

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 Financial Year Ended 30 June 2015 (“FY 2015”)**

Alliance Mineral Assets Limited (the “Company”) 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”).

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement. The Sponsor has also 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 Mr Lance Tan, Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 62298088.

Background

The Company was incorporated in the Commonwealth of Australia on 6 December 2010 under the Corporations Act as a public company limited by shares, under the name of “HRM Resources Australia Ltd”. On 13 March 2014, the Company’s name was changed to “Alliance Mineral Assets Limited.” The Company was admitted to the Catalist on 25 July 2014.

The Company is currently headquartered in Perth, Western Australia, and possesses the right to explore and mine Tantalum at the Bald Hill Tantalite Mine, and surrounding areas. The Bald Hill Project, which spans 59,000 hectares, is located within the Eastern Goldfields Province of the Archaean Yilgarn Block, within the Shire of Coolgardie, approximately 50 km east of Widgiemooltha, the nearest township.

As of June 2015 the Company had commenced processing Pegmatite Ore through its Bald Hill Primary Processing Treatment Plant as part of the commissioning process for the refurbished plant. Subsequent to FY2015 we have produced sample tantalite concentrate from our Boulder Secondary Beneficiation Plant for customer testing and acceptance. Currently we are continuing to process ore at the Primary Processing Treatment Plant at Bald Hill as part of the Plant Commissioning process.

The Company has no subsidiary companies and therefore, all figures presented herein are those of the Company.

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

| | Financial year ended 30 June | | |
|--|---|-----------------------------------|--|
| | 2015 (Unaudited) A\$ | 2014 (Audited) A\$ | Increase / (Decrease) % |
| Interest income | 9,482 | 7,187 | 31.9 |
| Other income | 930,507 | - | n.m |
| Gain / (Loss) on foreign exchange | 773,436 | (183,169) | n.m |
| Gain / (Loss) on sale of Fixed Assets | (1,244) | - | n.m |
| Fair value movement on derivatives | (14,889) | (1,098,651) | n.m |
| Accounting and audit expenses | (216,765) | (242,101) | (10.5) |
| Consulting and directors' fees | (355,729) | (304,559) | 16.8 |
| Tenement expenses | (125,387) | (103,270) | 21.4 |
| Bald Hill project expenses | (51,392) | (122,194) | (57.9) |
| Listing expenses | (462,352) | (3,629,259) | (87.3) |
| Administrative expenses | (432,938) | (169,411) | 155.6 |
| Employee salaries and other benefits expenses | (673,203) | (68,235) | n.m |
| Share based payment expense | - | (255,561) | n.m |
| Borrowing costs | (574,591) | (123,763) | 364.3 |
| Other Expenses | (280,428) | (2,870) | n.m |
| Impairment Expense | (9,310,000) | - | n.m |
| Loss before income tax | (10,785,493) | (6,295,656) | 71.3 |
| Income tax expense | - | - | |
| Loss after tax | (10,785,493) | (6,295,656) | 71.3 |
| Other comprehensive income | - | - | - |
| Total comprehensive loss for the financial year attributable to owners of the Company | (10,785,493) | (6,295,656) | 71.3 |

(i) n.m = not meaningful

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

| | Financial year ended | | |
|---|----------------------------|--------------------------|-------------------------------|
| | 30 June | | |
| | 2015 (Unaudited) A\$ | 2014 (Audited) A\$ | Increase / (Decrease) % |
| Interest income | 9,482 | 7,187 | 31.9 |
| Research & Development Tax Credits | 919,326 | - | n.m |
| Insurance Claim Settlement | 11,181 | - | n.m |
| Gain / (Loss) on foreign exchange | 773,436 | (183,169) | n.m |
| Fair value movement on derivatives ⁽¹⁾ | (14,889) | (1,098,651) | n.m |
| Borrowing costs | (574,591) | (123,763) | 364.3 |
| Depreciation expense | (33,175) | (6,918) | n.m |
| Listing expenses | (462,352) | (3,629,259) | (87.3) |
| Share based payment expense | - | (255,561) | n.m |
| Other Expenses | (280,428) | (2,670) | n.m |
| Impairment Expense | (9,310,000) | - | n.m |

- (1) In accordance with IAS 39 Financial Instruments, the mandatory conversion right has been bifurcated and accounted for on a fair value basis with all movements recognised in profit and loss.

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 June | |
|--|--------------------|-------------------|
| | 2015 | 2014 |
| | (Unaudited) A\$ | (Audited) A\$ |
| CURRENT ASSETS | | |
| Cash and cash equivalents | 3,856,137 | 3,686,272 |
| Other receivables | 1,839,040 | 382,386 |
| Other current asset | 31,163 | 510,486 |
| TOTAL CURRENT ASSETS | 5,726,340 | 4,579,144 |
| NON CURRENT ASSETS | | |
| Deferred exploration and evaluation expenditure | - | 427,407 |
| Mine development | 2,103,550 | 9,037,188 |
| Property plant & equipment | 14,309,402 | 10,257,281 |
| Other Receivables | 986,212 | - |
| TOTAL NON CURRENT ASSETS | 17,399,164 | 19,721,876 |
| TOTAL ASSETS | 23,125,504 | 24,301,020 |
| CURRENT LIABILITIES | | |
| Trade and other payables | 610,770 | 1,485,061 |
| Employee benefit liabilities | 32,716 | - |
| Interest bearing loans and borrowings | 42,352 | 3,251,746 |
| Amount due to controlling entity, Living Waters Mining | 250,000 | - |
| TOTAL CURRENT LIABILITIES | 935,838 | 4,736,807 |
| NON CURRENT LIABILITIES | | |
| Amount due to controlling entity, Living Waters Mining | 2,783,948 | 3,169,938 |
| Provision for rehabilitation | 1,417,521 | 600,000 |
| Interest bearing loans and borrowings | 1,009,333 | 28,990 |
| TOTAL NON CURRENT LIABILITIES | 5,210,802 | 3,798,929 |
| TOTAL LIABILITIES | 6,146,460 | 8,535,736 |
| NET ASSETS | 16,978,864 | 15,765,284 |
| EQUITY | | |
| Issued capital | 34,011,266 | 20,157,971 |
| Reserves | 2,463,505 | 4,317,728 |
| Accumulated losses | (19,495,906) | (8,710,415) |
| TOTAL EQUITY | 16,978,864 | 15,765,284 |

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

Amount repayable in one year or less, or on demand

| As at 30 June 2015 (Unaudited) | | As at 30 June 2014 (Audited) | |
|---|--------------------------|---|--------------------------|
| Secured A\$ | Unsecured A\$ | Secured A\$ | Unsecured A\$ |
| 16,088 | 26,264 | 7,229 | 3,244,517 |

Amount repayable after one year

| As at 30 June 2015 (Unaudited) | | As at 30 June 2014 (Audited) | |
|---|--------------------------|---|--------------------------|
| Secured A\$ | Unsecured A\$ | Secured A\$ | Unsecured A\$ |
| 1,009,333 | - | 28,990 | - |

Details of any collateral

The secured borrowings comprised (a) finance lease liabilities of A\$ 67,934 (30 June 2014: A\$36,219), which are secured on the Company's motor vehicles; and (b) the Singapore dollar S\$ 1.0 million bank loan of which the amount outstanding is A\$ 957,488 as of 30 June 2015 (30 June 2014: Nil) which is secured by the S\$1.03 million term deposit which is valued at A\$986,212 as at 30 June 2015.

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 the financial year ended 30 June | |
|---|---|--------------------|
| | 2015 | 2014 |
| | Unaudited A\$ | Audited A\$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Interest received | 9,482 | 7,187 |
| Interest paid | (28,738) | (1,530) |
| Payments to suppliers and employees | (3,454,615) | (1,775,993) |
| NET CASH FLOWS USED IN OPERATING ACTIVITIES | (3,473,871) | (1,770,336) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Release/(Payments) of performance bonds | - | 133,470 |
| Proceeds from Sale of Assets | 48,744 | |
| Payments of Security Deposit | (924,865) | |
| Payments for mine development | (818,602) | (154,595) |
| Purchase and refurbishment of plant & equipment | (4,631,424) | (2,218,851) |
| NET CASH FLOWS USED IN INVESTING ACTIVITIES | (6,326,147) | (2,239,976) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from share issue | 8,568,759 | 4,869,102 |
| Payments for share issue costs | (328,217) | (239,629) |
| Proceeds from share with buyback clause | - | 2,200,060 |
| Proceeds from issue of convertible loan | - | 2,131,133 |
| Payment to finance lease principle | (14,024) | (3,456) |
| Payment to Insurance Premium Loan principle | (79,855) | (3,456) |
| Loan drawdowns | 1,049,784 | - |
| Repayment of secured loan | - | (1,000,035) |
| NET CASH FLOWS FROM FINANCING ACTIVITIES | 9,196,447 | 7,957,175 |
| Net (decrease) / increase in cash and cash equivalents | (603,571) | 3,946,864 |
| Cash and cash equivalents at beginning of year | 3,686,272 | 14,471 |
| Net foreign exchange difference on cash balances | 773,436 | (275,063) |
| CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR | 3,856,137 | 3,686,272 |

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\$ |
|--|--------------------------|------------------|------------------------------|---------------------|
| (Audited) | | | | |
| Balance as at 1 July 2013 | 13,374,625 | 676,683 | (2,414,759) | 11,636,549 |
| Loss for the financial year | - | - | (6,295,656) | (6,295,656) |
| Total comprehensive loss for the financial year | - | - | (6,295,656) | (6,295,656) |
| <u>Equity Transactions:</u> | | | | |
| Parent equity contributions: | | | | |
| - Share based payment | - | 255,561 | - | 255,561 |
| - Interest free loan | - | 849,419 | - | 849,419 |
| Share based payment reserve | - | 2,536,065 | - | 2,536,065 |
| Issued of 5,645,161 shares | 2,669,039 | - | - | 2,669,039 |
| Issued of 2,478,364 shares without buy back clause | 2,200,063 | - | - | 2,200,063 |
| Equity element of shares issued with buyback clause | - | 599,733 | - | 599,733 |
| Issued of 2,478,364 shares with extinguishment of share buy back obligation | 2,153,873 | (599,733) | - | 1,554,140 |
| Transaction costs on share issued | (239,629) | - | - | (239,629) |
| Balance as at 30 June 2014 | 20,157,971 | 4,317,728 | (8,710,415) | 15,765,284 |
| (Unaudited) | | | | |
| Balance as at 1 July 2014 | 20,157,971 | 4,317,728 | (8,710,415) | 15,765,284 |
| Loss for the year | - | - | (10,785,493) | (10,785,493) |
| Total comprehensive loss for the financial year | - | - | (10,785,493) | (10,785,493) |
| <u>Equity Transactions:</u> | | | | |
| Parent equity contributions: | | | | |
| - Share based payment | - | 20,494 | - | 20,494 |
| - Interest free loan | - | 681,842 | - | 681,842 |
| Share based payment reserve | - | - | - | - |
| Issuance of 18,115,943 shares to convertible loan holders pursuant to the conversion | 3,566,680 | - | - | 3,566,680 |
| Transfer of PPCF and Lionbridge Group Pte. Ltd. ("Lionbridge") share based payment reserve to shares | - | (2,556,559) | - | (2,556,559) |

| | | | | |
|---|-------------------|------------------|---------------------|-------------------|
| Issuance of 13,122,261 shares to PPCF and Lionbridge as success fees upon Listing | 2,556,559 | - | - | 2,556,559 |
| Issuance of 43,479,000 placement shares pursuant to placement | 8,568,759 | - | - | 8,568,759 |
| Transaction costs on shares issued | (838,703) | - | - | (838,703) |
| Balance as at 30 June 2015 | 34,011,266 | 2,463,505 | (10,185,908) | 16,978,864 |

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

| | Number of ordinary shares | Share Capital A\$ |
|---|------------------------------|----------------------|
| As at 31 March 2015 and 30 June 2015 | 393,930,427 | 34,011,266 |

There was no change in the Company’s share capital from 31 March 2015 to 30 June 2015.

Options

There were no outstanding options (“**Options**”) as at 30 June 2015 (30 June 2014: 750,000 Options, convertible into 750,000 shares of the Company).

The Company had on 16 June 2014, adopted the Alliance Employee Share Option Scheme (“**Scheme**”). As at 30 June 2014 and 30 June 2015, no options has been granted under the Scheme.

Convertible Loan

In February 2014, the Company entered into a convertible loan agreement for a principal amount of S\$2.5 million at an interest rate of 3% per annum that converts into ordinary shares in the share capital of the company (“**Shares**”) at a 40% discount to the issue price equivalent to the initial public offering price (“**IPO Price**”) of the Company (“**Convertible Loan**”). The term of the Convertible Loan is 12 months from the drawdown date. The Company had on 4 March 2014 executed the drawdown notice.

Subsequently, the Company had on 4 July 2014 received the conversion notice by each lender to convert the entire outstanding amount of the Convertible Loan owing to each lender into Shares. Pursuant thereto, the Company had on 7 July 2014 issued 18,115,943 Shares at an issue price of S\$0.14, which resulted in an increase of A\$3,566,680 (based on an exchange rate of S\$1.00 to A\$0.856) in the Company’s share capital.

Save as disclosed above, there were no other outstanding convertibles as at 30 June 2014. There were no outstanding convertibles as at 30 June 2015.

The Company did not have any treasury shares as at 30 June 2015 and 30 June 2014.

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 393,930,427 as at 30 June 2015 and 319,213,223 as at 30 June 2014.

The Company did not have any treasury shares as at 30 June 2015 and 30 June 2014.

1(d)(iv) A statement showing all sales, transfers, disposals, 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.

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 2014.

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 effective for annual periods beginning on or after 1 July 2014. 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

| | Financial year ended 30 June | |
|--|---|---------------------------|
| | 2015 (Unaudited) | 2014 (Audited) |
| Basic and diluted loss per share (AU cents) ^{(1), (2)} | (2.7) | (2.2) |
| Adjusted basic and diluted loss per share (AU cents) ^{(1), (3)} | (2.8) | (1.6) |
| Loss for the period attributable to owners of the Company (A\$) | <u>(10,785,493)</u> | <u>(6,295,656)</u> |
| Weighted average number of ordinary shares used in calculating basic and diluted loss per share for the respective financial years | <u>390,221,048</u> | <u>281,677,662</u> |

Number of ordinary shares used in calculating adjusted basic and diluted loss per share

393,930,427 393,930,427

Notes:

- (1) The basic and diluted loss per share for the financial year ended 30 June 2014 (“FY2014”) were the same as the potential ordinary shares to be converted are anti-dilutive as the effect of the share conversions would result in a more favourable loss per share. The basic and diluted loss per share for FY2015 were the same as there were no potentially dilutive ordinary shares during FY2015.
- (2) For comparison and illustrative purposes, the basic and diluted loss per share for FY2014 have been computed based on the weighted average number of ordinary shares of 281,677,662 assuming that the share split of 1 to 7 had taken place at the beginning of FY2014.
- (3) For comparison and illustrative purposes, adjusted basic and diluted loss per share for FY2015 and FY2014 have been computed based on the loss attributable to owners of the Company for the respective financial years and the post-Placement share capital of 393,930,427 shares.

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 June | |
|--|---------------------|-------------------|
| | 2015 (Unaudited) | 2014 (Audited) |
| Net asset value per ordinary share based on the total number of ordinary shares as at the end of the respective financial years (AU cents) | 4.3 | 4.9 |
| Net asset value as at the end of the respective financial years (A\$) | 16,978,864 | 15,765,284 |
| Number of ordinary shares as at the end of the respective financial years | 393,930,427 | 319,213,223 |

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

Financial year ended 30 June 2015 (“FY2015”) vs. 30 June 2014 (“FY2014”)

Review of the Income Statement

The Company is still working towards commissioning and production of its Processing Plants and as such expends the majority of its costs on the administration and support function of the business, with most of the Company's expenditure at Bald Hill Mine and Boulder Secondary Beneficiation Plant being capitalised into Mine Development or Property, Plant & Equipment.

Revenue

There was no revenue in FY2015 and FY2014 as we had not commenced the production and sale of Tantalite concentrate.

Interest income

Interest income increased by A\$2,295 or 31.9% from A\$7,187 in FY2014 to A\$9,482 in FY2015 due to an increase in cash balances in banks.

Other income

Other income of A\$930,507 in FY2015 comprise mainly assessed and estimated refunds for Research and Development (R&D) Expenditure. The refunds included in Other Income are:

- in respect of the financial year ended 30 June 2013, a refund received from the Australian Tax Office of A\$74,719;
- in respect of FY2014, an assessed and lodged refund of A\$395,042 (net of associated costs of A\$96,753 and reduction to non-current assets of A\$153,225. Total refund was A\$645,020)¹
- in respect of FY2015, an estimated refund of A\$449,565 (net of associated costs of A\$95,000 and reduction to assets of A\$490,435. Total refund estimated to be A\$1,035,000)¹

¹ Other income has been reduced by the costs associated with preparing and lodging the R&D claims of A\$93,811. The rebate associated with capital purchases of A\$741,602 has been recorded as a reduction in assets as such capital purchases expenses were previously capitalised to assets.

Other income also includes A\$11,181 which relates to proceeds from an insurance claim.

Gain on foreign exchange

The gain on foreign exchange of A\$773,436 in FY2015 is due to the large change in exchange rate from SGD to AUD over the course of the financial year in favour of the Company when translating the listing proceeds (received in the first quarter of FY2015) which were held in SGD to AUD.

The loss on foreign exchange of A\$183,169 in FY2014 was mainly due to the loss on foreign exchange movement on translation of our Singapore dollar bank balance to Australia dollar of A\$275,063 offset by gain on foreign exchange movements on translation of the convertible loan of A\$45,707 and shares with buyback clause of A\$46,187, upon initial recognition as a financial liabilities.

Other Expenses - Loss on settlement of financial instruments

The loss on settlement of financial instruments of A\$280,428 in FY2015 relates to the early conversion of the convertible loans into ordinary shares in the capital of the Company ("Shares") (FY2014: A\$2,670). The FY2014 loss relates to the extinguishment of share buyback liability due to the novation of the share buyback clause to a third party in March 2014 ("**Novation**").

Fair value movement on derivatives

The fair value movement on derivatives of A\$14,889 in FY2015 (FY2014: A\$1,098,651) relates to the fair value movements of the convertible loan due to the International Accounting Standard ("IAS") 39 financial instruments requiring the embedded derivative components of the convertible loan to be revalued to fair value at each reporting period with gains or losses being recognised in profit and loss. The decrease was mainly due to the derivative being held for a short period in FY2015 and extinguished subsequent to listing.

Accounting and audit expenses

Accounting and audit expenses decreased by A\$25,336 or 10.5% from A\$242,101 in FY2014 to A\$216,765 in FY2015 mainly due to lower audit costs for FY2015.

Consulting and directors fees

Consulting and directors fees increased by A\$51,170 or 16.8% from A\$304,559 in FY2014 to A\$355,729 in FY2015. The increase relates to the full year cost of the Executive and Non-Executive Directors in FY2015 compared to only part year fees for FY2014 as some of the Directors were only appointed towards the end of FY2014.

Tenement expenses

Tenement expenses increased by A\$22,117 or 21.4% from A\$103,270 in FY2014 to A\$125,387 in FY2015 due to additional tenement management costs.

Bald Hill Project expenses

Bald Hill Project expenses decreased by A\$70,802 or (57.9%) from A\$122,194 in FY2014 to A\$51,392 in FY2015 as most costs relating to the refurbishment of the Bald Hill mine infrastructure or processing plant have been capitalised to Plant, Property and Equipment or Mine Development.

Listing expenses

Listing expenses of A\$462,352 in FY2015 reduced from A\$3,629,259 in FY2014 as most of the professional fees incurred in relation to the Company's listing were incurred in FY2014.

Administrative expenses

Administrative expenses increased by A\$263,527 or 155.6% from A\$169,411 in FY2014 to A\$432,938 in FY2015 mainly due to an increase in travelling expenses, additional professional fees and costs associated with being a listed company and increased costs to operate the head office to support the ramp-up of works at our Bald Hill Facility.

Employee salaries and other benefits

Employee salaries and other benefits of A\$673,203 in FY2015 increased from A\$68,235 in FY2014 mainly due to the conversion of four consultants previously engaged by the Company on contract basis to full time employees of the Company.

Share based payment expenses

There were no share based payments in FY2015 (FY2014: A\$255,561). The share based payment in FY2014 was in relation to the shares transferred by controlling shareholders, Living Waters Mining (Australia) Pty Ltd ("**LWM**") to a present director, former directors, chief operating officer and company secretary.

Borrowing costs

Borrowing costs increased by A\$450,828, from A\$123,763 in FY2014 to A\$574,591 in FY2015 due mainly to the notional interest on the amount owing to LWM of A\$545,852 which was treated as borrowing costs from June 2014. The increase was mainly due to a full year of interest expense recognised in FY2015 for the amount owing to LWM.

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.

Impairment Expense

The Company completed a comprehensive review of the carrying value of its assets as part of the annual financial year-end review based on the latest information available to management. This review took into account, *inter alia*, the expected sale price of our Tantalite concentrate and the expected costs to mine, extract and process the Pegmatite Ore for shipment to our customers.

As a result of this review, the Company reduced the carrying value of the Company's assets by A\$9,310,000. The Company has recognised an impairment expense of A\$427,407 against its Exploration and Evaluation Expenditure and A\$8,882,593 against Mine Development.

Loss before income tax

In view of the foregoing, loss before taxation increased by A\$4,489,835 from A\$6,295,656 in FY2014 to A\$10,785,493 in FY2015.

Review of the Financial Position of the Group

Non-current assets

As at 30 June 2015, our non-current assets had a value of A\$17,399,164 comprising:-

- 82% Property Plant and Equipment (an increase of A\$4,052,121 from 30 June 2014);
- 12% Mine Development (a reduction of A\$6,933,638 from 30 June 2014);
- 6% Other Receivables (30 June 2014: Nil)

Plant Property and Equipment has increased as a result of the purchase of the Company's Head Office premise and capital improvements to the Bald Hill and Boulder Sites namely:-

- A\$0.8 million for Head Office Building
- A\$1.1 million for Camp Installation at Bald Hill; and
- A\$2.2 million for Plant Refurbishment costs at Bald Hill including Tailings Storage Facility Development, Scrubber & Plant Commissioning Costs

Mine Development of A\$8,882,593 which was transferred from Exploration and Evaluation in FY2014 and deferred exploration and evaluation expenditure of A\$427,407 have been written off as impairment expense during FY2015.

Additions to Mine Development during FY2015 amounted to A\$1,948,955 as a result of the development works undertaken at Bald Hill Mine associated with the development of Boreline Pit development works including the costs for future rehabilitation of the Bald Hill Mine as a result of commencing Mining Operations. Mine Development movement for FY2015 is summarised below:-

- Opening Mine Development \$9,037,188
- Additions during the year \$1,948,955
- Impairment Expense (\$8,882,593)
- Closing Mine Development \$2,103,550

Other receivables refers to term deposit held as security for a loan that was taken out in the second quarter of FY2015 for the acquisition of the Company's Head Office premise in Perth, Australia.

Current assets

As at 30 June 2015, our current assets of A\$5,726,340, represents 25% of our total assets. Our current assets consist of cash and cash equivalents, other receivables and other current asset.

Other receivables of A\$1,839,040 as at 30 June 2015 increased from A\$382,386 as at 30 June 2014 mainly due to an increase in Research and Development ("**R&D**") receivable of A\$1,680,020 (FY2014: NIL), which arose from the FY2014 and FY2015 R&D expenditure being assessed for refunds from the Australia Tax Office.

Other current asset of A\$31,163, consists of the prepayments of insurance policies and software maintenance, down from \$510,486 in FY2014 which comprised of one-off deferred listing expenses.

Cash and cash equivalents of A\$3,856,137 represents 67% of total current assets.

Non-current liabilities

As at 30 June 2015, our non-current liabilities of A\$5,210,803 represented 85% of our total liabilities. Our non-current liabilities relates to the provision for rehabilitation required at the Bald Hill Tantalite Mine, interest bearing loans and borrowings and amount due to controlling entity, LWM.

Provision for rehabilitation of A\$1,417,521 represents management's best estimate as at balance sheet date to rehabilitate the existing Bald Hill tantalum mine site. The increase (from FY2014: \$600,000) is as a result of the commencement of mining at Boreline Pit, installation of the Camp and other infrastructure developments at the Bald Hill Mine.

Interest bearing loans and borrowing of A\$1,009,333 comprise of finance lease liabilities which were secured on the Company's motor vehicles and the interest bearing loan that was used to fund the Company's Head Office premises.

As at 30 June 2015, amount due to controlling entity, LWM of A\$3,033,948 (30 June 2014: A\$3,169,938) comprises the A\$4,000,000 due under the Sale of Business Agreement ("Cash Component") which has been discounted to its fair value pursuant to the variation to the supplemental deed on 30th June 2015 between LWM and the Company to extend the repayment period (the "**Extension**"). The amount is re-payable commencing January 2016 over a period of 18 months with an amount of \$250,000 included in current liabilities.

Current liabilities

As at 30 June 2015, our current liabilities of A\$935,838 representing 15% of our total liabilities comprised trade and other payables, employee benefit liabilities, interest bearing loans and borrowings and amount due to controlling entity, LWM.

Trade and other payables of A\$610,770, decreased from A\$1,485,061 as at 30 June 2014 mainly due to lower trade and other payables at the end of the year compared to previous year which consisted of a large amount relating to the listing of the Company that occurred in early FY2015.

Interest bearing loans and borrowings of A\$42,352 as at 30 June 2015 comprised finance lease liabilities of A\$16,088 and insurance premium loans of A\$26,264. The decrease from A\$3,251,746 as at 30 June 2014 is due to the conversion of convertible loans to shares as part of the Company's listing.

The amount due to Living Waters Mining of \$250,000 (FY2014:Nil) is explained above.

Shareholders' equity

As at 30 June 2015, our Shareholders' equity amounted to A\$16,978,864 comprising A\$34,011,266 of issued share capital, A\$1,786,822 of parent equity contribution, A\$676,683 of share based payment reserve, and A\$19,495,906 of accumulated losses. The increase in issued share capital of A\$13,853,295 is related to the issue of new shares subsequent to listing on SGX. The decrease in Reserves by A\$1,854,223 is pursuant to a decrease of A\$2,536,065 in relation to the issue of Shares with respect to the Company's Listing offset by an increase of A\$681,842 as the notional interest cost on the amount due to controlling entity, Living Waters Mining pursuant to the Extension.

Review of the Cash Flow Statement of the Group

In FY2015, we recorded a net cash outflow from operating activities of A\$3,473,871 which comprised payments made to suppliers and employees of A\$3,454,615 which was mainly attributable to payment to suppliers for the gearing up of the Bald Hill Mine to commence mining and for the commissioning of its plants and interest paid on finance leases of A\$28,738 offset by interest received of A\$9,482.

Net cash outflow from investing activities amounted to A\$6,326,147, which was attributable to purchases and refurbishment of plant & equipment of A\$4,631,424 and payments for mine developments of A\$818,602, payments for security deposit A\$924,865 to secure the loan for the Company head office premises offset by proceeds from sale of assets A\$48,744 (disposal of surplus cone crusher).

Net cash inflow from financing activities amounted to A\$9,196,477 which were as a result of proceeds from the issue of shares of A\$8,568,759 and a loan drawdown of A\$1,049,784 for the Company's head office premises and cash outflows from share issue costs of A\$328,217 and repayment of finance leases of A\$14,024 and insurance premium loan of A\$79,855.

As at 30 June 2015, our cash and cash equivalents amounted to A\$3,856,137. The net foreign exchange differences on cash balances was A\$773,436.

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

The Company had, in page 142 of the Offer Document, stated that "*Production and sale of Tantalite concentrate is expected to commence in FY2015*". This was stated under the heading of Revenue.

As mentioned in the announcement dated 16 April 2015 the Company has completed key infrastructure works and has commenced mining at its Boreline Pit and is focussing its attention on the commissioning of the Bald Hill Primary Treatment Processing Plant. Production of Tantalite concentrate is expected during the commissioning phase with the quantity and quality not yet confirmed as commissioning is still in the early stages. Where commercial quantities are produced these may be sold to generate cash but will not likely generate revenue until such time as the commissioning phase is complete.

In an article published by The Edge Singapore dated 6 July 2015, it was mentioned that "...AMA starts booking revenues and cash flow in 1QCY2016." As at the date of this announcement, the Company is expecting to book cash flow through the sale of tantalite concentrate in the second quarter of the financial year ending 30 June 2016. Revenue from the sale of tantalite concentrate will be recognised when the Bald Hill Plant is operating close to its design production rate and commissioning is complete.

Please refer to the Offer Document for more details on the aforementioned prospect statements, the announcements made by the Company dated 16 April 2015 and 6 July 2015.

Save as disclosed, the Company did not issue any other prospect statement.

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.

Finalising the commissioning and successfully producing saleable quantities of Tantalite is a key event for the Company as this milestone will contribute cash back into the business. Continuing to safely operate both at the Primary Processing Treatment Plant at Bald Hill and the Secondary Beneficiation Plant at Boulder, the commissioning of these plants at their planned production rates will affect the results for the Company over the next 12 months.

Currently the Company is operating its Primary Processing Treatment Plant at Bald Hill and extracting concentrate which is being transferred to Secondary Beneficiation Plant at Boulder. This process is expected to continue over September and October 2015, with operating hours per day slowly increasing and progressing to a day and night shift operation which will result in recommencement of the mining operations to provide additional Ore to process through the plant. Subject to continuing the current rate of progress of commissioning the plants it is likely that our production milestone will be achieved by Q2FY2016.

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 FY2015.

(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 FY2015.

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- 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.**

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 LWM and our Company, agreed that:

The Cash Component payment would be extended to June 2017 and a payment schedule would be implemented whereby monthly payments are remitted the following month subject to the Company having adequate cash flow available and subject to remitting set amounts per six(6) months blocks being:-

- January to June 2016 – An amount of \$250,000
- July 2016 to December 2016 – An amount of \$800,000
- January 2017 to June 2017 – An amount of \$2,950,000

The aforementioned repayment remains interest free.

The Company does not have a general mandate for recurrent interested person transactions. Other than the interested person transactions as disclosed on pages 172 and 173 of the Company’s Offer Document, there were no other interested person transactions which were more than S\$100,000 entered into during the financial year reported on.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 14. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year**

For management purposes, the Company is organised into one main operating segment, which involves exploration for tantalum. All of the Company’s activities are interrelated, and discrete financial information is reported to the Board of Directors 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. Total expenditure incurred by the Company arises in Australia and all of the Company’s non-current assets reside in Australia.

- 15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments**

Not applicable.

- 16. A breakdown of sales**

Not applicable. There was no revenue in FY2015 and FY2014 as we had not commenced the production and sale of Tantalite concentrate.

- 17. A breakdown of the total annual dividend (in dollar value) for the issuer’s latest full year and its previous full year.**

Not applicable. No dividend had been declared during FY2015 and FY2014.

18. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement**

| Name | Age | Family relationship with any director, CEO and/or substantial shareholder | Current position and duties, and the year the position was first held | Details of changes in duties and position held, if any, during the year |
|-----------------|-----|---|--|---|
| Tjandra Pramoko | 44 | Spouse of our Executive Director, Suen Sze Man | Chief Executive Officer since 2014. Responsibility includes general business development, through liaising with existing and potential mining contractors as well as identifying new business opportunities, in charge of overseeing the project management at the Bald Hill Tantalite Mine site. | Nil. |

19. **Use of IPO proceeds**

Subsequent to FY2014, the Company completed its IPO and raised gross proceeds of S\$10 million ("IPO Proceeds"). As at the date of this announcement, the IPO Proceeds have been utilised as follows:

| Use of Proceeds ⁽¹⁾ | Amount Allocated (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 ⁽²⁾ | 4,723 | 2,385 | 666 |
| Listing expenses | 1,962 | 1,962 | - |
| Total | 8,569 | 5,629 | 2,940 |

Notes

- (1) The IPO Proceeds were received on the 2 September 2014 and for the purpose of comparability have been converted to AUD on the date received.

- (2) The amount of working capital has been utilised for refurbishment and construction of the Bald Hill and Boulder Facilities

ADDITIONAL DISCLOSURE REQUIRED FOR MINERAL, OIL AND GAS COMPANIES

20a. Rule 705 (6)(a) of the Catalyst Listing Manual

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

For the quarter ended 30 June 2015 ("4Q 2015"), funds / cash were mainly used for the following activities:-

| Purpose | Amount (A\$) Projected | Amount (A\$) Actual Usage |
|---|------------------------|---------------------------|
| Purchase of property, plant & equipment | \$500,000 | \$979,264 |
| Working capital | \$475,000 | \$28,121 |
| Corporate administrative expenses | \$500,000 | \$523,467 |
| Exploration and Drilling | \$125,000 | - |
| Mine development costs | \$300,000 | \$140,242 |
| Total | \$1,900,000 | \$1,671,094 |

The above actual amount used of A\$1,671,094 is lower than the forecast amount of A\$1,900,000 for the third quarter of FY2015 mainly due to A\$125,000 in drilling not undertaken during 4Q 2015 as not considered essential works. Note that the amounts projected for Working Capital has been re-allocated to either Mine Development or Property, Plant and Equipment (PPE) where the recognition criteria is met and during the quarter most of the amount projected for working capital was allocated to PPE.

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 July 2015 to 30 September 2015 ("1Q 2016")), the Group's use of funds/cash for development activities are expected to be as follows:-

| Purpose | Amount (A\$) |
|---|--------------------|
| Purchase of property, plant & equipment | \$750,000 |
| Working capital | - |
| Corporate administrative expenses | \$500,000 |
| Exploration and Drilling | - |
| Mine development costs | \$500,000 |
| Total | \$1,750,000 |

The above assumes that commissioning of the Bald Hill and Boulder Facilities continues for the quarter.

20b. Rule 705 (6)(b) of the Catalist Listing Manual

The Board confirms that to the best of their knowledge, nothing has come to their attention which may render the above information provided to be false or misleading in any material aspect.

21a. 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;

In FY2015 two drilling programs were undertaken to prove up the resources at the Bald Hill Mine. Following on from this the Company has commenced mining at Boreline Pit for commissioning of its Bald Hill Plant and is currently working on the pit optimisation for the Central Area .In FY2015, most of the expenditure undertaken was associated with the development of the Bald Hill Mine and planning related to the commencement of the mining activities.

A summary of the expenditure incurred in FY2015 for the aforementioned activities are as follows:-

| | Amount (A\$) |
|---|---------------------|
| Mine Development | 1,948,955 |
| Bald Hill Expenses | 51,392 |
| Total: | 2,000,346 |
| Comprising of | |
| Rehabilitation Costs | 817,521 |
| Site employees' salaries & other benefits | 95,383 |
| Mining Costs | 276,819 |
| Contractor & Consultants | 267,480 |
| Drilling | 179,000 |
| Other operating costs | 364,143 |
| Total: | 2,000,346 |

21b. Rule 705 (7)(b) of the Catalist Listing Manual

Update on its reserves and resources, where applicable, in accordance with the requirements set out in Practice Note 4C, including a summary of reserves and resources as set out in Appendix 7D.

The Group has updated its reserves and resources as set out in the IQPR (Independent Qualified Person's Report) dated 16 July 2015. A copy of the IQPR can be found in the Company's SGX Announcement dated 16 July 2015. The summary of the reserves and resources of the Bald Hill Deposit as at 31 March 2015 as per Appendix 7D of the Catalist Rules is as follows:

| Category | Mineral Type | Gross Attributable to licence | Net Attributable to Issuer | |
|----------|--------------|-------------------------------|----------------------------|--|
|----------|--------------|-------------------------------|----------------------------|--|

| | | Tonnes (millions) | Grade Ta ₂ O ₅ (ppm) | Tonnes (millions) | Grade Ta ₂ O ₅ (ppm) | Change from previous update (tonnes %) | Remarks |
|------------------|----------|----------------------|--|----------------------|--|--|---------------------------|
| Reserves | | | | | | | |
| Proved | Tantalum | 0.00 | 0 | 0.00 | 0 | 0 | |
| Probable | Tantalum | 0.02 | 187 | 0.02 | 187 | 100% | Oxide at Boreline only |
| Total | | 0.02 | 187 | 0.02 | 187 | 100% | |
| Resources | | | | | | | |
| Measured | Tantalum | 0.00 | 0 | 0.00 | 0 | 0 | |
| Indicated | Tantalum | 2.57 | 340 | 2.57 | 340 | 17% | |
| Inferred | Tantalum | 0.1 | 367 | 0.1 | 367 | 20% | |
| Total | | 2.67 | 341 | 2.67 | 341 | 17% | |

BY ORDER OF THE BOARD

Simone Suen
Executive Director
28 August 2015