwill will make a prepayment of A\$12,500,000 of which A\$3,750,000 has been received at Apr 17. The second tranche of the prepayment of A\$4,375,000 was received in July 2017.

# NOTES TO THE FINANCIAL STATEMENTS

## 27. DIVIDENDS

No dividend was paid or declared by the Company in the period since the end of the financial year, and up to the date of this report. The Directors' do not recommend that any amount be paid by way of a dividend for the financial year ended 30 June 2017 (2016: Nil).

The balance of the franking account is Nil at 30 June 2017 (2016: Nil).

## 28. SHARE BASED PAYMENTS

### (a) Recognised share based payment transactions

Share based payment transactions recognised as operating expenses in the statement of comprehensive income during the financial years were as follows:

	2017 \$	2016 \$
Options issued for corporate advisory services	943,519	-
	943,519	-

In 2017, the Company issued the following options for corporate advisory services:

Conditions	Tranche 1	Tranche 2	Tranche 3
Number of options	3,800,000	3,800,000	3,800,000
Grant date	14 March 2017	14 March 2017	14 March 2017
Expiry date	24 May 2020	24 May 2020	24 May 2020
Exercise price	S\$0.24	S\$0.30	S\$0.36
Vesting conditions	None	None	None
Fair value at grant date	\$0.099	\$0.088	\$0.079

The weighted average fair value of the options granted during the current year is \$0.088 (2016: Nil). The fair value of the services was considered to be equal to the fair value of the services received. Options were valued using the Black-Scholes model taking into account the following assumptions:

Dividend yield	Nil
Expected volatility	80%
Risk-free interest rate	1.54%
Share price	S\$0.205

The following table summarises the outstanding options granted, exercised and forfeited during the year:

	Number	Weighted average exercise price (\$)
Outstanding at 1 July	-	-
Granted during the year	11,400,000	0.30
Outstanding at 30 June	11,400,000	0.30

No options were exercised or forfeited during the period.

No options were issued in the prior year, so no comparative information has been provided.

## NOTES TO THE FINANCIAL STATEMENTS

### 28. SHARE BASED PAYMENTS (CONTINUED)

#### (a) Recognised share based payment transactions (Continued)

The weighted average remaining contractual life for share based payment options outstanding at 30 June 2017 is 2.7 years (2016: Nil).

During the year ended 30 June 2016, the Company issued 3,333,333 shares as commission for capital raising activities (refer to note 15). These shares were valued at a total amount of \$198,827, being the fair value of the services provided.

#### (b) Share based payment to Directors and employees

No options were granted during the financial years ended 30 June 2017 and 30 June 2016 to Directors or employees.

### 29. INTERESTS IN JOINT ARRANGEMENTS

A Lithium Rights Joint Agreement establishing the Bald Hill Lithium Exploration Joint Venture (BHEJV) was executed on 18 April 2017 and commenced upon completion of the \$7.5 million farm-in expenditure required to be incurred by Lithco No. 2 Pty Ltd under the Farm-in Agreement executed on 23 February 2017. The BHEJV commenced on 31 May 2017 and the Company has a 50% interest in the BHEJV.

#### (a) Joint operation

Summary financial information for the Company's share of joint operations, as included in the statement of financial position is shown below:

	2017 \$
<b>Non-current assets</b>	
Mine development	596,565
Total non-current assets	596,565
Total assets	596,565
<b>Net assets</b>	596,565

#### (b) Commitments relating to the joint operations

There were no capital commitments relating to the joint operations as at 30 June 2017.

Exploration commitments relating to the joint operation as at 30 June 2017 is as follows:

	2017 \$
Within one year	825,215
After one year but not more than five years	2,096,845
Longer than five years	788,743
	3,710,803

# NOTES TO THE FINANCIAL STATEMENTS

## 29. INTERESTS IN JOINT ARRANGEMENTS (CONTINUED)

### (c) Contingent liabilities relating to joint operations

There were no contingent liabilities relating to the joint operations as at 30 June 2017.

### (d) Impairment

No assets employed in the joint operations were impaired as at 30 June 2017.

### (e) Fair value

The carrying amount of the assets and liabilities approximate its fair value.

## 30. OTHER ACCOUNTING POLICIES

### (a) New and amended accounting standards and interpretations

The Group applied all new and amended Australian Accounting Standards and Interpretations, which are effective for annual periods beginning on 1 July 2016. Although these new standards and amendments applied for the first time in 2017, they did not have a material impact on the annual consolidated financial statements of the Group.

### (b) New and amended accounting standards and interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ended 30 June 2017 are outlined in the table below. The Company has decided not to early adopt any of the new and amended pronouncement.

Reference	Title	Summary	Application date of standard	Application date for the Group	Impact on the Group's Financial Statements
AASB 9/ IFRS 9	Financial Instruments	AASB 9 (IFRS 9) (December 2014) is a new standard which replaces AASB 139 (IAS 39). This new version supersedes AASB 9 (IFRS 9) issued in December 2009 (as amended) and AASB 9 (IFRS 9) (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.	1 January 2018	1 July 2018	The Group is in the process of evaluating the impact of the standard. The impact on the Group is not yet known.

## NOTES TO THE FINANCIAL STATEMENTS

### 30. OTHER ACCOUNTING POLICIES (CONTINUED)

#### (b) New and amended accounting standards and interpretations issued but not yet effective (Continued)

Reference	Title	Summary	Application date of standard	Application date for the Group	Impact on the Group's Financial Statements
		<p>The Standard is available for early adoption. The own credit changes can be early adopted in isolation without otherwise changing the accounting for financial instruments.</p> <p><i>Classification and measurement</i></p> <p>AASB 9 (IFRS 9) includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139 (IAS 39).</p> <p>The main changes are described below.</p> <p><i>Financial assets</i></p> <p>a. Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.</p> <p>b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.</p>			



# NOTES TO THE FINANCIAL STATEMENTS

## 30. OTHER ACCOUNTING POLICIES (CONTINUED)

### (b) New and amended accounting standards and interpretations issued but not yet effective (Continued)

Reference	Title	Summary	Application date of standard	Application date for the Group	Impact on the Group's Financial Statements
		<p>c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.</p> <p><i>Financial liabilities</i></p> <p>Changes introduced by AASB 9 (IFRS 9) in respect of financial liabilities are limited to the measurement of liabilities designated at fair value through profit or loss (FVPL) using the fair value option.</p> <p>Where the fair value option is used for financial liabilities, the change in fair value is to be accounted for as follows:</p> <ul style="list-style-type: none"> <li>➤ The change attributable to changes in credit risk are presented in other comprehensive income (OCI)</li> <li>➤ The remaining change is presented in profit or loss</li> </ul> <p>AASB 9 (IFRS 9) also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains or losses attributable to changes in the entity's own credit risk would be recognised in OCI. These amounts recognised in OCI are not recycled to profit or loss if the liability is ever repurchased at a discount.</p>			

## NOTES TO THE FINANCIAL STATEMENTS

### 30. OTHER ACCOUNTING POLICIES (CONTINUED)

#### (b) New and amended accounting standards and interpretations issued but not yet effective (Continued)

Reference	Title	Summary	Application date of standard	Application date for the Group	Impact on the Group's Financial Statements
		<p><b>Impairment</b></p> <p>The final version of AASB 9 (IFRS 9) introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.</p> <p><b>Hedge accounting</b></p> <p>Amendments to AASB 9 (IFRS 9) (December 2009 &amp; 2010 editions and AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures.</p> <p>Consequential amendments were also made to other standards as a result of AASB 9 (IFRS 9), introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E.</p> <p>AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9 (IFRS 9) in Dec 2014.</p> <p>AASB 2014-8 limits the application of the existing versions of AASB 9 (IFRS 9) (AASB 9 (December 2009) and AASB 9 (IFRS 9) (December 2010)) from 1 February 2015 and applies to annual reporting periods beginning on after 1 January 2015.</p>			

# NOTES TO THE FINANCIAL STATEMENTS

## 30. OTHER ACCOUNTING POLICIES (CONTINUED)

### (b) New and amended accounting standards and interpretations issued but not yet effective (Continued)

Reference	Title	Summary	Application date of standard	Application date for the Group	Impact on the Group's Financial Statements
AASB 15	Revenue from Contracts with Customers	<p>AASB 15 (IFRS 15) Revenue from Contracts with Customers replaces the existing revenue recognition standards AASB 111 (IAS 11) Construction Contracts, AASB 118 (IAS 18) Revenue and related Interpretations (Interpretation 13 Customer Loyalty Programmes, Interpretation 15 Agreements for the Construction of Real Estate, Interpretation 18 Transfers of Assets from Customers, Interpretation 131 Revenue – Barter Transactions Involving Advertising Services and Interpretation 1042 Subscriber Acquisition Costs in the Telecommunications Industry).</p> <p>AASB 15 (IFRS 15) incorporates the requirements of IFRS 15 Revenue from Contracts with Customers issued by the International Accounting Standards Board (IASB) and developed jointly with the US Financial Accounting Standards Board (FASB).</p>	1 January 2018	1 July 2018	The Group is in the process of evaluating the impact of the standard. The impact on the Group is not yet known. The decision on the transition method to be adopted is yet to be made.

## NOTES TO THE FINANCIAL STATEMENTS

### 30. OTHER ACCOUNTING POLICIES (CONTINUED)

#### (b) New and amended accounting standards and interpretations issued but not yet effective (Continued)

Reference	Title	Summary	Application date of standard	Application date for the Group	Impact on the Group's Financial Statements
		<p>AASB 15 (IFRS 15) specifies the accounting treatment for revenue arising from contracts with customers (except for contracts within the scope of other accounting standards such as leases or financial instruments). The core principle of AASB 15 (IFRS 15) is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:</p> <ul style="list-style-type: none"> <li>(a) Step 1: Identify the contract(s) with a customer</li> <li>(b) Step 2: Identify the performance obligations in the contract</li> <li>(c) Step 3: Determine the transaction price</li> <li>(d) Step 4: Allocate the transaction price to the performance obligations in the contract</li> <li>(e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation</li> </ul> <p>AASB 2015-8 amended the AASB 15 (IFRS 15) effective date so it is now effective for annual reporting periods commencing on or after 1 January 2018. Early application is permitted.</p>			

# NOTES TO THE FINANCIAL STATEMENTS

## 30. OTHER ACCOUNTING POLICIES (CONTINUED)

### (b) New and amended accounting standards and interpretations issued but not yet effective (Continued)

Reference	Title	Summary	Application date of standard	Application date for the Group	Impact on the Group's Financial Statements
		<p>AASB 2014-5 incorporates the consequential amendments to a number Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15 (IFRS 15).</p> <p>AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15 (IFRS 15) amends AASB 15 (IFRS 15) to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence and provides further practical expedients on transition to AASB 15 (IFRS 15).</p>			
AASB 16/ IFRS 16	Leases	<p>The key features of AASB 16 (IFRS 16) are as follows:</p> <p>Lessee accounting</p> <ul style="list-style-type: none"> <li>Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.</li> <li>A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities.</li> <li>Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.</li> </ul>	1 January 2019	1 July 2019	The Group is in the process of evaluating the impact of the standard. The impact on the Group is not yet known.

## NOTES TO THE FINANCIAL STATEMENTS

### 30. OTHER ACCOUNTING POLICIES (CONTINUED)

#### (b) New and amended accounting standards and interpretations issued but not yet effective (Continued)

Reference	Title	Summary	Application date of standard	Application date for the Group	Impact on the Group's Financial Statements
		<ul style="list-style-type: none"> <li>AASB 16 (IFRS 16) contains disclosure requirements for lessees.</li> </ul> <p>Lessor accounting</p> <ul style="list-style-type: none"> <li>AASB 16 (IFRS 16) substantially carries forward the lessor accounting requirements in AASB 117 (IAS 17). Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.</li> <li>AASB 16 (IFRS 16) also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk.</li> </ul> <p>AASB 16 (IFRS 16) supersedes:</p> <ul style="list-style-type: none"> <li>(a) AASB 117 (IAS 17) Leases</li> <li>(b) Interpretation 4 Determining whether an Arrangement contains a Lease</li> <li>(c) SIC-15 Operating Leases – Incentives</li> <li>(d) SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease</li> </ul> <p>The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided the new revenue standard, AASB 15 (IFRS 15) Revenue from Contracts with Customers, has been applied, or is applied at the same date as AASB 16 (IFRS 16).</p>			

# DIRECTORS' DECLARATION

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In accordance with a resolution of the Directors of Alliance Mineral Assets Limited, I state that in the opinion of the directors:

- (a) the financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the financial position of the Company as at 30 June 2017 and of its performance, for the period ended on that date; and
  - (ii) complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements; and
- (b) subject to the matters discussed in note 2(c), there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (c) the financial statements and notes thereto comply with International Financial Reporting Standards issued by the International Accounting Standard Board, as disclosed in Note 2(b).

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the year ended 30 June 2017.

On behalf of the board



Simone Suen  
Director  
29 September 2017

# STATISTICS OF SHAREHOLDINGS

AS AT 20 SEPTEMBER 2017

Issued and paid-up capital	:	A\$38,960,275 (S\$42,077,097) <sup>(1)</sup>
Number of shares	:	480,763,760
Class of shares	:	Ordinary shares fully paid
Voting rights	:	One vote per share
Number of treasury shares	:	Nil
Number of subsidiary holdings	:	Nil

## DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDING	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	3	0.14	200	0.00
100 – 1,000	35	1.68	20,148	0.00
1,001 – 10,000	392	18.80	3,112,777	0.65
10,001 – 1,000,000	1,615	77.46	178,767,254	37.18
1,000,001 and above	40	1.92	298,863,381	62.17
<b>TOTAL</b>	<b>2,085</b>	<b>100.00</b>	<b>480,763,760</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	RAFFLES NOMINEES (PTE) LIMITED	60,241,488	12.53
2	OCBC SECURITIES PRIVATE LIMITED	58,243,986	12.11
3	CITIBANK NOMINEES SINGAPORE PTE LTD	55,847,176	11.62
4	CHONG GEORGE	14,268,000	2.97
5	PHILLIP SECURITIES PTE LTD	12,933,000	2.69
6	DBS NOMINEES (PRIVATE) LIMITED	10,586,800	2.20
7	MAYBANK KIM ENG SECURITIES PTE. LTD.	8,993,800	1.87
8	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	8,221,900	1.71
9	UOB KAY HIAN PRIVATE LIMITED	7,597,900	1.58
10	CIMB SECURITIES (SINGAPORE) PTE. LTD.	6,723,057	1.40
11	ANG POH HWEE	6,100,000	1.27
12	NG HAN MENG	3,740,274	0.78
13	KANTILAL S/O CHAMPAKLAL RAMDAS	2,600,000	0.54
14	TAN YEO KEE	2,380,000	0.50
15	LIM & TAN SECURITIES PTE LTD	2,231,100	0.46
16	TAN CHWEE LAI	2,200,000	0.46
17	MERRILL LYNCH (SPORE) PTE LTD	2,027,700	0.42
18	CHEW CHOO POH	2,000,000	0.42
19	LEONG CHEE PHANG	2,000,000	0.42
20	LIM SER HENG	1,860,000	0.39
	<b>TOTAL</b>	<b>270,796,181</b>	<b>56.34</b>

**Note:**

(1) The amount of the issued and fully paid-up capital of the Company is calculated based on an exchange rate of A\$1:S\$1.08.



# STATISTICS OF SHAREHOLDINGS

AS AT 20 SEPTEMBER 2017

## SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 20 September 2017, 55.10% of the issued ordinary shares ("Shares") of the Company is held by the public and therefore Rule 723 of the Listing Manual Section B: Rules of Catalyst of the Singapore Exchange Securities Trading Limited is complied with.

## SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

NAME OF SHAREHOLDER	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Lim Keng Hock Jonathan <sup>(1)(2)</sup>	–	–	118,374,974	24.60	118,374,974	24.60
Marilyn Ting Hong Lean <sup>(3)</sup>	–	–	72,300,186	15.02	72,300,186	15.04
Grande Pacific Limited <sup>(2)(3)(4)(7)</sup>	72,300,186	15.02	–	–	72,300,186	15.04
Suen Sze Man <sup>(5)(6)(7)</sup>	–	–	46,074,788	9.58	46,074,788	9.58
Tjandra Adi Pramoko <sup>(5)(6)(7)</sup>	–	–	46,074,788	9.58	46,074,788	9.58
Living Waters Mining Australia Pty Ltd <sup>(6)(7)</sup>	46,074,788	9.58	–	–	46,074,788	9.58
Credit Suisse Securities (Europe) Limited <sup>(8)</sup>	25,745,417	5.36	–	–	25,745,417	5.36
Credit Suisse Investment Holdings (UK) <sup>(8)</sup>	–	–	25,745,417	5.36	25,745,417	5.36
Credit Suisse Investment (UK) <sup>(8)</sup>	–	–	25,745,417	5.36	25,745,417	5.36
Credit Suisse AG <sup>(8)</sup>	–	–	25,745,417	5.36	25,745,417	5.36
Credit Suisse Group AG <sup>(8)</sup>	–	–	25,745,417	5.36	25,745,417	5.36
Tribeca Investment Partners Pty Ltd <sup>(9)</sup>	–	–	25,340,000	5.27	25,340,000	5.27

### Notes:

- (1) Lim Keng Hock Jonathan is deemed interested in the 46,074,788 Shares of the Company held in the name of Citi Bank N.A. Singapore in favour of Bank of Singapore Limited.
- (2) Lim Keng Hock Jonathan and Marilyn Ting Hong Lean are husband and wife. Lim Keng Hock Jonathan is deemed to have an interest in the Shares of the Company which are held by Grande Pacific Limited, of which his spouse, Marilyn Ting Hong Lean is the sole shareholder.
- (3) Marilyn Ting Hong Lean is deemed to be interested in the Shares of the Company held by Grande Pacific Limited by virtue of Section 4 of the Securities and Futures Act (Chapter 289) of Singapore ("SFA") as she is sole shareholder of Grande Pacific Limited.
- (4) Grande Pacific Limited is beneficially interested in the Shares of the Company, following an executed Writ of Seizure and Sale ("WSS") by the Sheriff's Notices, having seized 72,300,186 Shares of the Company ("Seized Shares") belonging to Living Waters Mining (Australia) Pty Ltd ("LWMA") to satisfy the debt owing by LWMA to Grande Pacific amounted to approximately S\$7.0 million ("Judgement Debt"). The WSS was served pursuant to an unsatisfied court judgment, i.e. the Judgement Debt, against LWMA and Tjandra Adi Pramoko. The final percentile and quantum is dependent on the subsequent actions by the Sheriff, and hence percentile and quantum may be varied.
- (5) Tjandra Adi Pramoko and Suen Sze Man are husband and wife.
- (6) Tjandra Adi Pramoko and Suen Sze Man are deemed to be interested in the Shares held by LWMA by virtue of Section 4 of the SFA as they collectively hold, directly and beneficially, 100% of the shares in LWMA.
- (7) On 30 June 2017, 72,300,186 Shares originally owned by LWMA was seized by Sheriff Office pursuant to the WSS to satisfy the Judgement Debt. The actual number of the Seized Shares to be sold would be determined based on the prevailing market price of the Shares of the Company at the time of the sale by Sheriff. After the Judgement Debt is satisfied, any remaining unsold Seized Shares is to be transferred back to LWMA.
- (8) Credit Suisse Securities (Europe) Limited holds 25,745,417 Shares of the Company. Credit Suisse Investment Holdings (UK), Credit Suisse Investment (UK), Credit Suisse AG and Credit Suisse Group AG (the "Companies") are deemed to be interested in the Shares of the Company held by Credit Suisse Securities (Europe) Limited as Credit Suisse Securities (Europe) Limited is the indirect subsidiary of the Companies.
- (9) Tribeca Global Natural Resources Fund and Tribeca Global Total Return Fund hold an aggregate of 25,340,000 Shares of the Company. Tribeca Investment Partners Pty Ltd is deemed to be interested in the Shares of the Company held by Tribeca Global Natural Resources Fund and Tribeca Global Total Return Fund as Tribeca Investment Partners Pty Ltd is the investment manager of Tribeca Global Natural Resources Fund and Tribeca Global Total Return Fund.

# NOTICE OF ANNUAL GENERAL MEETING

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+618) 9388 8826.*

## TIME AND PLACE OF MEETING AND HOW TO VOTE

### VENUE

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 2.00 p.m. (Singapore time) on Monday, 30 October 2017 at:

The SAF Warrant Officers and Specialist Club  
Hibiscus Room 3  
48 Boon Lay Way  
Singapore 609961

### YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting of the Company affects your shareholding and your vote is important.

### VOTING IN PERSON

To vote in person, please attend the Annual General Meeting of the Company on the date and at the place set out above.

### VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return:

- (a) **by post or by hand to the Company's office at:**

Unit 6, 24 Parkland Road, Osborne Park 6017, Western Australia;

or

by post or by hand to the Company's share registrar's office at:

Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01 Singapore Land Tower 048623; or

- (b) **by email to [admin@alliancemineralassets.com.au](mailto:admin@alliancemineralassets.com.au),**

so that it is received not later than 2.00 p.m. (Singapore time) on 28 October 2017.

# NOTICE OF ANNUAL GENERAL MEETING

## IMPORTANT NOTES:

- (i) Depositors shall use the Proxy form entitled “Annual General Meeting – Depositor Proxy Form”.
- (ii) Proxy Forms received later than this time will be invalid.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- (a) each Shareholder (including each Depositor who has Shares of the Company entered against their name in the Depository Register held by the CDP) has a right to appoint a proxy;
- (b) the proxy need not be a Shareholder of the Company; and
- (c) a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member’s votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.
- (d) Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:
  - (i) if proxy holders vote, they must cast all directed proxies as directed; and
  - (ii) any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- (c) if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

# NOTICE OF ANNUAL GENERAL MEETING

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## *Transfer of non-chair proxy to chair in certain circumstances*

Section 250BC of the Corporations Act provides that, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- (b) the appointed proxy is not the chair of the meeting; and
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:
  - (i) the proxy is not recorded as attending the meeting; or
  - (ii) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

# NOTICE OF ANNUAL GENERAL MEETING

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## NOTICE OF ANNUAL GENERAL MEETING


Notice is hereby given that the Annual General Meeting of the Company will be held at 2.00 p.m. (Singapore time) on Monday, 30 October 2017 at The SAF Warrant Officers and Specialists Club, Hibiscus Room 3, 48 Boon Lay Way, Singapore 609961.

The Explanatory Statement to this Notice of Annual General Meeting provides additional information on matters to be considered at the Annual General Meeting of the Company.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting of the Company are those who are registered Shareholders of the Company (or Depositors who have Shares of the Company entered against their name in the Depository Register held by the CDP) as at forty-eight (48) hours before the time appointed for holding the Annual General Meeting of the Company.

A Depositor shall not be entitled to attend and vote at the Annual General Meeting unless they are shown to have Shares of the Company entered against their name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the Annual General Meeting of the Company, as certified by CDP to the Company.

All shareholders entitled to vote on an item of business at the AGM will do so by way of poll (as required under Rule 730A(2) of the Listing Manual Section B: Rules of Catalist (the "Catalist Rules") of the Singapore exchange Securities Trading Limited ("SGX-ST")).



# NOTICE OF ANNUAL GENERAL MEETING

## AGENDA

### ORDINARY BUSINESS

#### RESOLUTION 1 – FINANCIAL STATEMENTS AND REPORTS

To receive and consider the financial statements of the Company for the financial year ended 30 June 2017 together with the declaration of the directors, the directors' report, and the auditor's report.

#### RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MS SUEN SZE MAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an Ordinary Resolution:

"THAT, for the purpose of clause 12.3 of the Company's Constitution and for all other purposes, Ms Suen Sze Man, a Director, retires by rotation, and being eligible, is re-elected as a Director."

Ms Suen Sze Man will, upon re-election as a Director of the Company, remain as Executive Director of the Company. Ms Suen Sze Man is spouse of Mr Tjandra Adi Pramoko, Chief Executive Officer of the Company. Ms Suen Sze Man is spouse of Mr Tjandra Adi Pramoko, the Chief Executive Officer of the Company. As at 29 September 2017, Ms Suen Sze Man and Mr Tjandra Adi Pramoko are deemed to be interested in the 46,074,788 voting ordinary shares of the Company held by Living Waters Mining (Australia) Pty Ltd as they collectively hold, directly and beneficially, 100% of the shares in Living Waters Mining (Australia) Pty Ltd. Further information on Ms Suen Sze Man (including her shareholdings), can be found in the Annual Report 2017. Save as disclosed, Ms Suen Sze Man does not having any relationships, including immediate family relationships with the directors, the Company or its 10% shareholders.

#### RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR ONG KIAN GUAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an Ordinary Resolution:

"THAT, for the purpose of clause 12.3 of the Company's Constitution and for all other purposes, Mr Ong Kian Guan, a Director, retires by rotation, and being eligible, is re-elected as a Director."

Mr Ong Kian Guan will, upon re-election as a Director of the Company, remain as Chairman of the Audit Committee, a member of the Nominating Committee and Remuneration Committee, and he will be considered independent for the purpose of Rule 704 (7) of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited. Mr Ong Kian Guan does not having any relationships, including immediate family relationships with the directors, the Company or its 10% shareholders. Further information on Mr Joshua Ong Kian Guan can be found in the Annual Report 2017.

#### RESOLUTION 4 – APPROVAL OF DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDING 30 JUNE 2018

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an Ordinary Resolution:

"THAT, for the purposes of clauses 12.9 and 12.10 of the Company's Constitution and for all other purposes, Shareholders approve the payment of non-Executive Directors' fees of A\$90,000 to Pauline Gately, S\$50,000 to Ong Kian Guan and S\$50,000 to Mahtani Bhawandas respectively, for the financial year ending 30 June 2018 to be paid in accordance with the terms and conditions set out in the Explanatory Statement.

# NOTICE OF ANNUAL GENERAL MEETING

## AGENDA (CONTINUED)

### Voting Prohibition Statement

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

### RESOLUTION 5 – AUTHORITY TO DIRECTORS TO ISSUE AND ALLOT SHARES

To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

“THAT pursuant to Rule 806 of the Listing Manual Section B: Rules of Catalist (the “Catalist Rules”) of Singapore Exchange Securities Trading Limited (“SGX-ST”), the Directors be authorised and empowered to:

- (a) (i) allot and issue shares in the capital of the Company (“Shares”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as our Directors may in their absolute discretion deem fit; and
- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

### PROVIDED THAT:

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued to in pursuance of the Instruments made or granted pursuant to this Resolution) shall not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below, of which the aggregate number of Shares to be issued other than on a *pro rata* basis to the existing shareholders of the Company (including Shares to be issued in pursuance to the Instruments made or granted pursuant to this Resolution) shall not exceed fifty percent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below;

# NOTICE OF ANNUAL GENERAL MEETING

## AGENDA (CONTINUED)

- (2) subject to such manner of calculation as may be prescribed by (SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of the passing of this Resolution, after adjusting for:
  - (A) new Shares arising from the conversion or exercise of any convertible securities;
  - (B) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution; and
  - (C) any subsequent bonus issue, consolidation or subdivision of Shares;
- (3) in exercising the authority conferred by this Resolution, the Directors shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) unless revoked or varied by the Company in general meeting, such authority shall continue in full force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law or by the Constitution of the Company to be held, whichever is earlier, except that our Directors shall be authorised to allot and issue new Shares pursuant to convertible securities notwithstanding that such authority has ceased."

## RESOLUTION 6 – AUTHORITY TO DIRECTORS TO ISSUE AND GRANT OPTIONS PURSUANT TO THE ESOS

To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"That, authority be and is hereby given to the Directors of the Company to offer and grant options ("Options") in accordance with the provision of the Alliance Employee Share Option Scheme ("ESOS") and to allot and issue from time to time such number of Shares as may be required to be allotted and issued and pursuant to the ESOS, when added to the number of Shares issued and issuable in respect of all Options granted under the ESOS, and any other share option schemes of the Company, shall not exceed fifteen percent (15%) of the total number of issued Shares (excluding treasury shares) on the day preceding the date of the relevant grant of an Option."

To transact any other ordinary business which may be properly transacted at the AGM.

By order of the Board

**LEAW MUN NI**  
COMPANY SECRETARY

6 OCTOBER 2017



# NOTICE OF ANNUAL GENERAL MEETING

## AGENDA (CONTINUED)

### EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders (including Depositors who hold Shares in the Company through CDP) in connection with the business to be conducted at the Annual General Meeting of the Company to be held at 2.00 p.m. (Singapore time) on Monday, 30 October 2017 at The SAF Warrant Officers and Specialists Club, Hibiscus Room 3, 48 Boon Lay Way, Singapore 609961.

#### 1. Resolution 1- Financial Statements And Reports

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the financial statements of the Company for the financial year ended 30 June 2017 together with the declaration of the directors, the directors' report and the auditor's report.

#### 2. Resolutions 2 and 3 – Re-election of Director – Ms Suen Sze Man and Mr Ong Kian Guan

Clause 12.3 of the Constitution provides that:

- (a) At the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election;
- (b) The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots;
- (c) A Director who retires by rotation under clause 12.3 of the Constitution is eligible for re-election; and
- (d) In determining the number of Directors to retire, no account is to be taken of:
  - (i) a Director who only holds office until the next annual general meeting pursuant to clause 12.5 of the Constitution; and/or
  - (ii) a Managing Director,

each of whom are exempt from retirement by rotation. However, if more than one Managing Director has been appointed by the Directors, only one of them (nominated by the Directors) is entitled to be excluded from any determination of the number of Directors to retire and/or retirement by rotation.

The Company currently has four (4) Directors and accordingly two (2) must retire at the forthcoming Annual General Meeting of the Company.

Ms Suen Sze Man and Mr Joshua Ong Kian Guan retires by rotation and seeks re-election.

Ms Suen Sze Man will, upon re-election as a Director of the Company, remain as Executive Director of the Company.

Mr Joshua Ong Kian Guan will, upon re-election as a Director of the Company, remain as Chairman of the Audit Committee, a member of the Nominating Committee and Remuneration Committee, and he will be considered independent for the purpose of Rule 704(7) of the Listing Manual Section B: Rules of Catalyst of the SGX-ST.

# NOTICE OF ANNUAL GENERAL MEETING

## AGENDA (CONTINUED)

### 3. Resolution 4 – Approval of Directors’ Fees for the Financial Year Ending 30 June 2018

Clauses 12.9 and 12.10 of the Constitution requires that the total aggregate fixed sum per annum to be paid to the Directors (excluding salaries of executive Directors) from time to time will not exceed the sum of S\$100,000 or as determined by the Shareholders in general meeting and the total aggregate fixed sum will be divided between the Directors as the Directors shall determine and, in default of agreement between them, then in equal shares.

Resolution 4 seeks the approval of Shareholder for the payment of Directors’ fees of:

- (a) S\$50,000 to Mr Mahtani Bhagwandas,
- (b) S\$50,000 to Mr Ong Kian Guan; and
- (c) A\$90,000 to Ms Pauline Gately,

for the financial year ending 30 June 2018, payable quarterly in arrears.

### 4. Resolution 5 – Authority to Directors to Issue and Allot Shares

Resolution 5, if passed, will empower the Directors of the Company to issue Shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into Shares, and to issue Shares in pursuance of such instruments, up to a number not exceeding in aggregate 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which up to 50% may be issued other than on a *pro rata* basis to Shareholders. For the purpose of determining the aggregate number of Shares that may be issued, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time that Resolution 5 is passed, after adjusting for (a) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Resolution 5 is passed, and (b) any subsequent bonus issue or consolidation or subdivision of Shares.

### 5. Resolution 6 – Authority to Directors to Issue and Grant Options pursuant to the ESOS

Resolution 6, if passed, will empower the Directors to allot and issues Shares pursuant to the exercise of Options granted or to be granted under the ESOS and such other share-based incentive scheme up to a number not exceeding, in total, fifteen per cent (15%) of the total number of issued Shares (excluding treasury shares) on the day preceding that date of the relevant grant.

## ENQUIRIES


Shareholders may contact the Company Secretary at (+61 8) 9388 8826 if they have any queries in respect of the matters set out in these documents.

# NOTICE OF ANNUAL GENERAL MEETING

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## PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company:

- (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");
  - (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and
  - (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.
- 

# GLOSSARY

\$ means Australian dollars.

**Annual General Meeting** means the meeting convened by the Notice of Meeting.

**ASIC** means the Australian Securities and Investments Commission.

**Board** means the current board of directors of the Company.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means Alliance Mineral Assets Limited (ACN 147 393 735).

**Constitution** means the Company's constitution.

**Corporations Act** means the Corporations Act 2001 (Cth).

**CDP** means the Central Depository (Pte) Limited.

**Depositor, Depository Agent and Depository Register** shall have the respective meanings ascribed to them in Section 130A of the Companies Act.

**Directors** mean the current directors of the Company.

**ESOS** means the Alliance Mineral Assets Employee Share Option Scheme.

**Explanatory Statement** means the explanatory statement accompanying the Notice of Meeting.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

## GLOSSARY

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**Notice of Meeting or Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement.

**Option** means an option to acquire a Share.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice of Meeting or any one of them, as the context requires.

**S\$** means Singapore dollars.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means persons who are registered holders of Shares in the Register of Members of the Company except where the registered holder is CDP, the term "Shareholders" shall, where the context admits, mean the Depositors in the Depository Register maintained by CDP and into whose securities accounts those Share are credited.

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PROXY FORM – STRICTLY FOR SCRIPHOLDER ONLY

**ALLIANCE MINERAL ASSETS LIMITED**  
**ACN 147 393 735**

**ANNUAL GENERAL MEETING**

I/We:

of:

being a Shareholder entitled to attend and vote at the Annual General Meeting, hereby appoint:

**Name of proxy**

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

**Name of proxy**

OR  the Chair of the Annual General Meeting as my/our proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair’s nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the Annual General Meeting to be held at 2.00 p.m. (Singapore time) on Monday 30 October 2017 at The SAF Warrant Officers and Specialists Club, Hibiscus Room 3, 48 Boon Lay Way, Singapore 609961 and at any adjournment thereof.

**AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS**

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 4 (except where I/we have indicated a different voting intention below) even though Resolution 4 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

**CHAIR’S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES**

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an appropriate announcement will be made immediately disclosing the reasons for the change.

**Voting on Business of the Annual General Meeting**

	FOR	AGAINST	ABSTAIN
Resolution 1 – Financial statements And Reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Re-election of Director – Suen Sze Man	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Re-election of Director – Ong Kian Guan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Directors’ Fees for the financial year ending 30 June 2018	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Authority to Directors to issue and allot shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Authority to Directors to issue and grant options pursuant to the ESOS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Notes:**

- If you wish to exercise all your votes “for” or “Against”, please “√” within the box provided. Alternatively, please indicate the number of votes as appropriate.
- If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: \_\_\_\_\_ %

**Signature of Shareholder(s):**

\_\_\_\_\_

**Individual or Shareholder 1**

**Shareholder 2**

**Shareholder 3**

Sole Director/Company Secretary

Director

Director/Company Secretary

**Date:** \_\_\_\_\_

**Contact name:** \_\_\_\_\_

**Contact ph (daytime):** \_\_\_\_\_

**E-mail address:** \_\_\_\_\_

**Consent for contact by e-mail in relation to this Proxy Form:**

YES  NO



**ALLIANCE MINERAL ASSETS LIMITED**  
**ACN 147 393 735**  
**Instructions for Completing Proxy Form**

1. **(Appointing a Proxy):** A member entitled to attend and vote at an Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
  - **(Individual):** Where the holding is in one name, the member must sign.
  - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
  - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return:
  - (a) By post or by hand to the Company's office at Unit 6, 24 Parkland Road, Osborne Park 6017 Western Australia or the Company's share registrar's office at Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01 Singapore Land Tower 048623; or
  - (b) by email to [admin@alliancemineralassets.com.au](mailto:admin@alliancemineralassets.com.au)

so that it is received not later than 2.00 pm (Singapore time) on 28 October 2017.

**Important notes:**

- (i) **Depositors shall use the Proxy form entitled "Annual General Meeting – Depositor Proxy Form".**
- (ii) **Proxy forms received later than this time will be invalid.**
- (iii) **Personal data privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company:

- (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");
- (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and
- (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.





#### DISCLAIMER

This document contains certain forward-looking statements that are not statements of historical fact. Investors can identify some of these statements by forward-looking items such as 'expect,' 'believe,' 'plan,' 'intend,' 'estimate,' 'anticipate,' 'may,' 'will,' 'would,' and 'could' or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. These statements are based on current expectations, projections and assumptions about future events. Although Alliance Mineral Assets Limited believes that these expectations, projections, and assumptions are reasonable, these forward-looking statements are subject to risks, uncertainties and assumptions about its business operations. As such, the forward-looking events referred to in this document may not occur and actual results may differ materially from those expressly or impliedly anticipated in these forward-looking statements. Investors are advised not to place undue reliance on these forward-looking statements. This document does not constitute or form part of any opinion on any advice to sell, or any solicitation of any offer to purchase or subscribe for, any shares nor shall it or any part of it nor the fact of its document form the basis of, or be relied upon in connection with, any contract or investment decision. Alliance Mineral Assets Limited does not intend, and does not assume any obligation, to update any industry information or forward-looking statements set forth in this document to reflect subsequent events or circumstances.



**ALLIANCE MINERAL  
ASSETS LIMITED**

(Company Registration Number: ACN 147 393 735)  
(Incorporated in Australia on 6 December 2010)