



ALLIANCE MINERAL ASSETS LIMITED

(Incorporated in the Australia on 6 December 2010)
(Company Registration no. ACN 147 393 735)

ALLIANCE MINERAL ASSETS LIMITED REPORTS ENCOURAGING RESULTS AT BALD HILL MINE AS SIGNIFICANT TANTALUM AND LITHIUM INTERCEPTED

- Initial very-wide-spaced drilling has intercepted multiple mineralised pegmatites up to 30m wide over a large area, indicating *significant resource potential* and drilling is continuing to expand the pegmatite footprint
- Lithium grades appear stronger to the south and at depth and tantalum is more abundant in the north
- Ramping up engineering studies focused on adding a spodumene concentrator to better recover all marketable minerals
- *Strong interest* received from big players in lithium supply chain to obtain near-term spodumene concentrate

Singapore, 12 December 2016

Singapore listed Alliance Mineral Assets Limited ("Alliance Mineral", or "AMAL" or the "Company"), a mining company engaged in the business of developing and producing Tantalite and exploration and exploitation of Lithium & Other Mineral Resources in Australia, refers to the announcements ("Announcements") dated 3 June 2016, 25 July 2016, 17 August 2016, 30 September 2016 and 3 November 2016 in relation to the binding terms sheet ("Terms Sheet") entered into between the Company and Lithco 2 Pty Ltd ("Lithco" or "JV Partner"), and circular ("Circular") dated 24 August 2016 for, *inter alia*, a Farm-In and Joint Venture arrangement with respect to the Company's Bald Hill project in Western Australia for the purpose of joint exploration and exploitation of lithium and other minerals ("Joint Venture").

AMAL is pleased to announce an update on the drilling carried out as part of the joint venture with Lithco at the Bald Hill Mine in Western Australia. The information presented below is summarised from a Tawana Resources NL (Tawana) announcement released on 17 November 2016. Tawana is listed on the Australian Securities Exchange and has an option to acquire Lithco. Refer to the appendix of this press release for more information.

The first stage, step out exploratory drilling has commenced at Bald Hill targeted at adding to the overall understanding of the resource potential extending from the current pits. This initial stage is part of a larger program of drilling to upgrade resources and reserves to support possible re-commencement of mining in 2017. There are currently two rigs working on the Mining Lease.

Lithco is also ramping up engineering studies focused on adding a spodumene concentrator and other infrastructural upgrades to better recover all the marketable minerals found in the Bald Hill pegmatites. More detailed mine and process planning will commence in 2017. The aim of the concept study for a spodumene concentrator is to estimate the indicative cost and time required to install a spodumene concentrator as an addition to the tantalite plant.

Also, in such a short time frame several significant entities within the lithium supply chain have approached AMAL and Lithco with strong interest to obtain near-term spodumene concentrate.

Lithco's Director, Mr Mark Calderwood stated, *"The first ever program focused on lithium at Bald Hill has resulted in early success and we expect that over the coming months the resource potential will unfold as we increase the pegmatite footprint to the south and west."*

AMAL's Chief Executive Officer, Mr Tjandra Pramoko commented, *"We are very pleased with the encouraging results of the initial drilling program for lithium as it provides a good indication that the Bald Hill Project contains a significant lithium resource potential in addition to the tantalum. With the majority of infrastructure already in place, we believe that we are better placed than other tantalum and lithium explorers to progress the project quickly to production once both the tantalum and lithium resource potential are confirmed."*

Recent Drilling by Lithco

Deeper extensional drilling has commenced on the Bald Hill mining lease, on a nominal 320m x 160m grid. To date a total of 13 deeper RC holes have been completed for which results have been received for seven holes. Core drilling has commenced to obtain additional metallurgical samples and as tails to the RC holes that have not reached target depth.

This drilling to date has confirmed the continuity of the pegmatites previously mined at Bald Hill some hundreds of metres at depth and along strike beyond the current resource models and identified another thick mineralised pegmatite approximately 30-100 metres below the current AMAL resource model.

Lithco has indicated that there are, *“strong indications that the pegmatites in the Bald Hill mine grade from narrow and tantalum rich in the North to North East to wider and lithium rich in the South to South West. Where there are multiple sub-horizontal pegmatites, the shallow ones tend to be richer in tantalum and deeper ones richer in lithium.*

Wider pegmatites show indications of mature pegmatite zoning with lithium rich and lithium poor zones. Examples of this are:

- *LRC0005 where a 2m central quartz feldspar zone (core) contains 0.06% Li_2O whilst the spodumene rich inner zones each side of this averaged 2.20% and 2.03% Li_2O over 3m and 4m respectively.*
- *LRC0007 where four discrete outer zones representing 17m of the 34m pegmatite interval averaged 1.51% Li_2O whilst the central zone averaged 0.22% Li_2O .*

This zoning on the larger sub-horizontal pegmatites will provide an opportunity for selective mining particularly given the coarse and highly visible spodumene. RC and core drilling will continue to expand the footprint of the pegmatite and undertake infill drilling within the permitted pit design to better delineate spodumene zones for detailed mine planning.”

Metallurgical Test Work

Metallurgical test work results announced on 24 October 2016, page 4, showed potential to produce high grade Dense Medium Separation (DMS) concentrates. Subsequently further flotation test-work on combined <1mm Reflux Classifier and low grade >1mm DMS gravity concentrates (middlings) has been undertaken. The resulting flotation recovery was favourable with returning a recovery of 74.7% at a grind size of P80 0.18mm, with a combined concentrate grade of 6.42% Li_2O .

The combined DMS and Flotation concentrates accounted for 83% of the calculated contained lithium at an average grade of 6.1% Li_2O with very low mica content. Further work will be undertaken to optimize recovery and concentrate grade.

Proposed Engineering

A concept study has commenced with the aim of obtaining indicative capital and operating costs for the addition of a 1Mtpa spodumene concentrator. The study is being undertaken by Wave International in conjunction with a team of consultants. The study proposes the use of contract mining, crushing and concentrate haulage.

Off Take Negotiations

Lithco/AMAL (“The JV”) have been approached by several significant entities within the lithium supply chain indicating strong interest for near term spodumene concentrate due to the apparent significant shortage of uncommitted spodumene in 2017-2018 to feed new convertors, and has received written proposals from two of these entities.

Competent Person's Statement

The information in this news release that relates to Exploration Results is based on and fairly represents information and supporting documentation compiled by Mr Mark Calderwood, a Director of Lithco. Mr Calderwood is a member of The Australasian Institute of Mining and Metallurgy. Mr Calderwood has sufficient experience relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the *"Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves"*. Mr Calderwood consents to the inclusion in this news release of the matters based on their information in the form and context in which it appears.

----- End -----

ABOUT ALLIANCE MINERAL ASSETS LIMITED (BLOOMBERG TICKER: AMS:SP)

Alliance Mineral Assets Limited (the "Company") is a mining company headquartered in Perth, Western Australia. Led by a dedicated and experienced team, the Company is primarily engaged in the business of developing and producing **Tantalite** Mineral Resources in Australia.

The Company owns the Bald Hill Tantalite Mine, the various surrounding Tenements, the Project Intellectual Property, and the Bald Hill Treatment Plant (collectively, the "Bald Hill Project").

In December 2016, the Company entered into an agreement with Lithco. The Farm-in agreement with Lithco will focus on exploration and feasibility for **lithium** and other minerals with the aim of forming a joint venture with the Company on the Bald Hill Project. Encouraging results were seen for lithium prospects as a large area of spodumene pegmatites were intercepted in very wide spaced drilling and the drilling for lithium grade commenced within current tantalum reserve pit. The Company is targeting production of tantalum and spodumene by end of 2017 as the Bald Hill Project has completed infrastructure and tantalum treatment plant that can be retrofitted to capture spodumene.

Tantalum is a non-radioactive metal which is ductile, easily fabricated and has a high melting point, highly conductive to heat and electricity. It is widely used in the form of tantalum capacitors in consumer electronics such as personal computers, electronic displays and mobile phones. Tantalum is also an element in super-alloys used in jet engine turbine blades, drilling tools for industrial and chemical processing, and surgical instruments.

Lithium is a soft, silver-white metal belonging to the Alkali group of metals, which under normal conditions is the lightest of all metals and the least dense solid element. Lithium has a number of

unique properties including high electrochemical reactivity, a low thermal expansion co-efficient and high specific heat capacity. It is these properties which allow lithium to be used in a wide range of industrial applications including ceramics, lubricants and glass, but the largest (and highest growth segment) of the global lithium market is its use in the manufacture of Lithium-ion (Li-ion) batteries.

Alliance Mineral Assets Limited was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 25 July 2014. The initial public offering of the Company (the "IPO") was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor").

For more information, please visit <http://www.alliancemineralassets.com.au/>

This news release 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 SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this news release. The Sponsor has also not drawn on any specific technical expertise in its review of this news release.

This news release has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this news release including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this news release. The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.

Issued for and on behalf of Alliance Mineral Assets Limited

By Financial PR Pte Ltd

For more information please contact:

Romil SINGH / El LEE / Jonathan YEOH

Financial PR Pte Ltd

Tel: 6438 2990 / Fax: 6438 0064

E-mail: romil@financialpr.com.sg / el@financialpr.com.sg / jonathanyeah@financialpr.com.sg

Appendix

Third Party Announcements on Bald Hill Mine

As stated in the Company's announcement dated 3 November 2016, the Company was informed by Lithco, *inter alia*, that Tawana Resources NL ("Tawana"), a mineral exploration company which is listed on both the Australian Securities Exchange ("ASX") and on the Johannesburg Stock Exchange, had entered into an option agreement with Lithco to acquire Lithco.

The Board wishes to inform shareholders that the Company is aware that Tawana has released an announcement on ASX regarding the preliminary results of the exploratory drilling in the Project dated 17 November 2016 ("Tawana Announcement"). The Tawana Announcement can be found at <http://www.asx.com.au/asx/statistics/announcements.do?by=asxCode&asxCode=TAW&timeframe=D&period=M6>

Initial Results from Drilling of 5 RC Holes

Initial results have been very encouraging and include:

- 1) LRC0005 - **9m at 1.65%Li₂O** from 140m;
- 2) LRC0006 - **23m at 1.15% Li₂O** from 107m including **15m at 1.33% Li₂O** from 108m. The hole also intercepted a Li Ta pegmatite returning **8m at 0.95% Li₂O and 381ppm Ta₂O₅** from 73m;
- 3) LRC0007 - **8m at 1.30% Li₂O** from 109m and **15m at 1.18% Li₂O** from 127m including **8m at 1.61% Li₂O** from 134m.

Table 1 | Significant Lithium Intercepts - Extensional Drilling (after Lithco)

Hole ID	From m	To m	Interval m	Li ₂ O %	Ta ₂ O ₅ ppm	Nb ₂ O ₅ ppm	SnO ₂ ppm	Li ₂ O Eqv. ⁽¹⁾ %
LRC0005 incl and	140	149	9	1.65	125	73	180	1.83
	140	142	2	3.06	79	54	174	3.18
	145	149	4	2.03	57	40	166	2.11
LRC0006 incl incl incl	73	81	8	0.95	381	173	166	1.50
	74	78	4	1.33	485	217	212	2.04
	107	130	23	1.15	166	107	107	1.39
	108	123	15	1.33	173	113	107	1.58
	120	123	3	2.10	143	119	112	2.31
LRC0007 and	109	117	8	1.30	93	116	58	1.44
	127	142	15	1.18	74	113	47	1.29
	134	142	8	1.61	81	119	58	1.73

Notes

- 1) Li₂O Equivalent grade is estimated based on the formula set out in Appendix 1 in the Tawana Announcement ("Appendix 1").
- 2) The true width of pegmatites is generally considered 85-95% of the intercept width.
- 3) Details of Drill Holes and Pegmatite Intercepts are contained in Table 2

Table 2| Drill Summary, Deeper Extensional Holes with Pegmatite Intercepts

Hole ID	Easting m	Northing m	RL m	Depth m	Azm	Dec.	Type	From m	To m	Width m	Pegmatite Type	Visual Spod. ⁽¹⁾
LDD0001	421755	6512320	284	235	270	-60	RC/DD	22.9	24	1.1	Ta	
								58.7	59.7	0.9	Li	5%
								81.6	81.7	0.1	Barren	nil
								82.1	83.2	1.1	Li	5%
								100.3	113.3	13.0	Li	5-10%
								146.7	153.9	7.2	Li	15%
LRC0001	421800	6512800	290	174	90	-60	RC	35.0	38.8	3.8	Ta	N/R
								154.5	156.0	1.5	Ta	
LRC0002	422040	6512800	297	160	90	-60	RC	44.1	47.0	2.9	Ta, Li	N/R
LRC0003	422240	6512320	286	174	270	-60	RC	0.0	4.5	4.5	Ta	
								15.9	16.9	1.0	Li, Ta	
								18.9	21.1	2.2	Ta	
								25.0	32.0	7.0	Li, Ta (zoned)	
								64.0	66.5	2.5	Ta, Li	
								89.0	91.0	2.0	Barren	
								94.0	95.1	1.1	Ta, Li	
								100.0	103.9	3.9	Ta	
								154.0	155.0	1.0	barren	
LRC0004	422080	6512320	284	172	90	-60	RC	29.0	30.0	1.0	Ta	N/R
								90.0	102.6	12.6	Ta, Li (zoned)	
								159.4	161.1	1.7	barren	

Hole ID	Easting m	Northing m	RL m	Depth m	Az m	Dec.	Type	From m	To m	Width m	Pegmatite Type	Visual Spod. ⁽¹⁾
LRC0005	421920	6512320	283	163	90	-60	RC	34.0	36.5	2.5	Ta	N/R
								87.0	91.0	4.0	Ta	
								111.0	113.0	2.0	Ta, Li	
								135.0	154.0	19.0	Li (zoned)	
LRC0006	421760	6512320	284	160	90	-60	RC	55.0	56.1	1.1	barren	N/R
								73.4	80.0	6.6	Li, Ta	
								107.7	130.0	22.3	Li, Ta	
LRC0007	422260	6512000	277	151	90	-60	RC	57.3	59.0	1.7	Ta	N/R
								76.0	77.0	1.0	Ta	
								108.8	142.0	33.2	Li (zoned)	
								146.0	149.0	3.0	Ta, Li	
LRC0014	421640	6512800	287	136	90	-60	RC	25.0	26.0	1.0	Ta	
								65.1	79.0	13.9	Li, Ta (zoned)	3-70%
LRC0015	421560	6512800	286	122	90	-60	RC	0.0	1.0	1.0	Ta	
								74.7	80.0	5.3	Li	2-10%
LRC0016	422200	6512320	286	126	270	-60	RC	11.8	28.0	16.2	Li, Ta	1-30%
								77.2	86.1	8.9	Li, Ta	7-15%
LRC0023	422100	6512000	282	123	90	-60	RC	80.9	96.9	16.0	Li	5-25%
LRC0024	421935	6512000	284	112	90	-60	RC	96.0	108.0	12.0	Li, Ta	0-35%

Notes

- 1) Visual estimate of the range of spodumene content
- 2) The true width of pegmatites are generally considered 85-95% of the intercept width
- 3) N/R denotes not numerically recorded

Table 3 | Drill Summary, Shallow Infill Northern Holes with Pegmatite Intercepts

Hole ID	Easting m	Northing m	RL m	Depth m	Azm	Dec.	Type	From m	To m	Width m	Pegmatite Type	Visual Spod. ⁽¹⁾
LRC0008	421840	6512800	291	52	90	-60	RC	21.0	36.1	15.1	Ta, Li	N/R
LRC0009	421880	6512800	292	52	90	-60	RC	34.0	41.0	7.0	Li, Ta	N/R
LRC0010	421920	6512800	293	46	90	-60	RC	28.8	37.1	8.3	Li	N/R
LRC0011	421960	6512800	294	40	90	-60	RC	29.1	32.0	2.9	Ta	N/R
LRC0012	422000	6512800	296	74	90	-60	RC	60.0	63.1	3.1	Li, Ta	N/R
LRC0013	421720	6512800	289	100	90	-60	RC	41.4 69.0	45.2 70.0	3.8 1.0	Ta, Li barren	N/R
LRC0017	421920	6513000	295	71	90	-60	RC	mined				
LRC0018	421840	6513000	294	95	90	-60	RC	mined				
LRC0019	421760	6513000	290	58	90	-60	RC	0.6 2.6	1.5 11.2	0.9 8.6	Ta Ta	<1% <1%

Notes

- 1) Visual estimate of the range of spodumene content
- 2) The true width of pegmatites are generally considered 85-95% of the intercept width
- 3) N/R denotes not numerically recorded
- 4) Assays are pending for holes LRC009 to LRC0019

Table 4 | Significant Intercepts

Hole ID	From m	To m	Interval m	Li ₂ O %	Ta ₂ O ₅ ppm	Nb ₂ O ₅ ppm	SnO ₂ ppm	Li ₂ O Eqv. ⁽¹⁾ %
LRC0001	No Significant Intercepts							
LRC0002	44	47	3	0.31	359	103	164	0.83
LRC0003	0	5	5	0.04	248	119	114	0.40
	15	17	2	0.29	181	43	484	0.55
	18	33	15	0.33	76	70	84	0.44
	56	57	1	0.49	78	50	622	0.60
	62	63	1	0.17	537	136	163	0.95
	64	69	5	0.14	162	80	102	0.38
	94	96	2	0.11	310	126	65	0.56
	100	104	4	0.18	326	104	159	0.65
LRC0004 incl	28	30	2	0.06	453	72	117	0.72
	90	103	13	0.1	175	83	86	0.35
	94	96	2	0.17	501	90	151	0.90
LRC0005 incl and	87	91	4	0.03	335	106	113	0.52
	95	97	2	0.24	176	57	90	0.50
	111	113	2	0.32	180	97	104	0.58
	134	140	6	0.26	104	59	161	0.41
	140	149	9	1.65	125	73	180	1.83
	140	142	2	3.06	79	54	174	3.18
	145	149	4	2.03	57	40	166	2.11
	149	154	5	0.30	116	83	180	0.47
LRC0006 incl incl incl	73	81	8	0.95	381	173	166	1.50
	74	78	4	1.33	485	217	212	2.04
	107	130	23	1.15	166	107	107	1.39
	108	123	15	1.33	173	113	107	1.58
	120	123	3	2.1	143	119	112	2.31

Hole ID	From m	To m	Interval m	Li ₂ O %	Ta ₂ O ₅ ppm	Nb ₂ O ₅ ppm	SnO ₂ ppm	Li ₂ O Eqv. ⁽¹⁾ %
LRC0007	109	117	8	1.30	93	116	58	1.44
	127	127	8	0.22	28	59	38	0.26
	127	142	15	1.18	74	113	47	1.29
	Incl. 134	142	8	1.61	81	119	58	1.73
	146	150	4	0.22	349	93	107	0.73
LRC0008	21	36	15	0.36	209	66	103	0.66
incl.	26	29	3	0.23	341	82	174	0.73
and	29	35	6	0.71	201	83	98	1.00

Notes

- 1) Li₂O Equivalent grade is estimated based on the formula set out in Appendix 1
- 2) Only intercepts of 0.3% Li₂O or 150ppm Ta₂O₅ considered significant
- 3) Assays for holes LDD0001 and LRC0009 to LRC0024 are pending

Figure 1 | Bald Hill Mine Area (after Lithco)

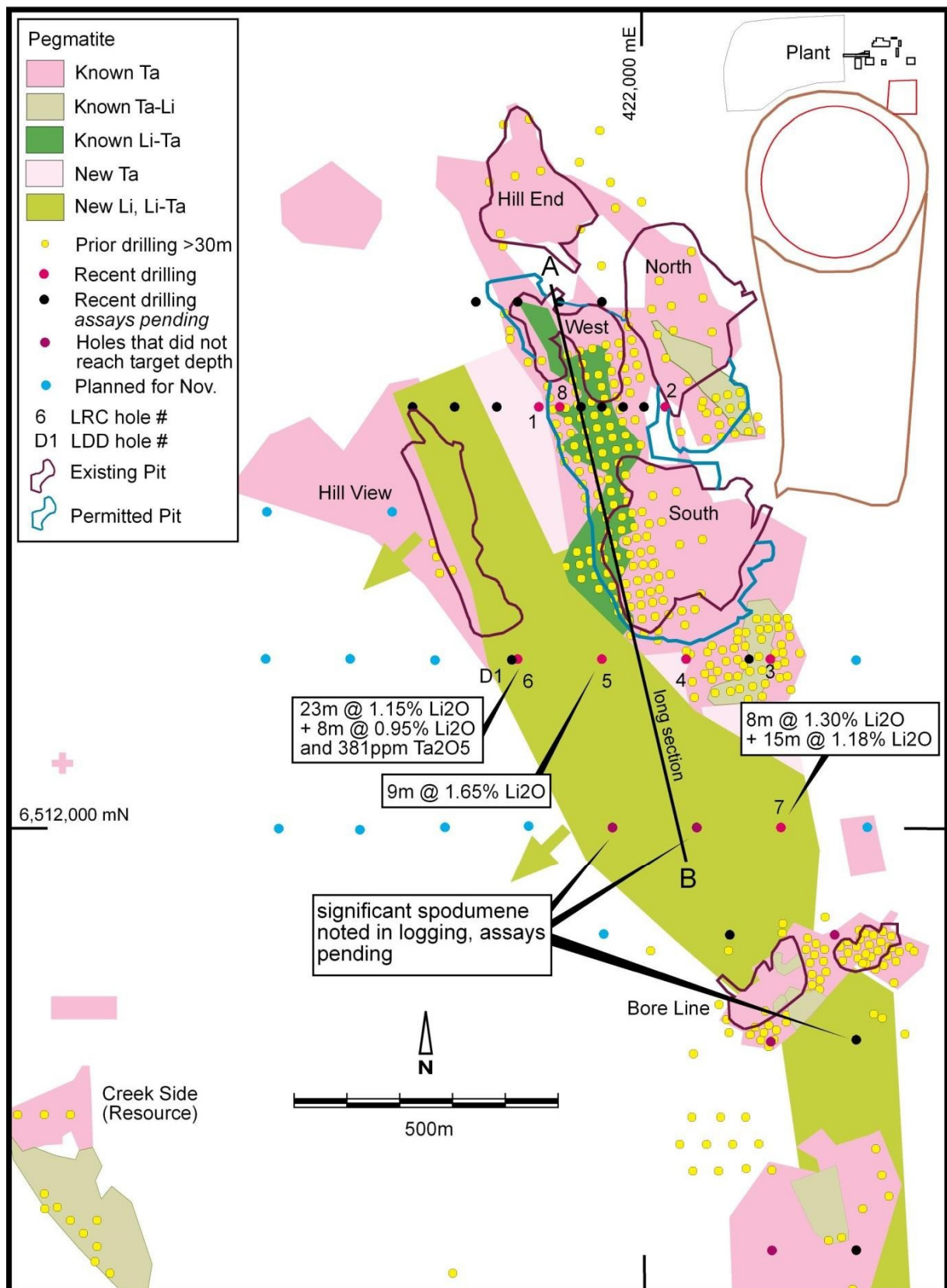


Figure 2 | Long Section A-B (after Lithco)

