**ALLIANCE MINERAL ASSETS LIMITED**
(Company Registration Number: ACN 147 393 735)
(Incorporated in Australia on 6 December 2010)

**Unaudited Financial Statement and Dividend Announcement**
**For the First Quarter Ended 30 September 2018 ("1Q FY2019")**

## PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

**1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

| | For 3-months Ended 30 September | | |
|---|---|---|---|
| | 2018 (Unaudited) A$ | 2017 (Unaudited) A$ | Increase / (Decrease) % |
| Sale of goods | 10,614,249 | - | n.m |
| Cost of sales | (11,865,484) | - | n.m |
| Gross profit | (1,251,235) | - | n.m |
| Interest income | 72,295 | 30,912 | 134 |
| Gain/(Loss) on foreign exchange | 111,916 | (69,959) | n.m |
| Accounting and audit expenses | (114,791) | (31,282) | 267 |
| Directors remuneration | (273,685) | (74,031) | 270 |
| Administrative expenses | (852,664) | (315,911) | 170 |
| Employment expenses | (183,357) | (59,071) | 210 |
| Borrowing costs | (509,815) | (93,726) | n.m |
| **Loss before income tax** | **(3,001,335)** | **(613,068)** | **n.m** |
| Income tax expense | - | - | n.m |
| **Loss after tax** | **(3,001,335)** | **(613,068)** | **n.m** |
| **Other comprehensive income** | - | - | n.m |
| **Total comprehensive loss for the financial year attributable to owners of the Company** | **(3,001,335)** | **(613,068)** | **n.m** |

(i) n.m = not meaningful

## 1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

| | 3-months ended 30 September 2018 (Unaudited) A$ | 2017 (Unaudited) A$ | Increase / (Decrease) % |
|---|---|---|---|
| Depreciation expense - corporate | (14,109) | (14,046) | 0.4% |
| Cost of sales: | | | |
| - Operational expenditure | 10,384,353 | - | n.m |
| - Depreciation and amortization | 1,693,827 | - | n.m |
| - Tantalum sales credits | (212,696) | - | n.m |

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

| | As at | |
|---|---|---|
| | **30 September 2018 (Unaudited) A$** | **30 June 2018 (Audited) A$** |
| CURRENT ASSETS | | |
| Cash and cash equivalents | 18,757,265 | 18,841,160 |
| Receivables | 662,378 | 2,151,374 |
| Other current assets | 2,144,082 | 586,090 |
| Inventory | 15,413,154 | 842,258 |
| TOTAL CURRENT ASSETS | **36,976,879** | **22,420,882** |
| | | |
| NON CURRENT ASSETS | | |
| Mine development | 36,034,385 | 29,426,968 |
| Property, plant & equipment | 24,547,503 | 37,538,157 |
| Reimbursement asset – rehabilitation obligation | 3,199,435 | 2,820,898 |
| TOTAL NON CURRENT ASSETS | **63,781,323** | **69,786,023** |
| | | |
| TOTAL ASSETS | **100,758,202** | **92,206,905** |
| | | |
| CURRENT LIABILITIES | | |
| Trade and other payables | 12,985,079 | 8,326,833 |
| Deferred revenue | 5,793,086 | 7,342,683 |
| Employee Benefit Liabilities | 12,767 | 209,763 |
| Interest bearing loans and borrowings | 772,777 | 658,442 |
| TOTAL CURRENT LIABILITIES | **19,563,709** | **16,537,721** |
| | | |
| NON CURRENT LIABILITIES | | |
| Provision for rehabilitation | 6,398,871 | 5,641,797 |
| Interest bearing loans and borrowings | 10,698,910 | 10,336,658 |
| TOTAL NON CURRENT LIABILITIES | **17,097,781** | **15,978,455** |
| | | |
| TOTAL LIABILITIES | **36,661,490** | **32,516,176** |
| **NET ASSETS** | **64,096,712** | **59,690,729** |
| | | |
| EQUITY | | |
| Issued capital | 90,670,841 | 82,016,978 |
| Reserves | 5,942,576 | 7,189,121 |
| Accumulated losses | (32,516,705) | (29,515,370) |
| **TOTAL EQUITY** | **64,096,712** | **59,690,729** |

**(b)(ii) Aggregate amount of group's borrowings and debt securities**

**Amount repayable in one year or less, or on demand**

| As at 30 September 2018 (Unaudited) | | As at 30 June 2018 (Audited) | |
|---|---|---|---|
| **Secured A$** | **Unsecured A$** | **Secured A$** | **Unsecured A$** |
| 678,765 | 12,917 | 313,014 | 30,721 |

**Amount repayable after one year**

| As at 30 September 2018 (Unaudited) | | As at 30 June 2018 (Audited) | |
|---|---|---|---|
| **Secured A$** | **Unsecured A$** | **Secured A$** | **Unsecured A$** |
| 13,000,000 | - | 13,001,731 | - |

**Details of any collateral**

The secured borrowings comprised finance lease liabilities of A$11,609 (30 June 2018: A$16,319), which are secured on the Company's motor vehicles and a project loan of A$13,667,156 (30 June 2018: $13,298,426) which is secured over the Company's interest in the Bald Hill Joint Venture.

The loan balance in the table above is higher than the balance shown in the statement of financial position as it includes transaction costs.

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

| | For 3-months Ended 30 September | |
|---|---|---|
| | 2018 | 2017 |
| | Unaudited | Unaudited |
| | A$ | A$ |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Receipts from customers | 9,004,236 | - |
| Interest received | 72,244 | 30,912 |
| Interest paid | (10,714) | (8,548) |
| Payments to suppliers and employees | (14,553,196) | (581,028) |
| **NET CASH FLOWS USED IN OPERATING ACTIVITIES** | **(5,487,430)** | **(558,664)** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Other income received | - | 183,002 |
| Cash calls paid to joint operation not yet spent | (1,990,552) | - |
| Payments for mine development | (88,038) | (824,951) |
| Purchase and refurbishment of plant & equipment | (36,932) | - |
| **NET CASH FLOWS USED IN INVESTING ACTIVITIES** | **(2,115,522)** | **(641,949)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Proceeds from share issues | 7,916,332 | - |
| Payments for share issue costs | (509,014) | - |
| Proceeds from product sale prepayment | - | 8,125,000 |
| Payments of insurance premium loan principle | (33,534) | (7,865) |
| Payment to finance lease principle | (2,978) | (4,451) |
| Loan drawdowns | 15,730 | - |
| Repayment of unsecured loan | - | (512,933) |
| **NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES** | **7,386,536** | **7,599,751** |
| Net increase/(decrease) in cash and cash equivalents | (216,416) | 6,399,138 |
| Cash and cash equivalents at beginning of period | 18,841,160 | 2,857,090 |
| Net foreign exchange difference on cash balances | 132,521 | (69,959) |
| **CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD** | **18,757,265** | **9,186,269** |

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

| | **Issued Capital A$** | **Reserves A$** | **Accumulated Losses A$** | **Total A$** |
|---|---|---|---|---|
| **(Unaudited)** | | | | |
| Balance as at 1 July 2017 | 38,960,275 | 3,849,439 | (28,381,859) | 14,427,855 |
| Loss for the 3-month period ended 30 September 2018 ("**1Q FY2018**") | - | - | (613,068) | (613,068) |
| Total comprehensive loss for the 1Q FY2018 | **-** | **-** | **(613,068)** | **(613,068)** |
| **Balance as at 30 September 2017** | **38,960,275** | **3,849,439** | **(28,994,927)** | **13,814,787** |
| **(Unaudited)** | | | | |
| Balance as at 1 July 2018 | 82,016,978 | 7,189,121 | (29,515,370) | 59,690,729 |
| Loss for the 1Q FY2019 | - | - | (3,001,335) | (3,001,335) |
| Total comprehensive loss for the 1Q FY2019 | **-** | **-** | **(3,001,335)** | **(3,001,335)** |
| Equity transactions: | | | | |
| Issue of fully paid ordinary shares | 7,916,332 | - | - | 7,916,332 |
| Capital raising costs | (509,014) | - | - | (509,014) |
| Share-based payments | 1,246,545 | (1,246,545) | - | - |
| **Balance as at 30 September 2018** | **90,670,841** | **5,942,576** | **(32,516,705)** | **64,096,712** |

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

| | **Number of ordinary shares** | **Share Capital A$** |
|---|---|---|
| As at 30 June 2018 | 632,096,792 | 82,016,978 |
| Capital raising[(1)] | 23,875,115 | 7,916,332 |
| Capital raising costs | - | (509,014) |
| Share based payments[(2)] | 3,500,000 | 1,246,545 |
| As at 30 September 2018 | 659,471,907 | 90,670,841 |

Notes:

(1) 13,000,000 shares issued to Burwill Holdings Limited pursuant to the Burwill Placement and 10,875,115 shares placed out by Canaccord Genuity (Australia) Limited as announced on 5 July 2018 and 24 July 2018 respectively.

(2) 3,500,000 shares issued to entitled executives and directors approved at the EGM convened on 25 June 2018 and issued post-30 June 2018.

The Company had on 16 June 2014, adopted the Alliance Employee Share Option Scheme ("**Scheme**"). As at 30 September 2018 and 30 September 2017, no options has been granted under the Scheme.

As at 30 September 2018, the Company had 27,000,000 options exercisable into 27,000,000 ordinary shares in issue as follows: -

1) 11,400,000 options issued on 18 May 2017 to Canaccord Genuity (Australia) Ltd in three tranches ("**Canaccord Options**") that are exercisable into 11,400,000 new ordinary shares of the Company.

2) 15,600,000 options issued on 12 April 2018 to a consortium of lenders in relation to the A$13 million debt funding agreement that are exercisable into 15,600,000 new ordinary shares of the Company ("**Syndicated Loan Facility**").

As at 30 September 2017, the Company had only Canaccord Options in issue which are exercisable into 11,400,000 new ordinary shares of the Company.

Save as disclosed above, there were no other outstanding convertibles, treasury shares and subsidiary holdings as at 30 September 2018 and 30 September 2017.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

The total number of issued ordinary shares was 659,471,907 as at 30 September 2018 and 632,096,792 as at 30 June 2018.

The Company did not have any treasury shares as at 30 September 2018 and 30 June 2018.

**1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

The figures have not been audited or reviewed by the Company's auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

Except as disclosed in paragraph 5 below, the Company has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the most recently audited financial statements for the financial year ended 30 June 2018.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

The Company adopted a number of new International Financial Reporting Standards ("IFRS"), amendments to standards and interpretations that are relevant to its operations and which are effective for annual periods beginning on or after 1 July 2018. The adoptions of these new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements of the Company for the current financial period reported on.

6. **Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

| | 3-months ended 30 September | |
|---|---|---|
| | **2018** | **2017** |
| | **(Unaudited)** | **(Unaudited)** |
| Basic and diluted loss per share (AU cents) | (0.46) [1] | (0.1) [2] |
| Loss for the period attributable to owners of the Company (A$) | (3,001,335) | (613,068) |
| Number of weighted ordinary shares used in calculating basic and diluted loss per share for the financial period | 657,009,302 | 480,763,760 |

Note:

(1) The basic and diluted loss per share for 1Q FY2019 were the same as the 27,000,000 options that are exercisable into 27,000,000 new ordinary shares of the Company as at 30 September 2018 are anti-dilutive.
(2) The basic and diluted loss per share for 1Q FY2018 were the same as the 11,400,000 options which are exercisable into 11,400,000 new ordinary shares of the Company as at 30 September 2017 are anti-dilutive.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**

**(a) current financial period reported on; and**
**(b) immediately preceding financial year.**

| | As at | |
|---|---|---|
| | **30 September 2018** | **30 June 2018** |
| | **(Unaudited)** | **(Audited)** |
| Net asset value per ordinary share based on issued share capital (AU cents) | 9.7 | 9.4 |
| Net asset value as at the end of the respective financial periods (A$) | 64,096,712 | 59,690,729 |
| Number of ordinary shares as at the end of the respective financial periods | 659,471,907 | 632,096,792 |

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss: -**

**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

**3-months ended 30 September 2018 ("1Q FY2019") vs. 3-months ended 30 September 2017 ("1Q FY2018")**

**Review of the Income Statement**

Revenue

Revenue of A$10,614,249 in 1Q FY2019 was from the sale of two shipments of spodumene concentrate totaling 9,335 dmt.

There was no revenue in 1Q FY2018 as we had not commenced commercial production and sale of spodumene concentrate.

Cost of goods sold

Cost of goods sold of A$11,865,484 in 1Q FY2019 represents operational expenditure of A$10,384,353, non-cash depreciation and amortization expense of A$1,693,827 and tantalum sales credits of A$212,696 associated with production of the spodumene concentrate that was sold.

Interest income

Interest income of A$72,295 in 1Q FY2019 (1Q FY2018: A$30,912) was higher mainly due to a higher amount of AUD short-term deposits placed.

Gain on foreign exchange

The gain on foreign exchange of A$111,916 in 1Q FY2019 (1Q FY2018: loss of A$69,959) is mainly due to the weakening of the Australian dollar against the United States dollar and Singapore dollar in 1Q FY2019.

Accounting and audit expenses

Accounting and audit expenses increased from A$31,282 in 1Q FY2018 to A$114,791 in 1Q FY2019 due to an increase in audit expenses resulting from the proposed merger with Tawana Resources NL (the "Proposed Merger").

Directors' remuneration

Directors' fees of A$273,685 in 1Q FY2019 increased from A$74,031 in 1Q FY2018 mainly due to the redesignation of the independent non-executive chairperson to executive chairperson and an increase in directors' fees that was approved at the Company's AGM on 30 October 2017.

Administrative expenses

Administrative expenses increased from A$315,911 in 1QFY2018 to A$852,664 in 1Q FY2019 mainly due to the increase in legal fees, compliance costs and advisory costs associated with the Proposed Merger.

Employment expenses

Employment expenses of A$183,357 in 1Q FY2019 increased from A$59,071 in 1Q FY2018 mainly due to a salary adjustment for full time employees to recognise the increase in activity of the Company and an increase in the number of employees in the Company.

Borrowing costs

Borrowing costs increased from $93,726 in 1Q FY2018 to A$509,815 in 1Q FY2019 due mainly to the effective interest cost on the Syndicated Loan Facility of A$13,000,000.

Loss before income tax

In view of the foregoing, loss before taxation increased by A$2,388,267 from A$613,068 in 1Q FY2018 to A$3,001,335 in 1Q FY2019.

**Review of the Financial Position of the Group**

Non-current assets

Mine development increased by A$6,607,417 due mainly to additions to deferred waste assets of A$11,552,317 and capitalised rehabilitation costs of A$2,270,051, offset by mine development amortisation expense of A$671,508 and reclassification of A$6,642,432 to ore inventory.

Property, plant and equipment decreased by A$12,990,654 to A$24,547,503 mainly due to reclassifications to mine development assets of A$12,512,716 (as deferred waste assets and capitalised rehabilitation costs) and depreciation of A$514,870, offset by additions of A$36,932.

Reimbursement asset – rehabilitation obligation relates to a receivable from Lithco for rehabilitation obligations. The Company is currently registered as the sole tenement holder of the Bald Hill Joint Venture tenement and is therefore liable for 100% of the rehabilitation obligations. However, under the JV agreement with Tawana, Alliance is able to recover 50% of the expenditure incurred.

Current assets

Cash and cash equivalents of A$18,757,265 decreased by A$83,895 mainly due to production and corporate operational expenditure of A$14,553,197, costs of capital raising of A$509,014, cash calls paid to joint operation not yet spend of A$1,990,552; partially offset by proceeds from a capital raising of A$7,916,332 in July 2018, and sales of spodumene concentrate of A$9,004,236. Please refer to the cash flow statement for further details.

Receivables decreased by A$1,488,996 to A$662,378 mainly as a result of the decrease of the Company's share of receivables within the Bald Hill Joint Venture of which GST receivable decreased from A$1,715,735 to A$165,110.

Other current assets of A$2,144,082 comprised prepayments which relates to insurance premium prepaid of A$28,530, term deposit of A$50,000, share of bank guarantees and security bond with the joint venture partner for renting the accommodation camp for the Bald Hill Project of A$75,000 and cash calls paid to the joint venture not yet spent of A$1,990,552.

Inventory of A$15,413,154 relates to the Company's 50% interest in stores and spares held at the Bald Hill mine site of A$1,215,031 and ore inventory of A$14,198,123. Inventory at 30 June 2018 only represented stores and spares.

Non-current liabilities

Provision for rehabilitation of A$6,398,871 represents Lithco, the Bald Hill Joint Venture Operator's best estimate as at balance sheet date to rehabilitate the existing Bald Hill Mine Site. This represents the full amount of the liability as the Company is registered as the sole tenement holder with a corresponding receivable from the Company's joint venture partner reflected as a reimbursement asset – rehabilitation obligation in non-current assets.

Interest-bearing loans and borrowing of A$10,698,910 as at 30 September 2018, increased from A$10,336,658 as at 30 June 2018 mainly due to the effective interest accrual on the Syndicated Loan Facility of A$13,000,000.

Current liabilities

Trade and other payables increased by A$4,658,246 to A$12,985,079 as at 30 September 2018 mainly attributable to the Company's 50% share of the Bald Hill Joint Venture's liabilities of $12,433,824 relating to the operation of the Bald Hill Project. The Bald Hill Project is now in commercial production phase resulting in an increase in regular operating costs. The movement is also affected by the timing of receipt and payment of invoices.

Deferred revenue of A$5,793,086 as at 30 September 2018 represents the prepayment for lithium product received from Burwill. The decrease was mainly due to recognition of revenue following shipments made to Burwill during FY2018 and 1Q FY2019.

Employee benefit liabilities decreased by A$196,996 to A$12,767 as at 30 September 2018 as a result of the movement in annual leave accruals for the Company's employees and the payment of all termination liabilities associated with the former chief executive officer and executive director.

Interest-bearing loans and borrowings, amounting to A$772,777 as at 30 September 2018 which increased by A$114,335 due to the interest accrual on the Syndicated Loan Facility offset by the repayment of insurance premium funding.

**Review of the Cash Flow Statement of the Group**

In 1Q FY2019, we recorded a net cash outflow from operating activities of A$5,487,430 which comprised receipts from customers of A$9,004,236, interest received of A$72,244, offset by payments made to suppliers and employees of A$14,553,196 and interest for finance lease of A$10,714.

Net cash outflow used in investing activities amounted to A$2,115,522, which was attributable to payments for mine development of A$88,038, payments for property, plant and equipment of A$36,932 and cash calls paid to the Bald Hill Joint Venture Operator, Lithco and not yet spent of A$1,990,552.

Net cash inflow from financing activities amounted to A$7,386,536 were mainly as a result of proceeds from share issue of A$7,916,332, receipt of funds from borrowings of A$15,730 offset by payment of share issue costs of A$509,014, repayment of insurance premium loan principal of A$33,534 and repayment of finance lease principal of A$2,978.

As at 30 September 2018, our cash and cash equivalents amounted to A$18,757,265.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Information about the Bald Hill Mine project and updates in relation to the Proposed Merger has been previously disclosed to shareholders via SGXNET announcements. Any material development or variation of the Bald Hill Mine project and Proposed Merger will be updated progressively to shareholders via SGX announcements when appropriate. There were no other forecast or prospect statement which has been previously disclosed to the shareholders.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Global demand for lithium remains strong underpinned by demand for Lithium-ion batteries for automotive applications. China's drive to vehicle electrification continues to be at the forefront of this trend.

Although China's electric vehicle (EV) race started several years ago when the government set ambitious targets (up to 4 million electric cars by 2020), more aggressive mandates in recent months appear to have precipitated EV initiatives. China introduced a 'double credit policy' to automotive manufacturers in April and reduced subsidies for lower range and energy density electric vehicles. These changes have pushed manufacturers to focus on producing longer range vehicles (>300km per charge) using higher energy density cathode materials.

Indeed, China heavy weight, Ganfeng Lithium, is enthusiastically expanding capacity as demand for battery-grade hydroxide and carbonate keeps growing.

Increasingly stringent emissions legislation being planned around the world is also incentivising a shift to EVs, with manufacturers in Europe being fined for vehicles exceeding targets, while credits are being planned for models with super-low emission levels.

From a global perspective, lithium supply looks like it may fall short of recent forecasts. South American brine expansion is reported to be lagging, while on-going production issues at heavy weights SQM, Albemarle and Orocobre mean that China's converters are likely to be required to fulfil demand.

With growing demand and capacity increases falling short of expectations, the demand supply dynamics should favour producers like AMAL.

*References:*
*https://roskill.com/news/electric-vehicles-subsidies-and-emissions-policy-set-to-define-direction-of-industry-development/*
*https://roskill.com/news/lithium-ganfeng-first-of-the-majors-to-see-price-impact-as-q3-earnings-emerge/*

**11. If a decision regarding dividend has been made:-**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

No dividend has been declared for 1Q FY2019.

**(b)(i) Amount per share (cents)**

Not applicable.

**(b)(ii) Previous corresponding period (cents)**

None.

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated).**

Not applicable.

**(d) The date the dividend is payable.**

Not applicable.

**(e) Book closure date**

Not applicable.

**12. If no dividend has been declared/recommended, a statement to that effect**

No dividend has been declared or recommended for 1Q FY2019.

**13. If the group has obtained a general mandate from shareholders for interested person transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Company does not have a general mandate for recurrent interested person transactions. There were no interested person transactions which were S$100,000 or more entered into during the financial period reported on.

**14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).**

The Company has procured undertakings from all its directors and executive officers under Rule 720(1).

**15. Use of placement proceeds**

On 5 July 2018 and 24 July 2018, the Company completed a placement to Burwill, an Australian institutional investor and Canaccord to raise gross proceeds of A$7.9 million. The net proceeds from the placement was approximately A$7.4 million (after deducting expenses of A$0.5 million). As of the date of this announcement, the Net Proceeds have not been utilised.

| **Intended Purposes** | **Amount allocated A$’000** | **Amount utilised A$’000** | **Amount Unutilised A$’000** |
|---|---|---|---|
| Capital expenditure for the Bald Hill Project | 3,182 | - | 3,182 |
| Operating expenses and working capital for the Bald Hill Project | 3,182 | - | 3,182 |
| Future exploration and other initiatives at the Bald Hill Project | 1,036 | - | 1,036 |
| **Total** | **7,400** | **-** | **7,400** |

**ADDITIONAL DISCLOSURE REQUIRED FOR MINERAL, OIL AND GAS COMPANIES**

**16a. Rule 705 (6)(a) of the Catalist Listing Manual**

**i. Use of funds/cash for the quarter:-**

For the quarter ended 30 September 2018 (“**1Q FY2019**”), funds / cash were mainly used for the following activities:-

| Purpose | Amount (A$) Projected Usage | Amount (A$) Actual Usage |
|---|---|---|
| Corporate administrative expenses | 2,100,000 | 1,528,495 |
| Bald Hill Joint Venture Contributions | 27,100,000 | 13,421,224 |
| **Total** | **29,200,000** | **14,949,719** |

**Explanation for the variances:**

Cash utilised for corporate administrative expenses was lower than forecast for the period largely due to the delay in timing for the implementation of proposed merger with Tawana Resources NL Bald Hill Joint Venture Contributions were lower than projected due to the delay in timing of cash calls made by the Bald Hill Joint Venture operator, Lithco as a result of lower production.

ii. **Projection on the use of funds/cash for the next immediate quarter, including principal assumptions:-**

For the next immediate quarter (financial period from 1 October 2018 to 31 December 2018 ("**2Q FY2019**")), the Company's use of funds/cash for development activities are expected to be as follows:-

| Purpose | Amount (A$) |
|---|---|
| Corporate administrative expenses | 2,500,000 |
| Bald Hill Joint Venture Contributions | 28,800,000 |
| **Total** | **31,300,000** |

The above projection is based on the Company's budgeted cashflow which draws from the cash call forecast from the joint venture with Lithco and corporate budget.

**17. Rule 705 (7)(a) of the Catalist Listing Manual**

**Details of exploration (including geophysical surveys), mining development and/or production activities undertaken by the Company and a summary of the expenditure incurred on those activities, including explanation for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity respectively, that fact must be stated;**

Lithco conducted limited exploration work during the July to September quarter as the Bald Hill operator's focus continued to be on production optimisation and refinement.

Grade control rigs have been used periodically during the period to complete selected in-pit resource definition drilling in areas not previously available for exploration because of access restrictions during the 2017 exploration program. Over the three months under review, a total of 21 drill holes were completed for 2042m.

In addition to the limited drilling undertaken, field reconnaissance, mapping and rock chip sampling were also undertaken on regional targets across the broader Bald Hill Mine area.

Expenditure on exploration during 1Q FY2019 was A$88,038.

The production highlights during the 1Q FY2019 are as follows:

- Production of 28,419 wet metric tonnes ("wmt") of spodumene concentrate, up 63% from the quarter ended 30 June 2018;
- Recovery of 36,100lbs of saleable Ta2O5, up 36% from the quarter ended 30 June 2018;
- Shipments of 18,670 dry metric tonnes ("dmt") lithium concentrate and a further 10,336 dmt on 7 October 2018 to Burwill Lithium Company Limited;
- Sales of parcels containing approximately 41,000 Lbs Ta2O5 negotiated during the Quarter;
- Production Cash Costs [1] for June through September were approximately A$900 (US$660) per tonne of spodumene concentrate produced.

Expenditure on production during 1Q FY2019 was A$13,333,186.

[1] Cash Costs per wmt of spodumene concentrate produced is a non-IFRS measure of the direct costs incurred net of tantalum by-product credit value produced, net of waste deferral costs and excluding royalties.

**18. Negative Confirmation by the Board pursuant to Rule 705(5) and Rule 705(6)(b) of Catalist Listing Manual.**

We, Pauline Gately and Joshua Ong Kian Guan, being directors of Alliance Mineral Assets Limited, do hereby confirm on behalf of the Board of Directors of the Company (the "**Board**") to their best knowledge, that nothing has come to the attention of the Board which may render the unaudited financial statements for the 3-month financial period ended 30 September 2018 and the above information provided to be false or misleading in any material aspect.

On behalf of the Board

| | |
|---|---|
| Pauline Gately<br>Executive Chairperson | Joshua Ong Kian Guan<br>Independent Non-Executive Director |

**BY ORDER OF THE BOARD**

Pauline Gately
Executive Chairperson
13 November 2018

*This announcement has been prepared by Alliance Mineral Assets Limited (the "**Company**") and its contents have been reviewed by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist.*

*The Sponsor has not verified the contents of this announcement. The Sponsor has not drawn on any specific technical expertise in its review of this announcement. This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.*

*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).*