

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 2017 (“FY2017”)**

**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		
	2017 (Unaudited)	2016 (Audited)	Increase / (Decrease)
	A\$	A\$	%
Interest income	35,013	22,742	54
Other income	320,618	134,560	138
Gain / (Loss) on foreign exchange	(174,424)	110,859	n.m
Gain / (Loss) on disposal of assets	(1,972)	(15,417)	(87)
Accounting and audit expenses	(186,020)	(146,407)	27
Consulting and directors’ fees	(273,777)	(343,999)	(20)
Tenement expenses	-	(175,882)	n.m
Administrative expenses	(1,826,635)	(680,952)	168
Employment expenses	(368,596)	(489,025)	(25)
Site operating expenses	(1,840,434)	-	n.m
Borrowing costs	(487,632)	(787,625)	(38)
Loss before income tax	(4,803,859)	(2,371,146)	103
Income tax expense	-	(1,710,948)	n.m
Loss after tax	(4,803,859)	(4,082,094)	18
Other comprehensive income	-	-	
Total comprehensive loss for the financial year attributable to owners of the Company	(4,803,859)	(4,082,094)	18

n.m = not meaningful

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

	Financial year ended 30 June		Increase / (Decrease)
	2017 (Unaudited)	2016 (Audited)	
	A\$	A\$	%
Interest income	35,013	22,742	54
Research & Development Tax Credits	-	134,560	n.m
Gain / (Loss) on foreign exchange	(174,424)	110,859	n.m
Borrowing costs	(487,632)	(787,625)	(38)
Depreciation expense	(1,317,437)	(53,326)	n.m

n.m = not meaningful

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	
	2017 (Unaudited) A\$	2016 (Audited) A\$
CURRENT ASSETS		
Cash and cash equivalents	2,857,090	5,389,663
Other receivables	129,664	2,147,645
Other current asset	3,790,349	23,247
TOTAL CURRENT ASSETS	6,777,103	7,560,555
NON CURRENT ASSETS		
Exploration and evaluation expenditure	596,565	-
Mine development	2,909,809	3,088,018
Property plant & equipment	12,294,022	13,635,758
TOTAL NON CURRENT ASSETS	15,800,396	16,723,776
TOTAL ASSETS	22,577,499	24,284,331
CURRENT LIABILITIES		
Trade and other payables	6,983,284	3,585,753
Employee benefit liabilities	45,002	37,605
Interest bearing loans and borrowings	25,051	1,032,188
TOTAL CURRENT LIABILITIES	7,053,337	4,655,546
NON CURRENT LIABILITIES		
Trade and other payables	-	669,511
Provision for rehabilitation	1,078,987	1,078,987
Interest bearing loans and borrowings	17,320	34,507
TOTAL NON CURRENT LIABILITIES	1,096,307	1,783,005
TOTAL LIABILITIES	8,149,644	6,438,551
NET ASSETS	14,427,855	17,845,780
EQUITY		
Issued capital	38,960,275	38,960,275
Reserves	3,849,439	2,463,505
Accumulated losses	(28,381,859)	(23,578,000)
TOTAL EQUITY	14,427,855	17,845,780

(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 2017 (Unaudited)		As at 30 June 2016 (Audited)	
Secured A\$	Unsecured A\$	Secured A\$	Unsecured A\$
17,187	2,444,684	1,014,494	3,139,156

Amount repayable after one year

As at 30 June 2017 (Unaudited)		As at 30 June 2016 (Audited)	
Secured A\$	Unsecured A\$	Secured A\$	Unsecured A\$
17,320	-	34,507	669,511

Details of any collateral

The secured borrowings comprised (a) finance lease liabilities of A\$34,507 (30 June 2016: A\$51,694), which are secured on the Company's motor vehicles

At 30 June 2016, the secured borrowings included the S\$1.0 million (A\$997,307) bank loan which is secured by the S\$1.03 million (A\$989,243) term deposit. This loan was repaid during 2nd quarter of the Company's financial year ended 30 June 2017 utilising funds from the term deposit.

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	
	2017 Unaudited A\$	2016 Audited A\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	35,013	22,742
Interest paid	(10,838)	(30,601)
Research and development tax rebate on operating expenditure	399,774	919,326
Other income received	191,010	-
Payments to suppliers and employees	(2,520,800)	(1,754,135)
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(1,905,841)	(842,668)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of tantalum	187,574	37,631
Research and development tax rebate on capital expenditure	705,619	784,086
Payments for mine development	-	(3,054,449)
Purchase and refurbishment of plant & equipment	(3,775)	(423,707)
Proceeds from redemption of fixed deposit	988,021	-
Proceeds from sale of assets	28,710	-
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES	1,906,149	(2,656,439)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issue	-	4,980,614
Payments for share issue costs	-	(31,603)
Repayment of secured loan	(942,907)	-
Payment to finance lease principle	(17,187)	(16,241)
Repayment of insurance premium loan principle	(169,961)	(70,448)
Loan drawdowns	160,130	59,452
Repayment of unsecured loan	(1,388,532)	-
NET CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES	(2,358,457)	4,921,774
Net (decrease)/ increase in cash and cash equivalents	(2,358,149)	1,422,667
Cash and cash equivalents at beginning of year	5,389,663	3,856,137
Net foreign exchange difference on cash balances	(174,424)	110,859
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	2,857,090	5,389,663

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 2015	34,011,265	2,463,505	(19,495,906)	16,978,864
Loss for the year	-	-	(4,082,094)	(4,082,094)
Total comprehensive loss for the financial year	-	-	(4,082,094)	(4,082,094)
<u>Equity Transactions:</u>				
Issuance of 83,500,000 placement shares ("Issuance of Placement Shares")	4,980,614	-	-	4,980,614
Issuance of 3,333,333 shares as commission for placement ("Issuance of Commission Shares")	198,827	-	-	198,827
Transaction costs on shares issued	(230,431)	-	-	(230,431)
Balance as at 30 June 2016	38,960,275	2,463,505	(23,578,000)	17,845,780
(Unaudited)				
Balance as at 1 July 2016	38,960,275	2,463,505	(23,578,000)	17,845,780
Loss for the year	-	-	(4,803,859)	(4,803,859)
Total comprehensive loss for the financial year	-	-	(4,803,859)	(4,803,859)
<u>Equity Transactions:</u>				
Parent equity contributions – interest free loan	-	442,415	-	442,415
Share-based payments	-	943,519	-	943,519
Balance as at 30 June 2017	38,960,275	3,849,439	(28,381,859)	14,427,855

- 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 31 March 2017	480,763,760	38,960,275
As at 30 June 2017	480,763,760	38,960,275

The Company had on 16 June 2014, adopted the Alliance Employee Share Option Scheme (“**Scheme**”). As at 30 June 2016 and 30 June 2017, no option has been granted under the Scheme.

As at 30 June 2017, the Company had 11,400,000 options which were issued on 18 May 2017 to Canaccord Genuity (Australia) Ltd in three tranches that are exercisable into 11,400,000 new ordinary shares of the Company (30 June 2016: Nil) as follows:

Conditions	Tranche 1	Tranche 2	Tranche 3
Number of options	3,800,000	3,800,000	3,800,000
Exercise price	S\$ 0.24	S\$ 0.30	S\$ 0.36
Expiry	3 years from date of issue	3 years from date of issue	3 years from date of issue
Vesting conditions	None	None	None

Save as disclosed, there were no outstanding convertibles as at 30 June 2017 and 30 June 2016.

The Company did not have any treasury shares and subsidiary holdings as at 30 June 2017 and 30 June 2016.

- 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 480,763,760 as at 30 June 2017 and 30 June 2016.

The Company did not have any treasury shares as at 30 June 2017 and 30 June 2016.

- 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 2016.

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 2016. 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	
	2017 (Unaudited)	2016 (Audited)
Basic and diluted loss per share (AU cents)	(1.0) ⁽¹⁾	(1.0) ⁽²⁾
Loss for the period attributable to owners of the Company (A\$)	<u>(4,803,859)</u>	<u>(4,082,094)</u>
Weighted average number of ordinary shares used in calculating basic and diluted loss per share for the respective financial years	<u>480,763,760</u>	<u>393,930,427</u>

Notes:

(1) The basic and diluted loss per share for FY2017 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 June 2017 are anti-dilutive.

(2) The basic and diluted loss per share for FY2016 were the same as there were no potentially dilutive ordinary shares as at 30 June 2016.

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	
	2017 (Unaudited)	2016 (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)	3.0	3.7
Net asset value as at the end of the respective financial years (A\$)	14,427,855	17,845,780
Number of ordinary shares as at the end of the respective financial years	480,763,760	480,763,760

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 2017 (“FY2017”) vs. 30 June 2016 (“FY2016”)

Review of the Income Statement

Revenue

There was no revenue in FY2017 and FY2016 as the Company had not commenced the commercial production and sale of Tantalite concentrate.

Interest income

Interest income of A\$35,013 in FY2017 (FY2016: A\$22,742) was higher mainly due to a higher amount of AUD short-term deposits placed.

Other income

Other income of A\$320,618 (FY2016: A\$134,560) relates to income earned from provision of mining camp accommodation and other facilities, and administration services to Lithco (as defined herein) of A\$286,805 and an adjustment to the R&D Tax Rebate accrual receivable for FY2016.

Loss on foreign exchange

The loss on foreign exchange of A\$174,424 (FY2016: A\$110,859 gain) was mainly due to the weakening of the Singapore dollar in FY2017.

Accounting and audit expenses

Accounting and audit expenses increased from A\$146,407 in FY2016 to A\$186,020 in FY2017 due to accounting consultant being engaged by the Company instead of full time employees (who are paid salaries) in FY2017.

Administrative expenses

Administrative expenses increased by A\$1,145,683 or 168% from A\$680,952 in FY2016 to A\$1,826,635 in FY2017 mainly due to the cost of options issued to the Company's corporate advisor, Canaccord Genuity (Australia) Ltd, under the terms of their engagement as compensation for their services. The value of the options issued is A\$943,519. Excluding this one-off expense, administrative expenses increased by A\$202,164 due to an increase in investor relations and regulatory costs, legal fees and international travel expenses as a result of the ongoing Proposed Transaction with Lithco.

Employment expenses

Employment expenses of A\$368,596 in FY2017 decreased from A\$489,025 in FY2016 mainly due to a reduction in full time employees of the Company.

Borrowing costs

Borrowing costs decreased from A\$787,625 in FY2016 to \$487,632 in FY2017 due mainly to the decrease in notional interest on the amount owing to LWM as a result of instalment payments made.

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.

Site operating costs

Site operating costs of A\$1,840,434 in FY2017 relates to costs incurred to maintain the Bald Hill Mine Site (which was previously capitalised as mine development costs) as the Company is now focused on lithium exploration as prescribed under the on-going Proposed Transaction (as defined herein) with Lithco.

The Company had on 3rd June 2016 signed a binding terms sheet with Lithco No. 2 Pty Ltd ("**Lithco**"), pursuant to which the Company and Lithco have agreed upon the principal terms for, amongst other things, the establishment of a farm-in and joint venture arrangements with respect to the Company's Bald Hill project ("**Bald Hill Project**") ("**Proposed Transaction**"). Lithco had in 31 May 2017 earned in to a 50% joint venture interest in all rights to lithium minerals on the Tenements, including rights to explore and mine for lithium on the Tenements and accordingly, the Company and Lithco, with effect from 31 May 2017 is governed under the Lithium Rights Joint Venture Agreement ("**LRJVA**") entered into on 10 April 2017. Lithco is currently earning in to a 50% joint venture interest in the overall Bald Hill Project.

Depreciation expenses

Depreciation expenses increased by A\$1,264,111 from A\$53,326 in FY2016 to A\$1,317,437 in FY2017 as depreciation expenses relating to property, plant and equipment at the Bald Hill Mine Site was previously capitalised as mine development costs and is now being expensed as the Company is now focused on lithium exploration as prescribed under the on-going Proposed Transaction with Lithco.

Tenement expenses

Tenement expenses are nil in FY2017 as these costs incurred are now classified as site operating costs.

Loss before income tax

In view of the foregoing, loss before taxation increased from A\$2,371,146 in FY2016 to A\$4,803,859 in FY2017.

Review of the Financial Position of the Group

Non-current assets

As at 30 June 2017, the Company's non-current assets of A\$15,800,396 accounted for 70% of its total assets. Non-current assets comprised exploration and evaluation expenditure, mine development and property, plant and equipment.

Exploration and evaluation expenditure of A\$596,565 relates to costs incurred under the Bald Hill Lithium exploration joint venture with Lithco which was formed on 31 May 2017.

Mine development decreased by A\$178,209 due to the sale of the remaining tantalum produced during the commissioning phase of the Bald Hill Project which took place in 2015 and 2016.

Property, plant and equipment decreased by A\$1,341,736 to A\$12,294,022 mainly due to depreciation of \$1,265,727.

Current assets

As at 30 June 2017, the Company's current assets of A\$6,777,103, represents 30% of its total assets. Current assets as at 30 June 2017 consist of cash and cash equivalents, restricted cash, other receivables and prepayments.

Cash and cash equivalents of A\$2,857,090 decreased by A\$2,532,573 pursuant to expenditure relating to the maintenance of the Bald Hill Mine Site, repayment of the loan from Living Waters Mining and associated administration overheads offset by the receipt of the R&D Tax Rebate and proceeds from the sale of tantalum.

Other receivables decreased by A\$2,017,981 to A\$129,664 mainly as a result of the foreign exchange loss and closure of the Singapore dollar term deposit (S\$1.03 million), funds of which were used to repay the Singapore dollar loan during 2Q FY2017 and the receipt of the R&D Tax Refund (A\$1.1 million) during 3Q FY2017.

Other current assets comprised prepayments of A\$30,646 from insurance premium prepaid and expensed over the period of insurance cover and restricted cash of A\$3,759,703 relating to funds received from Burwill as a prepayment under the Lithium Offtake Agreement as announced on 20 April 2017. The classification arises as there are certain conditions precedent remaining to be satisfied under the terms of the Lithium Offtake Agreement.

Non-current liabilities

As at 30 June 2017, the Company's non-current liabilities of A\$1,096,307 represented 13% of its total liabilities. Non-current liabilities relates to the provision for rehabilitation required at the Bald Hill Mine and interest bearing loans and borrowings.

There were no trade and other payables (i.e. amount due to controlling entity, Living Waters Mining (Australia) Pty Ltd ("LWM")) ("**Living Waters Loan**") as at 30 June 2017 (30 June 2016: A\$669,511) due to the re-classification to current liabilities in accordance with its repayment terms.

Provision for rehabilitation of A\$1,078,987 represents management's best estimate as at balance sheet date to rehabilitate the existing Bald Hill Mine Site.

Interest bearing loans and borrowing of A\$17,320 decreased slightly from A\$34,507 as at 30 June 2016 due to repayments of the principal amount of the finance leases for motor vehicles.

Current liabilities

As at 30 June 2017, the Company's current liabilities of A\$7,053,337 representing 87% of its total liabilities comprised trade and other payables, employee benefit liabilities and interest bearing loans and borrowings.

Trade and other payables increased by A\$3,397,531 to A\$6,983,284 mainly attributable to the increase in other payables of A\$596,565 representing a cash call owing to Lithco, the manager of the Bald Hill Lithium exploration joint venture under the terms of the LRJVA and funds received under the lithium concentrate offtake agreement of A\$3,701,822 which is still subject to a number of conditions precedent to be satisfied as at 30 June 2017, offset by the repayment of a portion of the Living Waters Loan, and a reduction in trade payables due to the reduction in activity pursuant to the Proposed Transaction.

Employee benefit liabilities increased by A\$7,397 to A\$45,002 as a result of the movement in annual leave accruals for the Company's employees.

Interest bearing loans and borrowings, amounting to A\$25,051 as at 30 June 2017, reduced by A\$1,007,137 mainly due to the repayment of the Singapore dollar loan (S\$1.03 million) out of the proceeds from the Singapore dollar term deposit, offset by the increase of insurance premium funding in line with the insurance program renewal.

Working Capital

The Company has a negative working capital of A\$276,234 as at 30 June 2017 mainly due to a A\$794,585 portion of the Living Waters Loan being reclassified from non-current to current. This is on the assumption that the Company will be cash flow positive within the next 12 months as a result of the development and construction of the Bald Hill Project.

The Company is currently evaluating various funding options both equity and debt, to fund the development of the Bald Hill Project, exploration expenditure and corporate costs. As of the date of this report, the Company has received A\$8.125 million from Burwill under the terms of the Lithium Offtake Agreement which is to be used to fund the development of the Bald Hill Project.

Review of the Cash Flow Statement of the Group

In FY2017, the Company recorded a net cash outflow from operating activities of A\$1,905,841 which comprised payments made to suppliers and employees of A\$2,520,800, interests for finance lease and SGD Bank Loan of A\$10,838, offset by R&D Tax Refund on operating expenditure received of A\$399,774, other income received of A\$191,010 and interest received from bank deposits of A\$35,013.

Net cash inflow from investing activities amounted to A\$1,906,149, which was mainly attributable to proceeds from the sale of tantalum produced during the commissioning phase of the Bald Hill Project in FY2016 of \$187,574, R&D tax refund received on capital expenditure of A\$705,619 and proceeds on redemption of the fixed deposit used to repay the secured loan.

Net cash outflow from financing activities amounted to A\$2,358,457 which were as a result of, repayment of the Singapore dollar loan of A\$942,907, payment in insurance premium funding of A\$169,961, repayment of hire purchase of A\$17,187 and repayment of Living Waters Loan of A\$1,388,532, offset by receipt from insurance premium funding of A\$160,130.

As at 30 June 2017, the Company's cash and cash equivalents amounted to A\$2,857,090.

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

Exploration drilling on lithium on the Bald Hill Mine Site has continued. The Company has yet to commence commercial production of tantalum and lithium and will continue keep shareholders updated in relation thereto.

Further information on the aforementioned can be found in the Company's announcements on 26 January 2017, 12 February 2017, 3 March 2017, 15 March 2017, 18 April 2017, 24 May 2017, 13 June 2017 and 2 August 2017.

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.

The desire to reduce oil dependence and reduce air pollution has driven the demand towards New Energy Vehicles (NEVs). Chinese government policies pushing for either partially or fully electric vehicles is driving growth for electric vehicles and its associated technologies. Part of this growth has put Lithium under the spotlight and the need for lithium in the batteries that power them.

There is still a lot of investments expected in new battery manufacturing, plus ramp up and expansions expected by existing manufacturers like Tesla that will drive demand further. According to statistics reported in Bloomberg recently, Australia is the world leader in lithium production, accounting for 40.5 per cent of the world's total. ¹

To place the Company in the best position to capture the growth, the Company has also issued an independent qualified person's report (reported with the JORC code) on the 8 August 2017 reporting new Lithium reserves and resources and an increase in Tantalum reserves and resources. Construction has also commenced on the new Lithium Plant at the Bald Hill Mine Site with commissioning expected early 2018.

Tantalum Concentrate spot prices has improved recently but the Company will postpone commercial mining and production of tantalum concentrate to coincide with spodumene concentrate production. With the construction of the Lithium Plant commencing, the Company is seeking opportunities to vertically integrate the Lithium and Tantalum business to add value to the Lithium and Tantalum concentrates produced through the Company's mining operations.

The Company will keep shareholders updated on any material developments on the aforementioned as and when appropriate.

¹ <https://www.miningpeople.com.au/news/mining-the-future-is-lithium-the-next-big-thing>

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 FY2017.

(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/recommendeded, a statement to that effect

No dividend has been declared or recommended for FY2017.

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 and above entered into during the financial period 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 operating segment, which involves development of mineral assets. 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 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 FY2017 and FY2016 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 FY2017 and FY2016.

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	46	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

Pursuant to its IPO, the Company 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	4,723	-
Listing expenses	1,962	1,962	-
Total	8,569	7,456	1,052

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 Catalist Listing Manual

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

For the quarter ended 30 June 2017 (“**4Q 2016**”), funds / cash were mainly used for the following activities:-

Purpose	Amount (A\$) Projected	Amount (A\$) Actual Usage
Corporate administrative expenses	400,000	445,030
Site operating expenses	200,000	82,765
Total	600,000	527,795

Explanation for the variances:

Mine development of \$82,765 was lower than the forecast of A\$200,000 for the period due to a receipt of reimbursement for costs from Lithco for utilisation of the facilities in the Bald Hill Mine as part of the Proposed Transaction.

Administrative expenses were comparable to forecast.

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 2017 to 30 September 2017 (“**1Q 2018**”)), the Group’s use of funds/cash for development activities are expected to be as follows:-

Purpose	Amount (A\$)
Corporate administrative expenses	\$700,000
Exploration	\$950,000
Mine development costs	\$800,000*
Total	\$2,450,000

*This expenditure will only be incurred if Lithco completes its \$12.5 million expenditure farm-in and a joint venture is formed; and will be funded through funds received from Burwill as a prepayment under the Lithium Offtake Agreement.

The above projection is based on the Company’s budgeted cashflow which draws from the Pre-Feasibility Study report issued by Tawana, cash call forecast from the joint venture with Lithco and corporate budget.

For the avoidance of doubt, such projection of funds/cash does not include any expenditure which is to be incurred by Lithco under the Proposed Transaction.

20b. Rule 705 (6)(b) of the Catalyst 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 Catalyst 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;

AMA has suspended the commissioning of its Bald Hill facility during the quarter ended 30 September 2016 and has expended A\$1,840,434 on site operating expenses to maintain the assets in good standing for the financial year ended 30 June 2017 (“FY2017”). During FY2017, Lithco had, in relation to the Proposed Transaction, engaged in the following activities:

Lithco commenced metallurgical test work for Lithium mineral spodumene during the quarter ended 30 September 2016 and early analysis of results indicate high grade concentrates can be achieved by gravity at a coarse crush size, indicating a simple low cost process.

Initial metallurgical test work 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) was 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% Li₂O. The combined DMS and Flotation concentrates accounted for 83% of the calculated contained lithium at an average grade of 6.1% Li₂O with very low mica content. Further work will be undertaken to optimize recovery and concentrate grade.

Lithco had also commenced exploratory drilling at the Bald Hill targeted at adding to the overall understanding of the resource potential extending from the current pits. Deeper extensional drilling has commenced on the Bald Hill mining lease, on a nominal 320m x 160m grid. Core drilling also commenced to obtain additional metallurgical samples. The drilling 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.

A concept study has commenced with the aim of obtaining indicative capital and operating costs for the addition of a 1Mt/pa spodumene concentrator.

The Pre-Feasibility Study on the Bald Hill Lithium and Tantalum project completed and issued by Tawana proving the technical and financial viability of a 1.2Mt/pa lithium Dense Media Separation circuit (DMS) adjacent to the existing tantalum processing facility (TPF) with a forecast annual production of approximately 155,000tpa of spodumene concentrate and 260,000lb/pa of tantalum pentoxide. The current ore reserve enables an initial mine life of 3.6 years.

Lithco has also continued exploratory drilling at Bald Hill which has successfully trebelled the size of the target area originally defined in January 2017. This extended area contains the most significant lithium results to date as announced on 24 May 2017.

The Company has expended A\$596,565 during FY2017 on exploration as part of its contribution to the Lithium Rights Joint Venture with Lithco.

Further information on the aforementioned can be found in the Company’s announcements on 3 October 2016, 3 November 2016, 17 November 2016, 12 December 2016, 26 January 2017, 12 February 2017, 3 March 2017, 15 March 2017, 18 April 2017, 24 May 2017, 13 June 2017 and 2 August 2017.

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 8 August 2017. A copy of the IQPR can be found in the Company's SGX Announcement dated 8 August 2017.

As disclosed in Table 1 of the IQPR, the summary of the reserves and resources for the Bald Hill Tantalum and Lithium Project as at 11 July 2017 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)	Grade Li ₂ O (%)	Tonnes (millions)	Grade Ta ₂ O ₅ (ppm)	# Grade Li ₂ O (%)	Change from previous update (tonnes %)
Reserves - Central (Lithco, 2017)								
Proved	Tantalum**	0.0	0	0.00	0.0	0	0.00	0
Probable	Tantalum**	1.4	317	0.21	1.4	317	0.11	7000%
Total	Tantalum	1.4	317	0.21	1.4	317	0.11	7000%
Proved	Tantalum+Lithium*	0.0	0	0	0.0	0	0.00	0
Probable	Tantalum+Lithium*	4.3	208	1.18	4.3	208	0.59	100%
Total	Tantalum+Lithium	4.3	208	1.18	4.3	208	0.59	100%
TOTAL RESERVES		5.7	235	0.94	5.7	235	0.47	100%
Resources - Boreline and Creekside (carried over from previous IQPR) and Central (Lithco, 2017)								
Measured	Tantalum**	0.0	0		0.0	0		0%
Indicated	Tantalum**	3.1	318		3.1	318		28%
Inferred	Tantalum**	2.6	299		2.6	299		32%
Total	Tantalum	5.8	309		5.8	309		28%
Resources - Central (Lithco, 2017)								
Measured	Tantalum+Lithium***	0.0	0	0.00	0.0	0	0.00	0
Indicated	Tantalum+Lithium***	4.6	207	1.25	4.6	207	0.63	100%
Inferred	Tantalum+Lithium***	8.2	130	1.14	8.2	130	0.57	100%
Total	Tantalum+Lithium	12.8	158	1.18	12.8	158	0.59	100%

Table 1: Resource and Reserve Summary for Bald Hill outside mined pits as at 11th July 2017. The Resources are inclusive of Reserves.

Notes:

- * Lithco used 0.39% Li₂O and 200ppm Ta₂O₅ lower cut-offs to report the Ore Reserves
- ** AMC Consultants 2014 used 100ppm Ta₂O₅ lower cut-off, Varley, 2015 used total pegmatite, Lithco used 0.39% Li₂O and 200ppm Ta₂O₅ lower cut-offs
- *** Lithco, 2017 reported the Central lithium Mineral Resources at a 0.5% Li₂O cut-off. Table 18 of the IQPR reports this resource at a 0.39% Li₂O cut-off.
- # At June 28, 2017 Lithco had earned 50% of the Lithium so Resource and Reserve Li₂O grades have been halved to represent the share attributable to AMAL.

22. Confirmation pursuant to Rule 720 (1) of the SGX-ST Listing Manual

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7H) pursuant to Rule 720 (1) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited

BY ORDER OF THE BOARD

Simone Suen
Executive Director
29 August 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 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).