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 Quarter and fifteen-months Ended 31 March 2019

Background

Alliance Mineral Assets Limited (the "Company" or "Alliance") was incorporated in the Commonwealth of Australia on 6 December 2010 under the Corporations Act 2001 as a public company limited by shares, under the name of "HRM Resources Australia Ltd". The Company changed its name to "Alliance Mineral Assets Limited" on 13 March 2014. The Company was admitted to the Catalist Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 25 July 2014.

The Company, its subsidiaries and associated companies (the "Group") were formed pursuant to a merger of equals with ASX listed Tawana Resources NL ("Tawana") ("Merger") by way of a Tawana member's scheme of arrangement ("Scheme") pursuant to which, Alliance acquired all of Tawana shares and Tawana shareholders received 1.1 new Alliance shares for every 1 Tawana share held at the Scheme record date ("Merger"). Tawana and Alliance entered into a Scheme Implementation Agreement (as amended on 6 July 2018) which documented the terms of the Merger. The Merger was implemented on 14 December 2018 following approval of the Scheme by shareholders of Alliance on 21 September 2018, shareholders of Tawana on 27 November 2018 and by the Federal Court of Australia on 3 December 2018. Following the Merger, Alliance is primary dual-listed on the ASX and Catalist Board of the SGX-ST. Please refer to Alliance's circular dated 20 August 2018 and Tawana's Supplementary Scheme Booklet dated 20 August 2018 for further details on the Merger.

Australian and International Financial Reporting Standards require that where two or more entities combine through an exchange of equity for the purposes of a combination, one of the entities must be determined to be the accounting acquirer. Alliance is the legal acquirer under the Merger (in that Alliance has acquired all Tawana shares) and is therefore the legal parent company. However, after assessing the guidance under International Financial Reporting Standard IFRS 3: *Business Combinations*, in particular the Board and management composition of the merged group, Tawana has been determined to be the accounting acquirer. Accordingly, this business combination has been accounted for as a reverse acquisition. As such, the interim consolidated financial statements of the Merged Group have been prepared as a continuation of the business and operations of Tawana.

Tawana, as the accounting acquirer, has accounted for the acquisition of the business and operations of Alliance from 14 December 2018. The last financial year end of Tawana was 31 December 2017. Alliance (legal acquirer) has a balance date of 30 June and its last financial year end was 30 June 2018. The consolidated entity will now have a 30 June year end. Accordingly, the interim consolidated financial statements represent the accounting period from the last year end of Tawana, 31 December

2017, to 31 March 2019. The current 15 month reporting period presented in the interim consolidated financial statements is that of Tawana plus inclusion of Alliance only from 14 December 2018, when the merger was implemented. The comparative information presented in the interim consolidated financial statements is only that of Tawana for the 12 month period ended 31 December 2017.

Issuer financial information presented is the Alliance head entity standalone only numbers.

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

	Group			Group		
	For 3 months ended 31 March 2019 (Unaudited) A$'000	For 3 months ended 31 December 2017 (Unaudited) A$'000	Increase / (Decrease) %	For 15 months ended 31 March 2019 (Unaudited) A$'000	For 12 months ended 31 December 2017 (Unaudited) A$'000	Increase / (Decrease) %
Revenue from sale of product	47,836	-	n.m	72,552	-	n.m
Cost of sales	(51,581)	-	n.m	(76,635)	-	n.m
Gross loss	**(3,745)**	**-**	**n.m**	**(4,083)**	**-**	**n.m**
Other items of revenue and expenditure						
Other Income	60	27	122	280	84	233
Administrative expense	(485)	(157)	209	(2,149)	(815)	164
Employee benefits expense	(950)	(320)	197	(3,583)	(995)	260
Share-based payment expense	-	(969)	n.m	(448)	(4,334)	(90)
Compliance and regulatory expense	(261)	(79)	230	(953)	(318)	200
Depreciation expense	(23)	(4)	475	(94)	(39)	141
Exploration expense	-	(83)	n.m	-	(164)	n.m
Foreign exchange gain/(loss)	177	-	n.m	968	-	n.m
Acquisition costs	-	-	n.m	(13,832)	-	n.m
Finance costs	(5,235)	-	n.m	(6,819)	-	n.m
Impairment/write-off expense	(404)	-	n.m	(25,614)	(1,559)	n.m
Loss before income tax	**(10,866)**	**(1,585)**	**751**	**(56,327)**	**(8,140)**	**592**
Income tax expense/(credit)	(50)	-	n.m	4,889	-	n.m
Loss after tax	**(10,916)**	**(1,585)**	**754**	**(51,438)**	**(8,140)**	**532**
Other comprehensive income						
Exchange differences on translation of foreign operations	-	-	n.m	(1,512)	(177)	754
Total comprehensive loss for the period attributable to owners of the Company	**(10,916)**	**(1,585)**	**754**	**(52,950)**	**(8,317)**	**537**

(i) n.m = not meaningful

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

	Group			Group		
	For 3 months ended 31 March 2019 (Unaudited)	For 3 months ended 31 December 2017 (Unaudited)	Increase / (Decrease)	For 15 months ended 31 March 2019 (Unaudited)	For 12 months ended 31 December 2017 (Unaudited)	Increase / (Decrease)
	A$'000	A$'000	%	A$'000	A$'000	%
Cost of sales:						
- Operational expenditure	(47,681)	-	n.m	(70,266)	-	n.m
- Royalties	(2,677)	-	n.m	(4,093)	-	n.m
- Depreciation and amortisation	(4,498)	-	n.m	(8,004)	-	n.m
- Tantalum by-product at NRV	3,275	-	n.m	5,728	-	n.m
Totals	**(51,581)**	**-**	**n.m**	**(76,635)**	**-**	**n.m**

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

	Group As at		Company As at	
	31 March 2019 (Unaudited) A$'000	31 December 2017 (Unaudited) A$'000	31 March 2019 (Unaudited) A$'000	31 December 2017 (Unaudited) A$'000
CURRENT ASSETS				
Cash and cash equivalents	15,620	16,375	832	15,889
Trade and other receivables	13,621	5,190	7,488	1,352
Prepayments and deposits	475	1,116	230	1,070
Inventory	20,434	27	10,205	-
Assets held for sale	628	-	703	-
TOTAL CURRENT ASSETS	**50,778**	**22,708**	**19,458**	**18,312**
NON-CURRENT ASSETS				
Investment accounted for using the equity method	634	-	-	-
Exploration and evaluation expenditure	71,755	7,660	649	-
Property, plant and equipment	154,213	41,878	68,774	30,363
Goodwill	22,383	-	-	-
Deposits	344	73	-	-
TOTAL NON-CURRENT ASSETS	**249,329**	**49,611**	**69,423**	**30,363**
TOTAL ASSETS	**300,107**	**72,319**	**88,881**	**48,675**
CURRENT LIABILITIES				
Trade and other payables	36,699	9,373	34,442	7,691
Deferred revenue	-	9,595	-	8,125
Provisions	510	160	33	65
Interest bearing liabilities	183	-	97	94
TOTAL CURRENT LIABILITIES	**37,392**	**19,128**	**34,572**	**15,975**
NON-CURRENT LIABILITIES				
Interest bearing liabilities	40,783	-	120	8
Deferred revenue	11,437	2,905	3,500	-
Provision for rehabilitation	8,044	706	8,003	662
Deferred tax liabilities	4,311	-	-	-
TOTAL NON-CURRENT LIABILITIES	**64,575**	**3,611**	**11,623**	**670**
TOTAL LIABILITIES	**101,967**	**22,739**	**46,195**	**16,645**
NET ASSETS	**198,140**	**49,580**	**42,686**	**32,030**
EQUITY				
Contributed equity	308,735	108,024	90,671	58,535
Reserves	6,275	6,990	5,943	3,849
Accumulated losses	(116,870)	(65,434)	(53,928)	(30,354)
TOTAL EQUITY	**198,140**	**49,580**	**42,686**	**32,030**

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

Amount classified as repayable in one year or less, or on demand

As at 31 March 2019 (Unaudited)		As at 31 December 2017 (Unaudited)	
Secured A$'000	**Unsecured A$'000**	**Secured A$'000**	**Unsecured A$'000**
183	-	-	-

Amount classified as repayable after one year

As at 31 March 2019 (Unaudited)		As at 31 December 2017 (Unaudited)	
Secured A$'000	**Unsecured A$'000**	**Secured A$'000**	**Unsecured A$'000**
40,783	-	-	-

Details of any collateral

The secured borrowings comprise the following:

- Finance leases of A$423,000 with A$183,000 due within 1 year or less and A$240,000 due within 1 to 5 years and is secured over the assets to which the financing relates.
- The Group secured a USD funding package equivalent to A$40 million with a consortium of lenders led by Tribeca Investment Partners Ltd. During October and November 2018, Lithco No.2 Pty Ltd (a 100% owned subsidiary of Tawana) completed draw down of the first A$20 million tranche of the funding package which was in part used to repay the existing A$5 million loan to Tawana from Red Coast Investment Limited. In March 2019, Lithco No.2 Pty Ltd completed draw down of the second and final A$20m tranche of the funding package which was in part used to repay an existing A$13m secured syndicated loan held by Alliance Mineral Assets Limited. Interest is payable quarterly in arrears at a rate of 3 month USD LIBOR plus 13% pa with a maturity and single repayment date of 1 July 2020.

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

	Group		Group	
	For 3 months ended 31 March 2019	For 3 months ended 31 December 2017	For 15 months ended 31 March 2019	For 12 months ended 31 December 2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	A$'000	A$'000	A$'000	A$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	42,563	-	64,047[(i)]	-
Payments to suppliers, contractors and employees	(32,675)	(1,737)	(80,329)[(ii)]	(3,715)
Interest received	62	35	280	84
Interest paid	(2,478)	-	(2,949)	-
Acquisition costs paid	(647)	-	(2,147)	-
Proceeds received in advance	-	-	-	12,500
NET CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES	**6,825**	**(1,702)**	**(21,098)**	**8,869**
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant & equipment	(10,226)	(13,621)	(41,213)[(iii)]	(25,231)
Payment for exploration and evaluation	(93)	(470)	(568)	(7,881)
Proceeds from R&D refund	321	-	321	-
Cash acquired through business combination	-	-	8,945	-
Proceeds from the sale of lithium concentrate during development phase	-	-	4,309	-
Proceeds from sale of fixed assets	2	-	8	-
Payments related to the acquisition of tenements	-	-	(97)	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES	**(9,996)**	**(14,091)**	**(28,295)**	**(33,112)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of shares	-	20,634	26,973	35,819
Transaction costs related to issues of shares	-	(1,352)	(1,417)	(2,160)
Proceeds from borrowings	19,975	-	44,936	-
Repayment of borrowings	(13,000)	-	(18,000)	-
Transaction costs related to loans and borrowings	(1,240)	-	(3,057)	-
Cash disposed during asset distribution	-	-	(751)	-
NET CASH FLOWS FROM FINANCING ACTIVITIES	**5,734**	**19,282**	**48,684**	**33,659**
Net decrease in cash and cash equivalents	2,563	4,388	(709)	9,416
Cash and cash equivalents at beginning of period	13,054	11,987	16,375	6,959
Net foreign exchange difference on cash balances	3	-	(46)	-
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**15,620**	**16,375**	**15,620**	**16,375**

Notes: Included over the page.

Notes: In presenting the statement of cash flows (for the group) for the 15 months ended 31 March 2019, the Company has changed the classification of some expenditure relating to the December 2018 quarter to be consistent with the presentation adopted in the March 2019 quarter and to better reflect the actual cash flows for the December 2018 quarter as follows:

Cashflow Item	Dec18 Qtr Original A$	Dec18 Qtr Revised A$	Variance A$	Explanation
(i) Receipts from customers	11,192	12,149	957	Tantalum sale receipts now included, previously netted against (ii) payments to suppliers, contractors and employees
(ii) Payments to suppliers, contractors and employees	(15,586)	(19,536)	(3,950)	Adjusted because of changes made to (i) Receipts from customers and (iii) Payments for property, plant and equipment
(iii) Payments for property, plant and equipment	(13,363)	(10,370)	2,993	Fixed asset addition for only 50% of the Bald Hill Joint Venture (previously 100%) and inclusion of late audit adjustments

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

	Group			
	Issued Capital A$'000	**Reserves A$'000**	**Accumulated Losses A$'000**	**Total A$'000**
(Unaudited)				
Balance as at 31 December 2018	308,735	6,275	(105,954)	209,056
Loss for the period	-	-	(10,916)	(10,916)
Total comprehensive loss for the period	-	-	(10,916)	(10,916)
Balance as at 31 March 2019	**308,735**	**6,275**	**(116,870)**	**198,140**

	Group			
	Issued Capital A$'000	**Reserves A$'000**	**Accumulated Losses A$'000**	**Total A$'000**
(Unaudited)				
Balance as at 30 September 2017	88,776	6,223	(63,849)	31,150
Loss for the period	-	-	(1,585)	(1,585)
Exchange difference on foreign operations	-	(202)	-	(202)
Total comprehensive loss for the period	-	(202)	(1,585)	(1,787)
Equity Transactions:				
Shares issued, net of costs	19,248	-	-	19,248
Share-based payment transactions	-	969	-	969
Balance as at 31 December 2017	**108,024**	**6,990**	**(65,434)**	**49,580**

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 (continued)**

	Company			
	Issued Capital A$'000	**Reserves A$'000**	**Accumulated Losses A$'000**	**Total A$'000**
(Unaudited)				
Balance as at 31 December 2018	90,671	5,943	(49,646)	46,968
Loss for the period	-	-	(4,282)	(4,282)
Total comprehensive loss for the period	-	-	(4,282)	(4,282)
Balance as at 31 March 2019	**90,671**	**5,943**	**(53,928)**	**42,686**

	Company			
	Issued Capital A$'000	**Reserves A$'000**	**Accumulated Losses A$'000**	**Total A$'000**
(Unaudited)				
Balance as at 30 September 2017	38,960	3,849	(28,995)	13,815
Loss for the period	-	-	(1,359)	(1,359)
Exchange difference on foreign operations	-	-	-	-
Total comprehensive loss for the period	-	-	(1,359)	(1,359)
Equity Transactions:				
Shares issued, net of costs	19,575	-	-	19,575
Share-based payment transactions	-	-	-	-
Balance as at 31 December 2017	**58,535**	**3,849**	**(30,354)**	**32,030**

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$'000
As at 31 December 2018	1,305,297,411	308,725
No change in ordinary shares issued	-	-
As at 31 March 2019	1,305,297,411	308,725

The Company had on 16 June 2014, adopted the Alliance Employee Share Option Scheme ("**Option Scheme**").

As at 31 March 2019, the Company had 27,000,000 options exercisable into 27,000,000 ordinary shares in issue as follows: -

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

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

As at 31 December 2017, the Company only had the Canaccord Options exercisable into 11,400,000 new ordinary shares of the Company.

Save as disclosed above, there were no other outstanding convertibles as at 31 March 2019 and 31 December 2017. There are no treasury shares and subsidiary holdings as at 31 March and 31 December 2017.

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

The total number of ordinary shares issued was 1,305,297,411 as at 31 March 2019, 632,096,792 as at 30 June 2018 (being the pre-merger Alliance financial year end) and 504,280,941 as at 31 December 2017 (being the pre-merger Tawana financial year end).

The Company did not have any treasury shares as at 31 March 2019, 30 June 2018 and 31 December 2017.

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 reporting period.

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 reporting period.

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

This report has not been reviewed or audited.

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

This report has not been reviewed or audited.

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 financial reporting period as those of the most recently audited financial statements for the financial year ended 31 December 2017, and reviewed financial statements for the financial year ended 31 December 2018.

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

The Group applied all new and amended Accounting Standards and Interpretations that were effective as at 1 January 2018, including:

- AASB 9 Financial Instruments ("AASB 9")
- AASB 15 Revenue from Contracts with Customers ("AASB 15")
- AASB Interpretation 22: Foreign Currency Transactions and Advance Consideration

Refer to note 2 C. of the Company's 31 December 2018 Interim Financial Statements lodged with ASX (www.asx.com.au ticker A40) for further details of the new and amended Accounting Standards and Interpretations adopted.

The following additional accounting policies were adopted on commencement of mining operations:

a) Inventories
b) Stripping (waste removal) costs
c) Business Combination involving a former joint operation
d) Disposal group held for distribution
e) Loans and borrowings
f) Borrowing costs
g) Goodwill

Refer to note 2A. a)-g) of the Company's 31 December 2018 Interim Financial Statements lodged with ASX (www.asx.com.au ticker A40) for further details of the accounting policies adopted.

The following new accounting policies were applied on adoption of new Accounting Standards:

- Revenue from contracts with customers
- Trade and other receivables (policy applied from 1 January 2018)

Refer to the Company's 31 December 2018 Interim Financial Statements lodged with ASX (www.asx.com.au ticker A40) for the impact on the Company financial statements as a result of adopting the above Australian and International Financial Reporting Standards, amendments to standards for the current financial reporting period. There has been no change to this impact on the Company financial statements as a result of adopting the above Australian and International Financial Reporting Standards, amendments to standards during the 3 months ended 31 March 2019.

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

	Group	
	3 months ended 31 March 2019 (Unaudited)	**3 months Ended 31 December 2017 (Unaudited)**
Basic and diluted loss per share (AU cents)	(0.84)(1)	(0.33)(2)
Loss for the period attributable to owners of the Company (A$'000)	(10,916)	(1,585)
Number of weighted ordinary shares used in calculating basic and diluted loss per share for the financial period	1,305,297,411	476,947,184

Note:

(1) The basic and diluted loss per share for the 3-month financial period ended 31 March 2019 were the same as the 27,000,000 potential ordinary shares from outstanding unexercised options are anti-dilutive. The Group has made a loss for the 3-month financial period ended 31 March 2019 and as such the effect of the share conversions would be to decrease the loss per share.

(2) The basic and diluted loss per share for the 3-month financial period ended 31 December 2017 were the same as the 11,400,000 potential ordinary shares from outstanding unexercised options are anti-dilutive. The Group has made a loss for the 3-month financial period ended 31 December 2017 and as such the effect of the share conversions would be to decrease the loss per share.

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 March 2019 (Unaudited)	**31 December 2017 (Unaudited)**
Net asset value per ordinary share based on issued share capital (AU cents)	15.18	9.83
Net asset value as at the end of the respective financial periods (A$'000)	198,140	49,580
Number of ordinary shares as at the end of the respective financial periods	1,305,297,411	504,280,941

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 March 2019 ("3Q FY2019") vs. 3 months ended 31 December 2017 ("2Q FY2018")

Scheme of Arrangement

On 5 April 2018, Alliance Mineral Assets Limited ('Alliance') and Tawana Resources Limited ('Tawana'), announced a proposed merger of equals pursuant to a Scheme of Arrangement ('Scheme') under the Australian Corporations Act for the merged Group to then own 100% of the Bald Hill Mine.

The Scheme involved Alliance acquiring all the Tawana shares and that each Tawana share was exchanged for 1.1 new Alliance shares. The Scheme was implemented on 14 December 2018.

International Financial Reporting Standards require that where two or more entities combine through an exchange of equity for the purposes of a combination, one of the entities must be determined to be the accounting acquirer. Alliance is the legal acquirer under the Scheme (in that Alliance has acquired all Tawana shares) and is therefore the legal parent company. However, after assessing the guidance under International Financial Reporting Standard IFRS 3: Business Combinations, in particular the expected Board and management composition of the merged group, Tawana has been assessed to be the accounting acquirer. Therefore, the consolidated statements of the merged Group represent a continuation of the operations of the accounting acquirer Tawana.

The total consideration transferred was A$178.864 million which comprises the number of Alliance shares on issue multiplied by the SGX share price by the A$ exchange rate on 14 December 2018 plus the fair value of Alliance vested options on issue on that date.

The provisional fair values have been based on the best information available for the identifiable assets and liabilities of Alliance as at the date of acquisition. The total fair value of the identifiable assets and liabilities is A$152.82 million, resulting in goodwill. Refer to note 3 Business Combinations in the Company's 31 December 2018 Interim Financial Statements lodged with ASX (www.asx.com.au ticker A40) for further details of the accounting for the Scheme.

Review of the Income Statement

Q2 FY 2019 Income Statement

The Q2 FY 2019 income statement (December 2018 quarter) was reported in the Unaudited Financial Statement and Dividend Announcement For the Quarter and twelve-months Ended 31 December 2018 released on 18 March 2019 and disclosed a Gross Profit of A$1.068 million.

The Q3 FY 2019 income statement (March 2019 quarter) has reported a Gross Loss of A$3.745 million, as the current quarter has been adversely impacted by both the reversal of provisional purchase price accounting fair value uplift adjustments amounting to A$3.080 million (relating to the merger between Alliance and Tawana), and changes to long term Lithium offtake agreements, which in the short term has reduced the realised sale price.

International Financial Reporting Standards required Alliance to restate its identifiable assets and liabilities to fair value as at 14 December 2018 because of the merger with Tawana, which resulted in purchase price accounting fair value uplifts for several assets and liabilities, including current inventory and non-current property, plant and equipment assets. During the current quarter the entire inventory uplift adjustment of A$2.386 million was reversed as all this inventory was fully processed and sold during the quarter. The current quarter has the commencement of amortising the property, plant and equipment uplift adjustment (A$0.693 million) with this amortisation set to continue for the life of the Bald Hill Mine.

Please refer to the announcement titled "Restructure of Lithium Offtake Agreements" released on 15 January 2019 for further details on the changes made to the long term Lithium offtake agreements during the current quarter.

In Q3 FY 2019 (March 2019 quarter) the Group reported recorded production of 38,291wmt of lithium concentrate grading 6.1% Li_2O, up 68% from Q2 FY 2019 (December 2018 quarter) as a result of improved throughput, recovery and grade. Please refer to the "Quarterly Activities Report for the quarter ended 31 March 2019" which was released on 1 May 2019 for further details. The realisation of the benefits of this record production will occur in the Q4 FY 2019 (June 2019 quarter) when this inventory is sold.

Q3 FY 2019 Income Statement

The following quarterly review is presented when comparing the Q3 FY2019 income statement (March 2019 quarter) to the Q2 FY2018 (December 2017 quarter) income statement.

Revenue

Revenue of A$47.836 million in 3Q FY2019 was from the sale of four shipments of spodumene concentrate totaling 44,305 dry metric tonnes ("**dmt**").

There was no revenue in 2Q FY2018 as the Group had not commenced commercial production and sale of spodumene concentrate.

Cost of sales

Cost of sales of A$51.581 million in 3Q FY2019 represents operational expenditure of A$47.681 million, royalties of A$2.677 million, non-cash depreciation and amortisation expense of A$4.498 million and tantalum by-product recognised at net realisable value of A$3.275 million.

There were no costs of sales in 2Q FY2018 as production had not yet commenced.

Administrative expenses

Administrative expenses of A$0.485 million in 3Q FY2019 (2Q FY2018: A$0.157 million) were higher because of an increase in activity post the merger implementation date of 14 December 2018.

Employee benefits expenses

Employee benefits expense of A$0.950 million in 3Q FY2019 (2Q FY2018: A$0.320 million) were higher attributable to post merger changes in staffing arrangements.

Share-based payments

There were no share-based payments in 3Q FY2019 (2Q FY2018: A$0.969 million) because of the vesting of all employee incentive arrangements on the implementation of the merger. In 2Q FY2018 employee incentive arrangements were outstanding resulting in the recognition of share-based payments.

Compliance and regulatory expense

Compliance and regulatory expenses of A$0.261 million in 3Q FY2019 (2Q FY2018: A$0.079 million) were higher attributable to the Company's dual listing status on the Singapore and Australian Stock Exchanges from 14 December 2018.

Finance expense

Finance expenses of A$5.235 million in 3Q FY2019 (2Q FY2018: Nil) related to the Group A$40 million secured funding package from a consortium of lenders led by Tribeca Investment Partners Pty Ltd, which was fully drawn during 3Q FY2019, and the Group's previous A$13 million syndicated loan facility which was repaid during Q3 FY2019. The expenses in the current quarter include interest expense, early repayment fees, and write off of capitalised facility establishment costs. There were no interest-bearing loan facilities in place during the 2Q FY2018 comparative period.

As at 31 March 2019 the Group only has one secured funding package in place from the consortium of lenders led by Tribeca Investment Partners which totals A$40 million. The applicable interest rate under this funding package is the 3 month USD LIBOR plus 13% per annum, which was at 15.6% at the end of March 2019.

Non-current asset impairment/write off expense

Non-current asset impairment/write off expenses of A$0.404 million in 3Q FY2019 (2Q FY2018: Nil) related to write off of some minor capitalised project expenditure. There were no asset impairment/write offs in the 2Q FY2018 comparative period.

Loss before income tax

In view of the foregoing, the Group loss after taxation was A$10.916 million in 3Q FY2019, higher than the 2Q FY2018 comparative period loss after taxation of A$1.585 million.

Review of the Financial Position

Current assets

Cash and cash equivalents were A$15.620 million as at 31 March 2019. Refer to the Review of the Cash Flow Statement of the Group below for further discussion and analysis.

Trade and other receivables have increased to A$13.621 million at 31 March 2019 (A$5.190 million 31 December 2017) because of a spodumene concentrate shipment occurring just prior to 31 March 2019. At 31 December 2017 the trade and other receivables related to recognition of the remaining 50% of pre-merger joint venture working capital and GST receivable.

Prepayments and deposits decreased from A$1.116 million at 31 December 2017 to A$0.475 million at 31 March 2019 attributable to removal of a A$0.830 million retention deposit (50% share) held by the Company in relation to construction of the Bald Hill processing plant. This was no longer required following completion of construction prior to the current period.

Inventory increased from A$0.027 million at 31 December 2017 to A$20.434 million at 31 March 2019 due to the operation of the Bald Hill mine during the current reporting period. Inventory at 31 March 2019 relates to stores and spares of A$2.905 million and ore inventory of A$17.529 million. Inventory at 31 December 2017 related only to stores and spares.

Assets held for sale of A$0.628 million have been disclosed at 31 March 2019 (not applicable for 31 December 2017) as the Company has made the decision to divest its office property in Osborne Park, Western Australia during the current quarter.

Non-current assets

Investment accounted for using the equity method of A$0.634 million at 31 March 2019 comprises the Group's 15% investment in Cowan Lithium Limited, an Australian public unlisted company. This investment did not exist as at 31 December 2017.

Exploration and evaluation expenditure increased from A$7.660 million at 31 December 2017 to A$71.755 million at 31 March 2019 primarily because of the purchase price accounting fair value uplift recognised upon implementation of the merger on 14 December 2018 relating to the Bald Hill mine.

Property, plant and equipment increased from A$41.878 million at 31 December 2017 to A$154.213 million at 31 March 2019. Of this increase A$81.640 million related to recognition of a purchase price accounting fair value uplift relating to the Bald Hill mine. The balance of the increase from 31 December 2017 is related to finishing construction of the Bald Hill mine, ramp up commissioning activities (commercial production declared in July 2018), expansion of camp accommodation and tailings dam capacity, site infrastructure work and engineering related to the future fines circuit.

Goodwill of A$22.383 million represents the excess of the fair value of asset and liabilities acquired at the time of the merger on 14 December 2018 between Alliance and Tawana, when compared to the consideration paid.

Deposits of A$0.344 million existed at 31 March 2019, an increase from the A$0.730 million held as at 31 December 2017.

Current liabilities

Trade and other payables increased from A$9.373 million at 31 December 2017 to A$36.699 million at 31 March 2019 because of completion of commissioning and commencement of production at the Bald Hill Mine and A$8 million in accrued business acquisition costs related to the acquisition of Tawana by Alliance following implementation of the merger.

Deferred revenue of A$9.595 million as at 31 December 2017 relates to prepayments under a lithium offtake agreement. This has been classified as non-current as at 31 March 2019.

Provisions relate to employee entitlements and increased from A$0.160 million at 31 December 2017 to A$0.510 million as at 31 March 2019 attributable to post merger changes in staffing arrangements.

Interest bearing liabilities of A$0.183 million exist as at 31 March 2019 related to finance leases which were not in place as at 31 December 2017.

Non-current liabilities

Interest-bearing liabilities of A$40.783 million relate largely to the fully drawn secured USD funding package equivalent to A$40 million from a consortium of lenders led by Tribeca Investment Partners Pty Ltd. No interest-bearing liabilities existed as at 31 December 2017. The secured USD funding package is repayable on 1 July 2020.

In January 2019 the Group renegotiated the terms of its current lithium offtake agreements which froze the repayment of the deferred revenue liability of A$11.437 million until 1 January 2021, classifying the entire balance as non-current at 31 March 2019.

The 31 March 2019 provision for rehabilitation of A$8.044 million represents management's best estimate of costs to rehabilitate the existing Bald Hill Mine as at the current reporting date. The increase in the provision from A$0.706 million as at 31 December 2017 is due to completion of commissioning and commencement of production at the Bald Hill Mine and the increase in project ownership post-merger from 50% to 100%.

Deferred tax liabilities of A$4.311 million have been recognised as at 31 March 2019, relating to the purchase price accounting fair value adjustments recognised upon implementation of the merger on 14 December 2018. No deferred tax liability existed as at 31 December 2017.

Review of the Cash Flow Statement of the Group

As at 31 March 2019, the Group held cash and cash equivalents of A$15.620 million.

In 3Q FY2019, the Group recorded net cash inflows from operating activities of A$6.825 million which comprised receipts from customers of A$42.563 million, offset by payments made to suppliers and employees of A$32.675 million, interest paid of A$2.478 million and acquisition costs incurred in connection with the merger implemented on 14December 2018 of A$0.647 million.

In 3Q FY2019, the Group recorded net cash outflows from investing activities of A$9.996 million, which comprised of payments for property, plant and equipment of A$10.226 million for the Bald Hill Mine and payments for exploration activities of A$0.093 million, offset by a research and development cash refund of A$0.321 million.
In 3Q FY2019, the Group recorded net cash inflows from financing activities of A$5.734 million, which comprised proceeds from borrowings of A$19.975 million offset by repayment of borrowings of A$13m and borrowing transaction costs of A$1.240 million.

Going Concern

The Group recorded a loss after tax of A$10.916 million and had net cash inflows from operating activities of A$6.825 million for Q3 FY2019. The Group had cash and cash equivalents at 31 March 2019 of A$15.620 million

During the period, Alliance continued to operate the Bald Hill Mine ("the Mine") achieving an increase in production rates and a decrease in production costs. Over the next 12 months the

Company will be exposed to a high level of cash outflows due to continued pre-strip activities, expansion of activities including a DMS fines circuit, sustaining capital, exploration activities and stamp duty associated with the merger. Alliance will also be exposed to the normal risks and uncertainties inherent to mining operations such as: the Bald Hill Mine failing to perform as expected; higher than expected operating costs; lower than expected customer revenues; key additional infrastructure not coming on stream when required or within budget; and potential equipment breakdown, failures, and operational errors.

In January 2019, the Group restructured its long-term offtake agreement from a fixed price in 2019 (US$880/t) to a floating price which has resulted in a lower 2019 selling price. The benefits of this restructure include the ability to secure additional third-party offtake arrangements and deferral of repayment of prepayments to 1 January 2021. In March 2019, the Group consolidated and simplified its debt structure reducing two separate facilities with availability totaling A$53m to a single fully drawn A$40m facility.

The Directors recognise the need to raise additional funds via equity raisings, new offtake prepayments, or financing facilities to fund ongoing operating, capital and exploration expenditure. The Directors are satisfied they will be able to raise additional funds as required and thus it is appropriate to prepare the interim financial statements on a going concern basis.

In the event that the Company is unable to obtain sufficient funding for ongoing operating and capital requirements, there is material uncertainty whether it will continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that may be necessary should the Company not be able to continue as a going concern.

The Board (i) is in the opinion that sufficient information has been disclosed for trading of the Company's securities to continue in an orderly manner; and (ii) confirmed that all material disclosures have been provided for trading of the Company's shares to continue.

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

Information about the Bald Hill Mine has been previously disclosed to shareholders via SGXNET announcements. Any material development or variation of the Bald Hill Mine will be updated progressively to shareholders via SGX announcements when appropriate.

Production guidance of 65,000 to 80,000 tonnes of lithium concentrate (6% Li_2O) for the six months between January and July 2019 remains on track.

Save for the above, there were no other forecast or prospect statement which has been previously disclosed to the shareholders.

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

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

Although China's electric vehicle (EV) race started several years ago when the government set ambitious targets (20% of all vehicles sold to run on alternative fuel by 2025), more aggressive mandates in recent months appear to have precipitated EV initiatives. China introduced a 'double credit policy' to automotive manufacturers in April 2018 and reduced subsidies for lower range and energy density electric vehicles. These changes have pushed manufacturers to focus on producing longer range vehicles (>300km per charge) using higher energy density cathode materials.

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

Global electric vehicle production is expected to increase by more than 30 times in the next 15 years. As a result, lithium demand is expected to follow.

Despite a short-term surplus of lithium supplies in 2018 – particularly in China (the world's largest consumer) and delays to expansion plans by Chinese convertors causing downward pressure on pricing, long-term demand is expected to positively impact pricing as demand outweighs supply.

Recent news supporting the positive long-term demand outlook include Toyota increasing its focus on electrification through a partnership with Panasonic to create a joint-venture targeting the development of EV battery cell production, and Panasonic's EV partner, Tesla pushing ahead with plans for the Gigafactory 3 in China which is targeting first production by the end of 2019.

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

With growing demand and capacity increases falling short of expectations, the long-term demand supply dynamics should favour producers like Alliance.

References:
https://roskill.com/news/electric-vehicles-subsidies-and-emissions-policy-set-to-define-direction-of-industry-development/
https://roskill.com/news/lithium-ganfeng-first-of-the-majors-to-see-price-impact-as-q3-earnings-emerge/
https://www.energyandcapital.com/report/lithium-investment-outlook-2019/5012
Benchmark Mineral Intelligence | Lithium Price Assessment – January 2019.

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 3Q FY2019.

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

Not applicable.

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

None.

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

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) Book closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision

No dividend has been declared or recommended for 3Q FY2019 as the Group incurred a loss.

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 entered into during the financial reporting period which were S$100,000 or more.

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

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

15. Use of placement proceeds

On 5 July 2018 and 24 July 2018, Alliance completed a placement to Burwill, an Australian institutional investor, and Canaccord respectively, to raise gross proceeds of A$7.9 million. The net proceeds from the placement was approximately A$7.4 million (after deducting expenses of A$0.5 million).

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

Notes: 1 The working capital amounts have been applied against open pit mining operations.

ADDITIONAL DISCLOSURE REQUIRED FOR MINERAL, OIL AND GAS COMPANIES

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

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

Please refer to the announcement titled "**Appendix 5B – Mining exploration entity and oil and gas exploration entity quarterly report**" ("**Appendix 5B Announcement**") released on 1 May 2019 for details on the use of cash for the quarter ended 31 March 2019.

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

Please refer to the Appendix 5B Announcement for details on the projected use of cash for the next quarter ending 30 June 2019, including the principal assumptions.

17. Rule 705 (7) 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;

Please refer to the "**Quarterly Activities Report for the quarter ended 31 March 2019**" which was released on 1 May 2019 for details of exploration, mining development and/or production activities undertaken by the Company.

Please refer to the announcement titled **"Appendix 5B – Mining exploration entity and oil and gas exploration entity quarterly report"** released on 1 May 2019 for details on the actual use of cash for the quarter ended 31 March 2019. The cash spent on exploration & evaluation, development and production activities are contained in the Appendix 5B Announcement.

Please refer to the announcement titled **"Appendix 5B – Mining exploration entity and oil and gas exploration entity quarterly report"** released on 1 February 2019 for details on the forecast use of cash for the quarter ended 31 March 2019.

The following explanations are provided in relation to the differences between the forecast and actual Q3 FY2019 expenditures:

Cashflow Item	**Mar19 Qtr Forecast A$'000**	**Mar19 Qtr Actual A$'000**	**Variance A$'000**	**Explanation**
9.1 Exploration and evaluation	700	93	(607)	Commencement of the exploration drilling campaign was delayed
9.2 Development	6,000	6,519	519	No significant variation to estimate
9.3 Production	35,000	29,551	(5,449)	Actual production costs were lower relating to utilisation of favourable payment terms with some suppliers
9.4 Staff costs	1,100	1,381	281	No significant variation to estimate
9.5 Administration and corporate costs	800	1,744	944	Actual administration and corporate costs were higher because of underestimation
9.6 Other (debt costs and merger costs)	7,500	3,125	(4,375)	Actual expenditure was lower than forecast, attributable to negotiating delayed payment terms for some debt and merger costs. These have been reforecast to be paid in the June 2019 quarter
9.7 Total estimated cash outflows	**51,100**	**42,413**	**(8,687)**	

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

We, Geoffrey McNamara and Mark Calderwood, 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 March 2019 and the above information provided to be false or misleading in any material aspect.

On behalf of the Board

Geoffrey McNamara
Independent Non-Executive Chairman

Mark Calderwood
Managing Director

BY ORDER OF THE BOARD

Mark Calderwood
Managing Director
10 May 2019

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the 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 049318a and Email: sponsorship@ppcf.com.sg).