



# ALLIANCE MINERAL ASSETS LIMITED

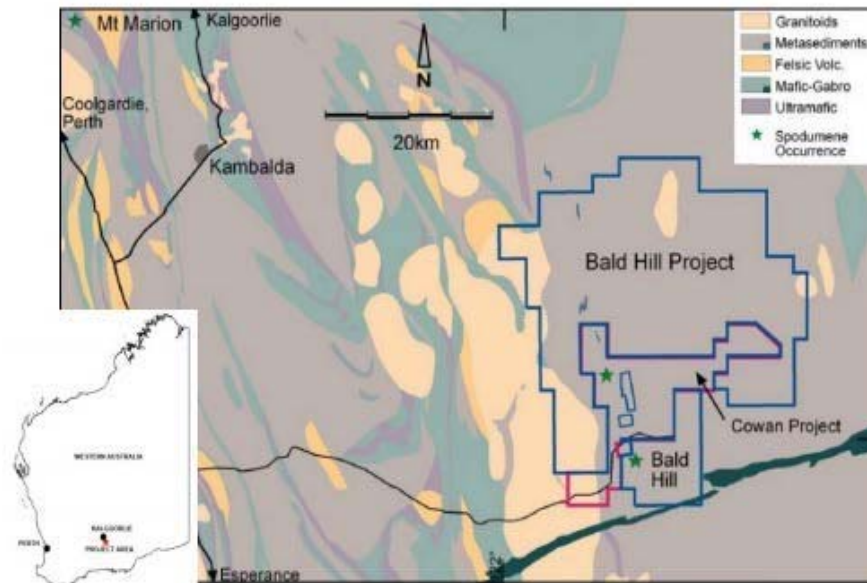
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2017

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# About the Bald Hill Project

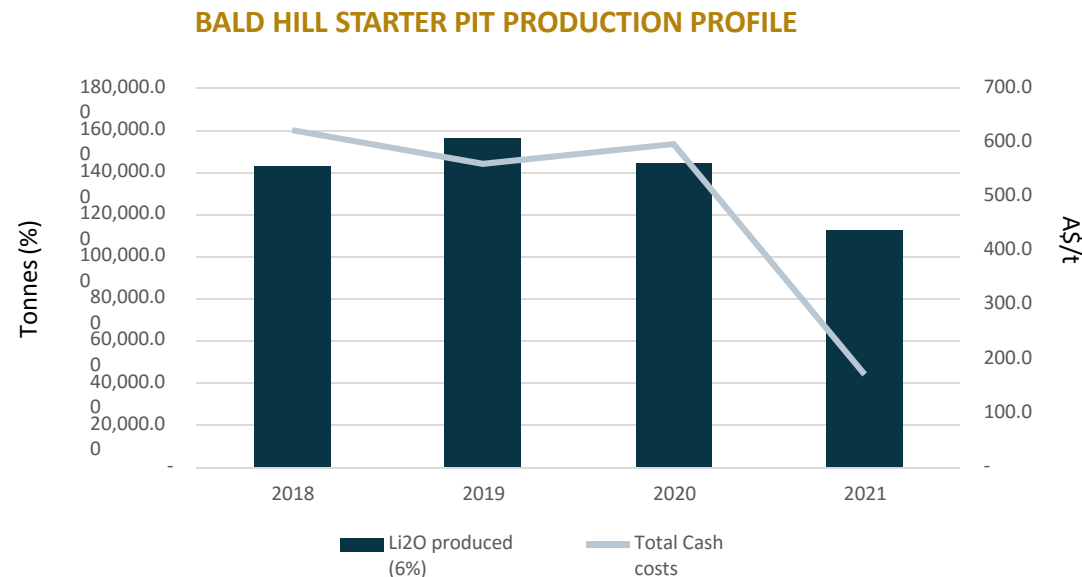
- The Project is located 50km south east of Kambalda in the Eastern Goldfields of Western Australia.
- Comprises four mining leases, one mining lease application, and 20 other licenses totalling 790.1km.
- First shipment of lithium concentrate is scheduled for March 2018.
- EPC Group Primero mobilised to the Bald Hill Mine in July 2017.
- Indicated and Inferred lithium and tantalum Mineral Resource of 18.9 million tonnes at 1.18% Li<sub>2</sub>O, and 149ppm Ta<sub>2</sub>O<sub>5</sub> at a 0.5% Li<sub>2</sub>O cut-off for the Project was estimated by CSA Global Pty Ltd in the IQPR report dated 24 October 2017. (Refer Alliance Mineral's announcement released on the 25 October 2017 on the SGXnet).
- Following a revised lithium concentrate off-take agreement, Alliance Minerals raised A\$19.575 million (S\$20.9 million) from the placement of new ordinary shares to offtake, Burwill Commodity Limited ("Burwill") over 4 tranches.
- With all above payments received from Burwill, AMAL is now fully funded to first shipment of lithium concentrate.



# Bald Hill Lithium /Tantalum Project, Western Australia

## Pre- Feasibility Study\* Key findings – “Starter Pit”

- IRR of **185%** and rapid payback period of 12 months.
- Operating cashflow of \$223m (after capital).
- Forecast annual production approximately **155,000 tpa** of spodumene concentrate from the DMS and **260,000 lbs pa** of tantalum pentoxide from the TPF.
- Lowest capital cost lithium project in Australia.
- Starter pit life of 3.6 years with further growth for the Project expected from infill and extensional drilling.
- Approximately 86% of total lithium Indicated and Inferred Resources report to scoping pit optimization.
- Production scheduled for the March quarter 2018.



\*Issued by Tawana in July 2017 (See: <http://spcagent.io/taw/wp-content/uploads/sites/26/2017/07/TAW-1.pdf>)

# Construction Update

- Engineering, procurement and construction (EPC) contract for Lithium Dense Media Separation (DMS) circuit progressing on schedule:
  - Design is 88% complete
  - Structural steel installation well-advanced
  - Bins and hoppers being installed
  - Screens and pumps on site
  - Majority of mechanical equipment delivered
  - Electrical installation commenced
- Preferred mining contractor selected and mobilised to site.
- Preferred crushing contractor selected and preparing to mobilise.
- Fuel and Power contracts awarded.
  
- EPC Update
  - Engineering design is 88% complete.
  - Concrete works are 99% complete.
  - Buried services (electrical/piping) progressing with conduits & pits being positioned/installed and HDPE piping installation commenced.
  - Steelwork erection is well advanced with majority of hoppers, tanks and chutes installed.
  - Procurement of major equipment is complete, with deliveries occurring progressively to support the sequence of construction.
  
- Major Contracts
  - Preferred Crushing contractor selected, with mobilisation expected in early December.
  - Fuel and Power contracts awarded.
  - Non-Processing Infrastructure engineering well-advanced and procurement commenced.



# Bald Hill Lithium Production Strategy

## Lowest Capex in Australia

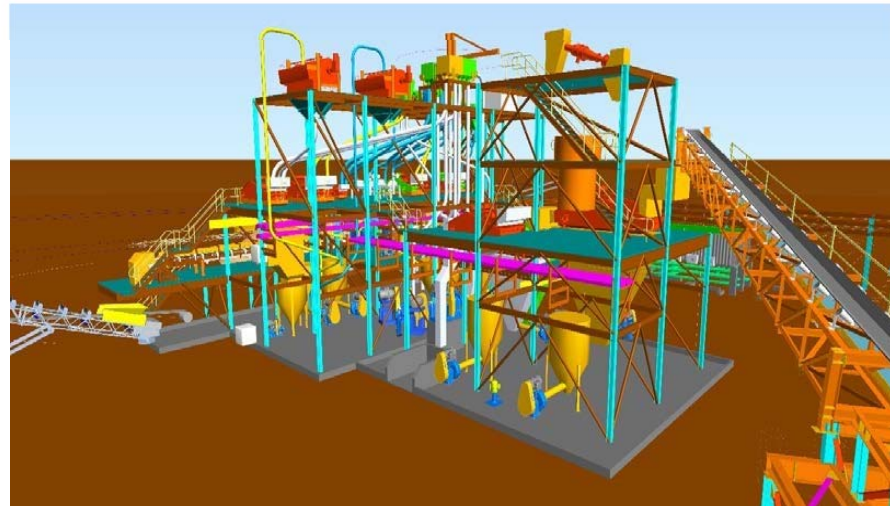
- Contract mining
- Contract crushing
- Retrofit 1,200ktpa spodumene DMS circuit
- Run separate tantalum plant at 350ktpa
- Limited additional infrastructure required
- Limited mining pre-strip required

## Exceptional Metallurgy

- Exceptional recoveries and product

## Offtake finalised

- US\$880/t for 2018 and 2019
- AMAL shall sell all of its share of production of lithium concentrate of a grade of at least 5.5% to Burwill until 31 December 2022



**Top:** DMS Plant Layout with the existing Tantalum Plant **Bottom:** Main DMS Processing Plant

# Project Upside - Fines Circuit

- Fines circuit to treat lithium fines and middlings could add significant amounts to export concentrate without additional mining or crushing, funded out of cash flow, quick payback. Excellent recent metallurgical test work results from fine Dense Media Separation (DMS)
  - 1.2mt of middlings & fines on stockpile (as per PFS issued by Tawana in July 2017)
  - DMS test work on 0.3-1mm Fines indicates a range of 71% to 91% recovery of lithium with a concentrate grades of up to 5.3% Li<sub>2</sub>O\*.
  - Preliminary assessment indicates the fine DMS option would be a significantly lower cost Phase 2 option for the bulk of the combined fines and middlings\*.
  - Average production rate in the PFS issued by Tawana in July 2017 is approximately 150,000 tpa of spodumene concentrate. Based on 70% recovery the Phase 2 DMS has the potential to increase spodumene production by 25% with a combined Phase 1 and Phase 2 DMS recovery of about 82.5%\*.



*\*Refer Alliance Mineral's announcement released on the 6 September 2017 on the SGXnet.*

# Conclusion

Based on Pre- Feasibility Study issued by Tawana in July 2017 (Source: <http://spcagent.io/taw/wp-content/uploads/sites/26/2017/07/TAW-1.pdf>):

- Production of 155,000t p.a. from March 2018 (increasing with the addition of fines circuit)
- Top quality +1mm spodumene concentrate
- Significant tantalum by-product production
- Lowest Capex (of stand alone mines)
- High Project Internal Rate of Return and rapid payback (1 year)

Based on Alliance Mineral's announcement released on the 27 November 2017 on the SGXnet:

- Engineering design is 88% complete.
- Concrete works are 99% complete.
- Preferred mining contractor selected and mobilised to site.
- Preferred crushing contractor selected and preparing to mobilise.
- Fuel and Power contracts awarded.
- Steelwork erection is well advanced with majority of hoppers, tanks and chutes installed.