

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 Second Quarter Ended 31 December 2015 (“2Q FY 2016”)**

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 Ms Gillian Goh, Director, Head of 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 December 2015, the Company had produced and sold its first Tantalum Concentrate after commissioning of the Bald Hill Plant and is currently working through the requirements to recommence mining activities and commence commercial production of Tantalum Concentrate.

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

	For 3 months Ended 31 December			For 6 months Ended 31 December		
	2015 (Unaudited) A\$	2014 (Unaudited) A\$	Increase / (Decrease) %	2015 (Unaudited) A\$	2014 (Unaudited) A\$	Increase / (Decrease) %
Interest income	12,984	3,510	n.m	23,183	4,755	n.m
Other Income	-	11,181	n.m	-	11,181	n.m
(Loss) / Gain on foreign exchange	(49,978)	203,413	n.m	60,936	592,012	n.m
Gain / (Loss) on disposal of fixed assets	-	160	n.m	-	(1,244)	n.m
Loss on settlement of financial instruments	-	-	n.m	-	(280,428)	n.m
Fair value movement on derivatives	-	-	n.m	-	(14,889)	n.m
Accounting and audit expenses	(37,655)	(61,113)	n.m	(36,095)	(99,816)	n.m
Consultants and contractors fees	-	(66,097)	n.m	-	(90,252)	n.m
Directors' salary & fees	(87,478)	(24,185)	n.m	(170,367)	(47,415)	n.m
Tenement expenses	(35,141)	(11,712)	200	(125,591)	(100,593)	25
Bald Hill project expenses	-	(236,252)	n.m	-	(236,878)	n.m.
Listing expenses	-	(36,449)	n.m	-	(441,392)	n.m
Administrative expenses	(186,048)	(143,211)	30	(355,616)	(218,945)	62
Employee salaries and other benefits expenses	(149,302)	(144,932)	3	(313,843)	(454,408)	(31)
Borrowing costs	(145,627)	(140,650)	4	(285,784)	(287,485)	(1)
Loss before income tax	(678,245)	(646,337)	5	(1,203,177)	(1,665,797)	(28)
Income tax expense	-	-	-	-	-	-
Loss after tax	(678,245)	(646,337)	5	(1,203,177)	(1,665,797)	(28)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period attributable to owners of the Company	(678,245)	(646,337)	5	(1,203,177)	(1,665,797)	(28)

(i) n.m = not meaningful

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

	For 3 months Ended			For 6 months Ended		
	31 December		Increase / (Decrease)	31 December		Increase / (Decrease)
	2015	2014		2015	2014	
	(Unaudited)	(Unaudited)	(Decrease)	(Unaudited)	(Unaudited)	(Decrease)
	A\$	A\$	%	A\$	A\$	%
Interest income	12,984	3,510	n.m	23,183	4,755	n.m
Insurance claim proceeds	-	11,181	n.m	-	11,181	n.m
(Loss) / Gain on foreign exchange	(49,978)	203,413	n.m	60,936	592,012	n.m
Gain / (loss) on disposal of fixed assets	-	160	n.m	-	(1,244)	n.m
Loss on settlement of financial instruments	-	-	n.m	-	(280,428)	n.m
Fair value movement on derivatives ⁽¹⁾	-	-	n.m	-	(14,889)	n.m
Borrowing costs	(145,627)	(140,650)	4	(285,784)	(287,485)	(1)
Depreciation expense	(12,034)	(9,116)	32	(24,068)	(13,241)	82
Listing expenses	-	(36,449)	n.m	-	(441,392)	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 recognized 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	
	31 December 2015 (Unaudited) A\$	30 June 2015 (Audited) A\$
CURRENT ASSETS		
Cash and cash equivalents	1,578,800	3,856,137
Other receivables	1,208,456	1,839,040
Other current assets	67,141	31,163
TOTAL CURRENT ASSETS	2,854,397	5,726,340
NON CURRENT ASSETS		
Receivables	997,289	986,212
Mine development	421,282	392,602
Deferred Tax Asset	1,710,948	1,710,948
Property plant & equipment	16,116,895	14,309,402
TOTAL NON CURRENT ASSETS	19,246,414	17,399,164
TOTAL ASSETS	22,100,811	23,125,504
CURRENT LIABILITIES		
Trade and other payables	1,561,364	860,770
Employee Benefit Liabilities	62,856	32,716
Interest bearing loans and borrowings	16,241	42,352
TOTAL CURRENT LIABILITIES	1,640,461	935,838
NON CURRENT LIABILITIES		
Trade and other payables	2,255,213	2,783,948
Provision for rehabilitation	1,417,521	1,417,521
Interest bearing loans and borrowings	1,011,930	1,009,333
TOTAL NON CURRENT LIABILITIES	4,684,664	5,210,802
TOTAL LIABILITIES	6,325,125	6,146,640
NET ASSETS	15,775,686	16,978,864
EQUITY		
Issued capital	34,011,265	34,011,265
Reserves	2,463,505	2,463,505
Accumulated losses	(20,699,084)	(19,495,906)
TOTAL EQUITY	15,775,686	16,978,864

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

Amount repayable in one year or less, or on demand

As at 31 December 2015 (Unaudited)		As at 30 June 2015 (Audited)	
Secured A\$	Unsecured A\$	Secured A\$	Unsecured A\$
16,241	-	16,088	26,264

Amount repayable after one year

As at 31 December 2015 (Unaudited)		As at 30 June 2015 (Audited)	
Secured A\$	Unsecured A\$	Secured A\$	Unsecured A\$
1,011,930	-	1,009,333	-

Details of any collateral

The secured borrowings comprised (a) finance lease liabilities of A\$ 59,929 (30 June 2015: A\$67,934), 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\$968,242 as of 31 December 2015 (30 June 2015: A\$957,488) which is secured by the S\$1.03 million term deposit which is valued at A\$1,031,651 as at 31 December 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 3 months Ended 31 December		For 6 months Ended 31 December	
	2015 Unaudited A\$	2014 Unaudited A\$	2015 Unaudited A\$	2014 Unaudited A\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest received	12,984	3,510	23,183	4,755
Interest paid	(7,091)	(3,667)	(14,519)	(26,054)
Income received	-	-	645,020	-
Proceeds from insurance claim	-	11,181	-	11,181
Payments to suppliers, contractors and employees	(672,268)	(771,943)	(1,109,699)	(2,106,971)
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(666,375)	(760,919)	(456,015)	(2,117,089)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of fixed assets	-	160	-	47,660
Release of performance bonds	-	-	-	-
Payments for mine development	-	(325,635)	(639,730)	(589,863)
Purchase and refurbishment of plant & equipment	(1,017,806)	(451,428)	(1,208,259)	(2,872,376)
Payments for Term Deposit	-	(924,865)	-	(924,865)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(1,017,806)	(1,701,768)	(1,847,989)	(4,339,444)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from share issue	-	-	-	8,568,759
Payments for share issue costs	-	-	-	(328,217)
Proceeds from share with buyback clause	-	-	-	-
Payment to insurance premium loan principal	-	(7,909)	(26,111)	(7,909)
Payment to finance lease principal	(4,031)	(3,809)	(8,157)	(6,242)
Proceeds from borrowing	-	897,927	-	897,927
Repayment of secured loan	-	-	-	-
NET CASH FLOWS (USED IN) / FROM FINANCING ACTIVITIES	(4,031)	886,209	(34,268)	9,124,318
Net increase/(decrease) in cash and cash equivalents	(1,688,212)	(1,576,477)	(2,338,272)	2,667,786
Cash and cash equivalents at beginning of year	3,316,990	8,352,440	3,856,137	3,686,272
Net foreign exchange difference on cash balances	(49,978)	206,177	60,935	628,082
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,578,800	6,982,140	1,578,800	6,982,140

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

	Issued Capital A\$	Reserves A\$	Accumulated Losses A\$	Total A\$
(Unaudited)				
Balance as at 1 July 2014	20,157,971	4,317,728	(8,710,415)	15,765,284
Loss for the period	-	-	(2,097,173)	(2,097,173)
Total comprehensive loss for the period	-	-	(2,097,173)	(2,097,173)
<u>Equity Transactions:</u>				
Parent equity contributions:				
- Share based payment	-	20,494	-	20,494
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	(838,704)	-	-	(838,704)
Balance as at 31 December 2014	34,011,265	1,781,663	(10,807,588)	24,985,340
(Unaudited)				
Balance as at 1 July 2015	34,011,265	2,463,505	(19,495,906)	16,978,864
Loss for the period	-	-	(1,203,177)	(1,203,177)
Total comprehensive loss for the period	-	-	(1,203,177)	(1,203,177)

Balance as at 31 December 2015	34,011,265	2,463,505	(20,699,084)	15,775,686
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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 30 September 2015 and 31 December 2015	393,930,427	34,011,266

The Company had on 16 June 2014, adopted the Alliance Employee Share Option Scheme (“**Scheme**”). As at 31 December 2014 (“**2Q FY2015**”) and 31 December 2015, no options has been granted under the Scheme.

Save as disclosed above, there were no other outstanding convertibles as at 31 December 2014 and 31 December 2015.

The Company did not have any treasury shares as at 31 December 2014 and 31 December 2015.

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 31 December 2015 and 393,930,427 as at 30 June 2015.

The Company did not have any treasury shares as at 31 December 2015 and 30 June 2015.

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 2015.

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 2015. The adoptions of these new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements of the Company for the current financial period reported on.

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

	3 months ended	
	31 December	
	2015	2014
	(Unaudited)	(Unaudited)
Basic and diluted loss per share (AU cents)	(0.2) ⁽¹⁾	(0.2) ⁽¹⁾
Loss for the period attributable to owners of the Company (A\$)	<u>(678,245)</u>	<u>(646,337)</u>
Number of weighted ordinary shares used in calculating basic and diluted loss per share for the financial period	<u>393,930,427</u>	<u>393,930,427</u>

Note:

- (1) The basic and diluted loss per share for the 3-month financial period ended 31 December 2015 and 31 December 2014 were the same as there were no potentially dilutive ordinary shares in issue as at 31 December 2015 and 31 December 2014.

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	
	31 December 2015 (Unaudited)	30 June 2015 (Audited)
Net asset value per ordinary share based on issued share capital (AU cents)	4.0	4.3
Net asset value as at the end of the respective financial years (A\$)	15,775,686	16,978,864
Number of ordinary shares as at the end of the respective financial years	393,930,427	393,930,427

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

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

3 months ended 31 December 2015 ("2Q FY2016") vs. 3 months ended 31 December 2014 ("2Q FY2015")

Review of the Income Statement

Revenue

There was no revenue in 2Q FY2016 and 2Q FY2015 as we had not commenced the commercial production and sale of Tantalite concentrate. It is noted that we sold US\$26,223 worth of Tantalite concentrate as a result of our commissioning activities in December 2015 and such sales proceeds are offset against the commissioning costs which are subsequently capitalised.

Interest income

Interest income increased to A\$12,984 in 2Q FY2016 from A\$3,510 in 2Q FY2015 mainly due to interest earned on AUD short-term deposits.

Other Income

There was no other income in 2Q FY2016. The other income in 2Q FY2015 of A\$11,181 was pursuant to insurance claim recovery on loss of machinery.

Gain on foreign exchange

The loss on foreign exchange was A\$49,978 for 2QFY2016 compared to a gain of A\$203,413 in 2QFY2015 due to the gains from 1QFY2016 being reversed as a result of currency depreciation in 2QFY2016 compared to the large appreciation of the currency in 2QFY2015.

Gain / Loss on disposal of fixed assets

The was no asset disposals in 2Q FY2016 (2Q FY2015: \$160).

Accounting and audit expenses

Accounting and audit expenses decreased from A\$61,113 in 2Q FY2015 to A\$37,655 in 2Q FY2016 mainly due to fewer senior accounting consultants engaged by the Company in 2Q FY2016.

Consultants and contractors fees

There were no consulting costs in 2QFY2016 compared to A\$66,097 in 2Q FY2015 mainly due to the Company taking on-board previously engaged consultants to the Company as full time employees and consulting costs relating to mine development and commissioning works incurred are being capitalised to Mine Development or Property, Plant and Equipment ("PPE").

Directors' salary & fees

Directors' salary and fees of A\$87,478 in 2Q FY2016 (2Q FY2015: A\$24,185) includes the Company's executive director's salary while that of 2QFY2015 only comprise non-executive directors' fees as the director's salary for 2QFY2015 was classified as Salary & Wages and has been changed with the introduction of a new accounting system to be included in Directors' Salary & Fees. The salary for the Company's executive director for 2Q FY2016 was A\$48,461 (2Q FY2015: A\$48,641)

Tenement expenses

Tenement expenses increased to A\$35,141 in 2Q FY2016 from A\$11,712 in 2QFY2015 due to expenses incurred in relation to the application of additional exploration licenses at the Bald Hill Site.

Bald Hill Project expenses

Bald Hill Project expenses were NIL for the period (2Q FY2015: A\$236,252) as such expenses incurred in 2Q FY2016 and moving forward have been or will be capitalised to PPE or Mine Development.

Listing expenses

There were no Listing expenses for the period compared to A\$36,449 in 2Q FY2015 as the Company was listed on 25 July 2014.

Administrative expenses

Administrative expenses increased by A\$42,837 from A\$143,211 in 2Q FY2015 to A\$186,048 in 2Q FY2016 mainly due to an increase in international travel expenses during the period as the Company is constantly on the lookout for opportunities to develop the Company's business and pursuant thereto has, *inter alia*, signed a non-binding memorandum of understanding with Sinosteel Equipment & Engineering Co. Ltd. on 13 December 2015.

Loss before income tax

In view of the foregoing, loss before taxation increased from A\$646,337 in 2Q FY2015 to A\$739,757 in 2Q FY2016.

Review of the Financial Position

Non-current assets

As at 31 December 2015, our non-current assets of A\$19,246,414 accounted for 87% of our total assets. Our non-current assets comprised of other receivables, deferred tax asset, mine development and property, plant and equipment.

Other receivables of A\$997,289 relates to the SGD Term Deposit of S\$1,030,000 as security for our SGD Bank Loan which has increased from June 2015 as a result of change in the exchange rate.

Mine development increased slightly to A\$421,282.

Property, plant and equipment increased by \$1,807,493 to A\$16,116,895 mainly due to the capitalisation of expenses in relation to commissioning activities that have been ongoing at the Bald Hill Mine Site.

Current assets

As at 31 December 2015, our current assets of A\$2,854,397, represents 13% of our total assets. Our current assets as at 31 December 2015 consist of cash and cash equivalents, other receivables and prepayments.

Cash and cash equivalents of A\$1,578,799 decreased by \$1,738,190 pursuant to expenditure relating to the commissioning of the Bald Hill Mine and associated administration overheads.

Other receivables increased by \$52,413 to A\$1,208,456 mainly as a result of the sale of tantalite in December 2015 amounting to A\$43,970.

The increase in other current assets which comprise of prepayments of A\$35,978 was mainly due to new insurance premium incurred for workers' compensation, motor vehicles, corporate travel and general liabilities insurances.

Non-current liabilities

As at 31 December 2015, our non-current liabilities of A\$4,684,663 represented 74% 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 as well as trade and other payables.

Trade and other payables comprising of amount due to controlling entity, Living Waters Mining of A\$2,255,213 ("**Living Waters Loan**") is \$528,735 lower due to the amortisation of the nominal interest and the re-classification of A\$800,000 to current liabilities in accordance with its repayment period.

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.

Interest bearing loans and borrowing of A\$1,011,930, increased slightly from A\$1,009,333 as at 30 June 2015 due to foreign currency changes offset by repayments of the principal amount of the finance leases for vehicles.

Current liabilities

As at 31 December 2015, our current liabilities of A\$1,640,461, representing 26% of our total liabilities comprised trade and other payables, employee benefit liabilities and interest bearing loans and borrowings.

Trade and other payables increased by A\$700,594 to A\$1,561,364 mainly attributable to the reclassification of the Living Waters Loan from Non-Current to Current in accordance with its repayment period.

Employee benefit liabilities increased A\$30,140 to A\$62,856 as a result of annual leave accruals for our employees.

Interest bearing loans and borrowings, amounting to A\$16,241 as at 31 December 2015, reduced by \$26,111 mainly due to the payment of insurance premium funding in 1Q FY2016.

Shareholders' equity

As at 31 December 2015, our Shareholders' equity amounted to A\$15,775,685 comprising A\$34,011,266 of issued share capital, A\$1,786,822 of parent equity contribution, A\$676,683 of executive option reserve and A\$20,669,084 of accumulated losses.

Review of the Cash Flow Statement of the Group

In 2Q FY2016, we recorded a net cash outflow from operating activities of A\$666,377 which comprised payments made to suppliers and employees of A\$672,268, interests paid mainly for finance lease and SGD Bank Loan of A\$7,019. These are offset by interest received from bank deposits of A\$12,984.

Net cash outflow from investing activities amounted to A\$1,017,806, which was attributable to expenses relating to the commissioning of the Bald Hill Plant.

Net cash outflow from financing activities amounted to A\$4,031 which were as a result of repayment of hire purchase liabilities.

As at 31 December 2015, our cash and cash equivalents amounted to A\$1,578,800.

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 the financial year ending 30 June 2015 ("FY2015)". This was stated under the heading of Revenue.

In an article published by The Edge Singapore dated 6 July 2015, it was mentioned that "...AMA starts booking revenues and cash flow in 1Q FY2016.", in the Company's results announcement dated 28 August 2015 for the financial year ended 30 June 2015, it was mentioned that "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", and in the Company's AR2015, it was mentioned that "At the time of writing, management is targeting commercial production by early 2016."

During 2Q FY2016, the Company successfully produced and sold its first concentrate as we worked towards production and full scale mining operations which are targeted to commence in

the third quarter for the financial year ending 30 June 2016 (“**3Q FY2016**”) as noted in our 1QFY2016 Financial Results. However, the commencement may be impacted by certain factors, which are elaborated in paragraph 10 below.

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

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.

Continual review and assessment of the commercial viability of producing Tantalum concentrate at the Bald Hill Mine Site is being undertaken based on the current environment and future outlook for Tantalum Concentrate. The outcome of this analysis could impact the Company’s decision to recommence commercial production as this involves a large expenditure commitment (to recommence mining and engage in 24-hour plant operations). The main factor is the sales price for Tantalum Concentrate, which remains depressed and would have an adverse impact on the cash flow and revenue received from our initial sales. At this stage, there is no indication of any significant increase in the price of Tantalum Concentrate for the remainder of the financial year. Moreover, with some outstanding approvals and associated conditions on our tailings storage facilities, this may result in further delays in the commencement of full commercial production.

If the spot price for Tantalum Concentrate remains at current levels of between US\$50 (A\$71) and US\$60 (A\$85) per tonne, even if the Company manages to sell the Tantalum Concentrate at a premium over the market spot prices, it is likely that a further impairment charge will be required for the financial year ending 30 June 2016 as noted in the Company’s FY2015 Annual Report (Refer Note 5).

In addition, the Company is exploring cost savings measures and funding raising exercise(s) (which may include the establishment of a joint venture) in the coming months.

The Company will provide timely updates if and when there are any material developments on the aforementioned.

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 or recommended for 2Q FY2016.

(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 2Q FY2016.

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. Other than the interested person transactions as disclosed on pages 171 to 173 of the Company’s Offer Document, there were no new interested person transactions which were more than S\$100,000 entered into during the financial period reported on.

14. 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 ⁽¹⁾	4,723	4,662	61
Listing expenses	1,962	1,962	-
Total	8,569	7,456	1,113

Notes:

(1) The IPO Proceeds were received on 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

15a. Rule 705 (6)(a) of the Catalist Listing Manual

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

For the quarter ended 31 December 2015 (“2Q FY2016”), funds / cash were mainly used for the following activities:-

Purpose	Amount (A\$) Projected Usage	Amount (A\$) Actual Usage
Purchase of property, plant & equipment	600,000	1,017,805
Corporate administrative expenses	500,000	520,385

Mine development costs	100,000	-
Total	1,200,000	1,538,190

Explanation for the variances:

Mine development and Purchase of Property, Plant & Equipment of \$1,017,805 exceeded the forecast of A\$700,000 for the period as the commissioning activities at Bald Hill continued over the Christmas period rather than a shutdown as was originally planned, so as to complete some of the activities in preparation for the planned production in 3QFY2016. There was no Mine Development costs recognised as the expenditure was allocated to PPE based on the recognition criteria.

Administrative expenses were marginally over the 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 January 2016 to 31 March 2016 (“**3Q FY2016**”)), the Company’s use of funds/cash for development activities are expected to be as follows: -

Purpose	Amount (A\$)
Purchase of property, plant & equipment ⁽ⁱ⁾	800,000
Corporate administrative expenses	550,000
Mine development costs	-
Total	1,350,000

Note:

(i) Purchase of Property, Plant and Equipment is lower during 3Q FY2016 as it is expected that production will occur in February 2016 which means that costs will be allocated to inventory.

17a. 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;

AMA has continued its commissioning of its Bald Hill facility during the quarter ended 31 December 2015 and has expended A\$1,017,805 for Property, Plant and Equipment. These costs are incurred as part of the commissioning on the assets and mine infrastructure at the Bald Hill Mine Site.

No development or production activities occurred during the period.

17b. 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 Company has no material updates on the reserves and resources as set out in the IQPR (Independent Qualified Person's Report) dated 16 July 2015.

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

We, Pauline Gately and Simone Suen, being two directors of Alliance Mineral Assets Limited, do hereby confirm on behalf of the Board of Directors of the Company (the "**Board**") to their best knowledge, that nothing has come to the attention of the Board which may render the unaudited financial statements for the 3-month financial period ended 31 December 2015 and the above information provided to be false or misleading in any material aspect.

On behalf of the Board

Pauline Gately
Independent and Non-Executive Chairman

Simone Suen
Executive Director

BY ORDER OF THE BOARD

Simone Suen
Executive Director
11 February 2016