



16 MAY 2019

**CORPORATE DIRECTORY**

**Non-Executive Chairman**  
Geoff McNamara

**Managing Director**  
Mark Calderwood

**Executive Director – Operations**  
Mark Turner

**Non-Executive Directors**  
Robert Vassie  
Wei (Vicki) Xie  
Ong Kian Guan  
Chan Ming Fai

**Company Secretary**  
Alexei Fedotov

**Media contact: Nathan Ryan**  
NWR Communications  
+61 (0) 420 582 887

## STRATEGIC INSTITUTIONAL PLACEMENTS TO RAISE A\$32.5 MILLION

### Highlights

- Alliance executes strategic placements with Galaxy Resources Limited and Jiangxi Special Electric Motor Co., Ltd group
- Total gross proceeds of A\$32.5 million to primarily advance Bald Hill plant upgrades and exploration
- Galaxy Resources Limited to become Alliance's largest shareholder

Alliance Mineral Assets Limited (ASX:A40, SGX:40F) (**Alliance**, or the **Company**) is pleased to announce that, on 15 May 2019, it entered into separate subscription agreements to raise total gross proceeds of A\$32.5 million at a price of A\$0.20 per placement share (**Offer Price**) with Galaxy Resources Limited (ASX:GXY) (**Galaxy Resources**) (A\$22.5 million) (**Institutional Placement**), and with Weier Antriebe und Energietechnik GmbH, a wholly owned subsidiary of Jiangxi Special Electric Motor Co., Ltd (**Jiangte**) (A\$10 million) (**Conditional Placement**) (together, the "**Placements**"). Both Placements are conditional as set out below.

The Placements are to provide funding for capital expenditure for continued upgrades to the processing facilities at the Bald Hill Lithium and Tantalum Mine in Western Australia (**Bald Hill Mine**), future exploration and other initiatives at the Bald Hill Mine, and for general working capital requirements.

Alliance Managing Director, Mark Calderwood, said:

*"We are very pleased with the continued support of our existing strategic partner Jiangte, and also welcome Galaxy Resources as a strategic investor in Alliance.*

*"Our focus over the past 18 months has been on delivering the Bald Hill Mine to production, and we have developed a reputation for production and supply of high quality spodumene concentrates. Investment by Jiangte and Galaxy Resources, who are both experienced participants in the lithium sector, is a recognition of, and testament to, our achievements and position in the market.*

*"The Placements will enable us to rapidly advance both our plant upgrade and our exploration activities with the aim of upgrading our resource base concurrently with proposed increased production rates.*

*"With the recently announced Hydroxide MOU with Jiangte we also have the opportunity to be involved in the hydroxide production and sales market within the next 12 months."*

Galaxy Resources Chairman, Mr Martin Rowley, said:

*"Galaxy has been a minority shareholder of Alliance for some time, and we welcome this opportunity to increase our holding and become the largest individual shareholder in Alliance. Galaxy recognises that the Bald Hill Mine produces high quality spodumene concentrates and believes that the tenements surrounding the existing Bald Hill Mine operations hold substantial value potential, that may be unlocked through further targeted exploration and work on resource delineation.*

*"We look forward to cooperation between the two companies, and sharing our Mt Cattlin experience with Alliance."*

Jiangte Chairman, Jun Zhu, said:

*“This investment serves to further underscore the importance we place on our relationship with Alliance as a supplier and future joint venture partner in a very important cooperation for both companies. We are delighted to be working with a high quality partner, and we look forward to building on the relationship.”*

### Details of the Placements

The Institutional Placement will comprise the issue of 112,500,000 Shares (**Institutional Placement Shares**), and the Conditional Placement will comprise the issue of 50,000,000 Shares (**Conditional Placement Shares**) (collectively, the “**Placement Shares**”).

The Placement Shares and the Placement Fee Shares (as defined below) represent approximately, respectively, 12.45% and 0.47% of the Company’s existing issued share capital of 1,305,297,411 Shares as at the date of this announcement (**Existing Share Capital**) and approximately, respectively, 11.03% and 0.42% of the Company’s enlarged issued share capital of 1,473,922,411 Shares immediately after the completion of the Placements and the issue of the Placement Fee Shares (**Enlarged Share Capital**).

The Placements are not underwritten. Canaccord Genuity (Australia) Limited is acting as Lead Manager and Arranger to the Placements (**Lead Manager**).

The Institutional Placement is expected to be completed, and the Placement Shares and the Placement Fee Shares attributable to the Institutional Placement issued, by 31 May 2019, upon satisfaction of the conditions to the Institutional Placement as set out below. The Conditional Placement is expected to be completed, and the Conditional Shares and the Placement Fee Shares attributable to the Conditional Placement issued, in late June/early July once shareholder approval has been obtained.

The Placement Shares and the Placement Fee Shares, when issued, will rank in all respects *pari passu* with the existing issued Shares, and will be free from any encumbrances, save that they will not rank for any dividend, rights, allotments or other distributions, the record date for which falls on or before the issue of the relevant Placement Shares or the Placement Fee Shares.

### Conditions

The Placements and the issue of the Placement Fee Shares are conditional on the Company receiving the approval from the SGX-ST for the listing of, and quotation for, the Placement Shares and the Placement Fee Shares on the Catalist Board of the SGX-ST (**LQN**) by 14 June 2019 (unless a later date is agreed between the Company and Galaxy Resources or Jiangte as applicable) subject to such conditions specified in the LQN as may be acceptable to the Company and such approval not having been revoked or amended. Alliance will, through its Sponsor, be making an application to the SGX-ST for the LQN.

As Jiangte is a current substantial shareholder of the Company, the Conditional Placement is also subject to the approval of shareholders pursuant to the Catalist Rules 812(2) and 805(1) by 31 July 2019 (unless a later date is agreed between the Company and Jiangte).

The Institutional Placement Shares and the Placement Fee Shares will be issued pursuant to the Company’s 15% placement capacity under ASX Listing Rule 7.1. As the Conditional Placement is conditional on shareholder approval for the purposes of the Catalist Rules, shareholder approval will also be sought for the Conditional Placement for the purposes of ASX Listing Rule 7.1.

The Institutional Placement and the Conditional Placement are independent and not inter-conditional.

## Catalist Rules Information

The following information regarding the Placements and the Placement Fee Shares is provided for the purposes of the Catalist Rules.

### *Placement Price*

The Offer Price for the Placements Shares is A\$0.20 per Share, and represents a discount of approximately 3.52% to the VWAP of A\$0.2073 per Share based on trades done on the ASX on 13 May 2019. The SGD equivalent of the Offer Price for the Placement Shares is approximately S\$0.1903, which represents a premium of approximately 2.26% to the VWAP of S\$0.1861 per Share based on trades done on the SGX on 13 May 2019. The Offer Price was arrived at following arm's length negotiations between the Company and each of Galaxy Resources and Jiangte, taking into account the prevailing Company's share price.

### *No transfer of "controlling interest"*

The issue of the Placement Shares and the Placement Fee Shares will not result in a transfer a "controlling interest" in the Company (as defined the Catalist Rules) under Catalist Rule 803. Save for Ms Vicki Xie, a current Non-Executive Director of Alliance and a nominee of Jiangte, each of Galaxy Resources, Jiangte and Lead Manager will not have any Board or management representation on Alliance in connection with the Placements and will not hold more than 15% of the Post Institutional Share Capital (as defined below) or the Enlarged Share Capital (as the case may be).

### *Institutional Placement and the Placement Fee Shares*

No Institutional Placement Shares nor any Placement Fee Shares have been placed to any of the persons set out as restricted persons under Catalist Rule 812.

For the purposes of the Catalist Rules, the Institutional Placement Shares and the Placement Fee Shares will be issued under the Company's general share mandate granted by Shareholders at the annual general meeting of the Company held on 31 October 2018 (**2018 AGM**) (**General Mandate**) which authorises the directors of the Company to allot and issue Shares not exceeding 100% of the total number of issued Shares as at the date of the 2018 AGM, of which the aggregate number of Shares to be issued other than on a pro-rata basis to the existing shareholders shall not exceed 50% (excluding "subsidiary holdings" as defined in the Catalist Rules). The number of issued Shares as at the date of the 2018 AGM was 659,471,907 Shares.

From the date of the 2018 AGM up to the date of this announcement, no securities have been issued pursuant to the General Mandate. The remaining maximum number of shares that can be issued under the General Mandate other than on a pro-rata basis is therefore 329,735,953 Shares. Accordingly, the allotment and issue of an aggregate of 118,625,000 Shares, comprising the Institutional Placement Shares and the Placement Fee Shares (in respect of both Placements), fall within the limits of the General Mandate.

The Lead Manager will receive a fee equal to 5% of the gross proceeds from the Institutional Placement, and 1% of the gross proceeds from the Conditional Placement (together, the **Placement Fees**). The Placement Fees are to be paid to the Lead Manager or its subsidiary by way of an issue of 6,125,000 Shares at the Offer Price (**Placement Fee Shares**). No Placement Fee will be payable and no Placement Fee Shares will be issued to the extent that any part of the Placement does not complete.

### *Conditional Placement*

The Conditional Placement is subject to the approval of shareholders pursuant to Catalist Rules 805(1) and 812(2) at an extraordinary general meeting to be convened in due course. Therefore, the Conditional Placement Shares will not be issued under the General Mandate. A circular containing information in relation to the Conditional Placement will be despatched to shareholders in due course.

### *Net proceeds*

The net proceeds of the Placements (after deducting estimated cash expenses of A\$0.1 million for associated listing and professional fees) is approximately A\$32.4 million (approximately S\$30.8 million), with 37% to be allocated as capital expenditure for the Bald Hill Mine, 34% as working capital for the Bald Hill Mine taking into account its operating expenses, and the balance of 29% for exploration, other business initiatives, and other working capital requirements. There will be no net cash proceeds from the issue of the Placement Fee Shares as they will be issued in satisfaction of the cash Placement Fees that would have been otherwise payable by the Company to the Lead Manager.

Pending the deployment of the net proceeds from the Placements, the net proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions or used to repay outstanding borrowings or for any other purpose on a short-term basis as the Company may, in its absolute discretion, deem fit.

The Company had in the past two years raised gross proceeds from the issue of shares of approximately A\$52.5 million (net A\$50.4 million after deducting associated expenses), comprising the placements completed in November 2017 as announced on 8 November 2017, the placement completed in May 2018 as announced on 2 May 2018 and the placement completed in July 2018 as announced on 5 July 2018, which proceeds had been applied substantially in accordance with their intended purposes or as otherwise disclosed in the announcements by the Company on SGX.

The Directors are of the opinion that after taking into consideration the Company's present bank facilities and the net proceeds from the Placements, the working capital available to the Group is sufficient to meet its present requirements.

### *Information about Galaxy Resources and Jiangte*

Galaxy Resources is an international ASX 200 Index mining company (ASX: GXY) with its principal project being its wholly owned Mt Cattlin mine in Western Australia which is currently producing spodumene and tantalum concentrates. It also owns the Sal de Vida lithium brine project in Argentina and the James Bay hard rock lithium project in Canada.

Jiangte is a current substantial shareholder of Alliance, through its wholly owned subsidiary Weier Antriebe und Energietechnik GmbH. Jiangte is listed on the Shenzhen Stock Exchange and is engaged in the R&D, production and sales of specialised electric motors and the production of lithium battery cathode material, electric automobile drive motor and control systems, and electric vehicles.

Galaxy Resources and Jiangte have been identified for the strategic Placements as experienced participants in the lithium sector and existing shareholders in the Company willing to make further investments into Alliance.

## Shareholding Structure

The shareholding interests of current and new substantial shareholders of Alliance are set out below.

Name of substantial shareholder	Before Placements <sup>(1)</sup>		After Institutional Placement and issue of associated Placement Fee Shares, but Before Conditional Placement and issue of associated Placement Fee Shares <sup>(2)</sup>		After both Placements and issue of all Placement Fee Shares <sup>(3)</sup>	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Galaxy Resources Ltd	61,800,000	4.73	174,300,000	12.25	174,300,000	11.83
Weier Antriebe und Energietechnik GmbH ( <b>Weier</b> ) <sup>(4)</sup>	83,784,643	6.42	133,784,643	5.89	133,784,643	9.08
UBS Group AG <sup>(5)</sup>	126,228,461	9.67	126,228,461	8.87	126,228,461	8.56
Burwill Holdings Limited <sup>(5)</sup>	93,388,728	7.15	93,388,728	6.56	93,388,728	6.34
Tribeca Investment Partners Pty Ltd <sup>(5)</sup>	79,463,792	6.09	79,463,792	5.58	79,463,792	5.39
Regal Funds Management Pty Ltd <sup>(5)</sup>	67,092,804	5.14	67,092,804	4.71	67,092,804	4.55

**Notes:**

- (1) Based on the Existing Share Capital of 1,305,297,411 Shares
- (2) Based on the Company's share capital of 1,423,422,411 Shares after the completion of the Institutional Placement and issue of associated Placement Fee Shares (Post Institutional Placement Share Capital).
- (3) Based on the Enlarged Share Capital of 1,473,922,411 Shares.
- (4) As Weier is a wholly-owned subsidiary of Jiangte, Jiangte is deemed interested in all Shares held by Weier.
- (5) Number of Shares held is according to the latest substantial holder notices received from the respective shareholders.

## Financial Effects

The financial effects of the Placements (including the issue of the Placement Fee Shares) are presented solely for illustrative purposes and are not intended to be indicative or reflective of the actual future financial situation of the Company after the Placements.

The financial effects of the Placements (including the issue of the Placement Fee Shares) have been computed based on the unaudited consolidated financial statements of the Company for the 12 months ended 31 December 2018.

	Before Placements	After Institutional Placement and issue of associated Placement Fee Shares, but Before Conditional Placement and issue of associated Placement Fee Shares	After both Placements and issue of all Placement Fee Shares
<b>Effect on Share capital (assuming the Placements were completed on 31 December 2018)</b>			
Issued and paid-up share capital (A\$'000)	\$308,735	\$331,135	\$341,135
Total number of Issued Shares ('000)	1,305,297	1,423,422	1,473,922
<b>Effect on Net Total Assets (NTA) per Share (assuming the Placements were completed on 31 December 2018)</b>			
NTA (A\$'000)	\$186,673	\$209,073	\$219,073
NTA per Share (A\$ cents)	14.30 <sup>(1)</sup>	14.69	14.86

	Before Placements	After Institutional Placement and issue of associated Placement Fee Shares, but Before Conditional Placement and issue of associated Placement Fee Shares	After both Placements and issue of all Placement Fee Shares
<i>Effect on Loss per Share (LPS) (assuming the Placements were completed on 1 January 2018)</i>			
Loss attributable to shareholders (A\$'000)	\$40,520	\$40,520	\$40,520
Weighted Average Number of Shares ('000)	638,589	756,714	807,214
LPS (A\$ cents)	6.35 <sup>(2)</sup>	5.35	5.02

*Note:s*

(1) NTA per Share is calculated based on the NTA and the issued and paid-up Shares comprising 1,305,297,411 Shares

(2) LPS is calculated based on the loss attributable to Shareholders and the weighted average number of issued Shares comprising 638,589,010 Shares.

*Interests of Directors and Substantial Shareholders*

Save as publicly disclosed or set out in this announcement and other than by way of their shareholding interests in the Company, to the best of Directors' knowledge, no connections exist between any of Jiangte, Galaxy Resources or the Lead Manager and any other substantial shareholders or Directors of the Company.

Director Vicki Xie is a nominee of Jiangte, which is a substantial shareholder in the Company. Director Arnold Chan, is a nominee of Burwill Holdings Limited (**Burwill**) which is a substantial shareholder in Alliance. Burwill and Jiangte are 50/50 co-owners of Jiangxi Bao Jiang Lithium Industrial Limited (**JBIL**) which has a material offtake agreement with the Company. Jiangte and the Company have also entered into a non-binding memorandum of understanding in respect of a proposed hydroxide joint venture as announced on SGX on 29 April 2019.

*Interests of Lead Manager*

As at the date of this announcement, the Lead Manager and its subsidiaries hold 31,445,725 Shares (representing 2.41% of the Existing Share Capital) and 11,400,000 options that are exercisable into 11,400,000 new Shares.

*No Offer Information Document*

The Placements will be undertaken in accordance with the securities laws and regulations of the relevant jurisdictions to investors outside of Singapore and no offer information statement will be issued by the Company in connection therewith under the SFA.

*Directors' Responsibility Statement*

The Directors (who may each have delegated detailed supervision of this announcement) collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries that, as at the date hereof, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Placements, the issue of the Placement Fee Shares and the Company and its subsidiaries. The Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the

Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

**Mark Calderwood**  
**Managing Director**

### Glossary

The following abbreviations and terms are used in this announcement.

ASX	ASX Limited (ABN 98 008 624 691) or the market operated by it known as the Australian Securities Exchange, as appropriate
ASX Listing Rules	the listing rules of the ASX
Catalist Rules	Listing Manual Section B: Rules of Catalist of the SGX
SFA	Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
Shares	fully paid ordinary shares in the capital the Company
SGX	the financial market operated by SGX-ST, known as the "SGX"
SGX-ST	Singapore Exchange Securities Trading Limited
Sponsor	PrimePartners Corporate Finance Pte. Ltd.
VWAP	volume weighted average price for the stated period

The exchange rate of S\$0.9516:A\$1 as at 13 May 2019 has been used throughout this announcement.

### Forward Looking Statements

This announcement may contain forward looking statements and projections including regarding estimated resources and reserves, production and operating costs profiles, capital requirements and strategies and corporate objectives. Such forward looking statements/projections are estimates for discussion purposes only and should not be relied upon as representation or warranty, express or implied, of the Company. They are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors many of which are beyond the control of the Company. The forward looking statements/projections are inherently uncertain and may therefore differ materially from results ultimately achieved.

While the information contained in this announcement has been prepared in good faith, neither the Company, nor any of its directors, officers, agents, employees or advisors make any representation or give any warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information, forward looking statement, opinions and conclusions contained in this announcement. Accordingly, to the maximum extent permitted by law, none of the Company, nor any of its directors, officers, employees, agents or advisers, nor any other person accepts any liability whether direct or indirect, express or limited, contractual, tortious, statutory or otherwise, in respect of the accuracy or completeness of the information or for any of the opinions contained in this announcement or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this announcement. The Company disclaims any obligation to update or revise any forward looking statements based on new information, future events or otherwise except to the extent required by applicable laws.