



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

CLARIFICATION ON BUSINESS TIMES ARTICLE DATED 10 OCTOBER 2017

The Board of Directors ("**Board**") of Alliance Mineral Assets Limited ("**AMAL**" or the "**Company**") refers to the Business Times article dated 10 October 2017 titled "*Alliance Mineral CEO: Better terms in latest agreement with Burwill*" ("**BT Article**").

As stated in the BT Article, the Company's Chief Executive Officer, Mr Tjandra Pramoko ("**Mr Tjandra**"), made a statement that "Alliance Mineral share price next year should rise to S\$1 per share" ("**Statement**").

The Company wishes to clarify that, Mr Tjandra was asked during the interview about his opinion on the lithium miners in Australia which are of similar size to the Company. In his answer, Mr Tjandra quoted several Australian lithium miners, including Galaxy Resources Ltd ("**Galaxy**"), a company listed on the Australian Securities Exchange ("**ASX**"), which has a market capitalisation of about A\$1.2 billion and a current PE ratio of approximately 23 times. Mr Tjandra had subsequently compared the Company's current share price with Galaxy, applying the same PE ratio as Galaxy. As such, the "\$1 per share" from the Statement was due to the hypothetical peer comparison made by Mr Tjandra for the purposes of the interview and was not intended to be a forecast.

The following factors were taken into consideration by Mr Tjandra in making the aforesaid comparison:

- (a) Among others, (i) the projected production of spodumene and cost of production for the Bald Hill Project in 2018 mentioned in the pre-feasibility study ("**PFS**") announced by Tawana Resources NL ("**Tawana**") on 11 July 2017, (ii) the off-take price under the off-take agreement ("**Off-take Agreement**") with Burwill Commodity Limited ("**Burwill**"), a wholly-owned subsidiary of Burwill Holdings Limited, and (iii) the potential taxes and royalty to be paid; and
- (b) Using the PE ratio of approximately 23 times at which Galaxy is currently trading at, on the assumption that the Singapore market values the Company at the same rate as the Australian market values Galaxy.

Shareholders who wish to refer to the PFS may access the same at the following link <http://spcagent.io/taw/wp-content/uploads/sites/26/2017/07/TAW-1.pdf>.

The Company also wishes to make clarifications to certain information disclosed in the BT Article as follows:-

- (i) "*The original agreement with Hong Kong listed Burwill stipulated a A\$3 million penalty if Alliance Mineral did not deliver the lithium within two months starting March 2018 under an offtake agreement. Mr Tjandra said this means that in the new deal, it can deliver as late as May and not to worry about the penalty*"

Company's Clarification:

As disclosed in page 2 of the Company's announcement dated 4 May 2017 in relation to the Off-take Agreement, in the event of late delivery by the Company, the price per tonne of lithium concentrate will be decreased. Pursuant to the Off-take Agreement (as varied by the binding term sheet dated 2 October 2017 ("**Binding Term Sheet**")), should delivery scheduled for April 2018 be delayed beyond the agreed grace period stipulated in the Off-take Agreement of up to 60

days, Burwill may claim against the Company for breach of contract. The “A\$3 million penalty” mentioned by Mr Tjandra in the BT Article was based on his estimate of potential damages arising from such breach, taking into account, *inter alia*, the off-take price and the potential damages which may be suffered by Burwill (subject to mitigation).

- (ii) *“Burwill agreed to take lower grade 4.5 percent lithium concentrate from the previous minimum 5.5 percent concentrate”*

Company’s Clarification:

As disclosed in paragraph 2.6 of the Company’s announcement dated 5 October 2017 in relation to, *inter-alia*, the Binding Term Sheet, the Company may deliver 2 shipments of lithium concentrate of a grade lower than 5.5% to Burwill should delivery be delayed.

The lower grade of 4.5 percent lithium concentrate mentioned by Mr Tjandra in the BT Article was based on his assessment that a concentration of 4.5% will be required in order for delivery to be economically viable to both the Company and Burwill, having regard to, *inter alia*, the costs of production and freight.

- (iii) *“Burwill also agreed to increase the amount it will buy to between 70,000 and 75,000 tonnes in 2018, and 80,000 and 85,000 tonnes in 2019. In the previous agreement, it was 40,000 tonnes in 2018 and 60,000 tonnes in 2019”*

Company’s Clarification:

As disclosed in paragraph 2.7 of the Company’s announcement dated 5 October 2017 in relation to the Binding Term Sheet, Burwill has exercised its right to purchase all excess lithium concentrate produced (if any) for the first 2 years.

The quantity to be purchased by Burwill of 70,000 to 75,000 tonnes for 2018 and 80,000 to 85,000 tonnes for 2019 as mentioned in the BT Article was the estimates of the total quantity, taking into account the estimated excess, to be purchased by Burwill based on the information found in the PFS. These figures are purely estimates and are not contractually binding on either Burwill or the Company. Burwill is bound to purchase all excess production above 40,000 tonnes for 2018 and 2019.

- (iv) *“The current price of lithium of about US\$880 per tonne is the highest ever - it was around US\$400 per tonne last year”*

Company’s clarification:

The price of US\$880 per tonne is higher than what Mr Tjandra believes is the latest publicly available contracted price. Mr Tjandra took reference from the contracted price announced by the comparable ASX listed companies.

- (v) *“The increase in offtake means Alliance Mineral will be getting US\$132 million to US\$140 million, up from S\$88 million previously”*

Company’s clarification:

The estimated revenue under the Off-take Agreement stated in the BT Article was made by Mr Tjandra based on the following considerations, among others (a) the agreed minimum quantities to be sold under the Off-take Agreement and the estimated production quantities based on the PFS and (b) the Company being able to meet the terms of the Off-take Agreement, including but not limited to timely delivery, grade of lithium concentrate delivered, and sale price.

By Order of the Board

Simone Suen
Executive Director
12 October 2017

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 Catalyst. The Sponsor has not verified the contents 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: at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).