

# Proposed Merger

Investor Presentation

18 June 2018



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| <p><b>Proposed Merger</b></p>                | <ul style="list-style-type: none"> <li>Proposed merger of equals between Alliance Mineral Assets Limited (“Alliance”) and Tawana Resources NL (“Tawana”) via a scheme of arrangement (“Merger” or “Scheme”) announced on 5 April 2018</li> <li>Combined Alliance/Tawana group (“Merged Group”) to be listed on SGX Catalist and ASX<sup>1</sup></li> <li>Expected Merger completion by mid-September 2018</li> <li>Pro-forma market capitalisation of approximately A\$450m<sup>2</sup></li> </ul>   |
| <p><b>Reserve Upgrade<sup>3</sup></b></p>    | <ul style="list-style-type: none"> <li>105% Lithium Ore Reserve upgrade for Bald Hill from the July 2017 reserve estimate<sup>3</sup></li> <li>Upgraded Reserves now support a mine life of 9 years at the current processing rate of 1.2Mtpa</li> <li>Management is actively reviewing options for significant expansion in processing capacity and concentrate production</li> </ul>   |
| <p><b>Operational Update<sup>3</sup></b></p> | <ul style="list-style-type: none"> <li>Bald Hill concentrate production commenced in March 2018</li> <li>Targeted production of 155,000 tpa of concentrate once ramp up complete (increasing with the addition of fines circuit)</li> <li>Stage 1 DMS circuit achieved 50% of nameplate throughput for month 1 and 75% for month 2 of ramp-up, producing a premium high-quality lithium concentrate</li> <li>Two shipments were completed in May and the next shipment is anticipated in late June/early July 2018</li> <li>Tantalum pre-concentrate recoveries from lithium circuit exceeding initial expectations</li> </ul> |

1. Concurrent with and subject to the Scheme becoming effective, Alliance will apply for admission to the Official List of the ASX.

2. Calculated by multiplying the number of Alliance Shares post Merger, including A\$7.8m AMAL conditional placement and A\$5m TAW conditional placement, by the closing Alliance Share price as at close 15 June 2018. Exchange rate: 1 SGD to 0.99 AUD.

3. All material assumptions underpinning the Production Targets in this presentation are detailed in the ASX announcement by Tawana and SGX announcement by Alliance dated 6 June 2018, and Tawana and Alliance confirms those assumptions continue to apply and have not materially changed. Tawana and Alliance are not aware of any new information or data that materially affects the information included in the above announcement.

## Merger of Alliance and Tawana



## Merger Highlights



### The Alliance and Tawana merger creates a pure-play mid-tier lithium producer

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- On 5 April 2018 Alliance and Tawana entered a Scheme Implementation Agreement for a merger of equals: Alliance to acquire 100% of Tawana shares
- Post-merger shareholding expected to be approximately 50/50 between Tawana and Alliance shareholders
- Creates a pure-play mid-tier lithium company, being the first new producer of lithium concentrate in Australia since 2016
- Merger is a natural step given the existing joint venture between Alliance and Tawana, and elevates the Merged Group's profile to a mid-tier producer
- Pro-forma market capitalisation of A\$450m<sup>1</sup> places the Merged Group on the radar of many global mid-cap institutional investors
- Simplifies ownership structure and operational management of the Bald Hill asset, providing potential for efficiency benefits to the Merged Group
- The Merged Group will have enhanced financial capacity with a strong pro-forma balance sheet
- Board of Merged Group and management team are highly experienced, with a proven ability to deliver on strategic goals and growth projects
- The Merged Group is ideally positioned to become a sizable producer of quality lithium concentrate

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# Benefit for Alliance and Tawana Shareholders



Creates a significant lithium producer with an increased market profile

## Benefit for Alliance shareholders

- Access to Tawana management's operating experience to unlock the full value of Bald Hill
- ASX exposure<sup>1</sup>: trading liquidity, equity research coverage and institutional investor following

## Benefit for Tawana shareholders

- Exposure to Singapore market, where Alliance is the only lithium producer listed on SGX
- Merged Group shares tradable on ASX<sup>1</sup> and SGX

## Combined benefits

- Increased scale expected to attract a wider breadth of investors across two exchanges
- Simplified ownership and operating structures position the Merged Group for additional growth
- Pure-play mid-tier lithium producer, fully funded to ramp up production, with a strong cash flow profile
- Positioned to attract a premium valuation, improved liquidity and potential for market re-rating

1. Concurrent with and subject to the Scheme becoming effective, Alliance will apply for admission to the Official List of the ASX.

## Merger Details

### Merger proposal with strong support from Tawana and Alliance shareholders

|  |   |
|--|---|
| <b>Transaction</b>                         | <ul style="list-style-type: none"> <li>• Scheme of arrangement under which Alliance will acquire 100% of the shares in Tawana</li> <li>• Unanimously recommended by the Boards of Alliance and Tawana<sup>1</sup></li> <li>• Pro-forma ownership of Merged Group: 51.00% Alliance shareholders / 49.00% Tawana shareholders</li> <li>• Merged Group to be listed on SGX and ASX<sup>2</sup></li> </ul>  |
| <b>Offer Value</b>                         | <ul style="list-style-type: none"> <li>• Each Tawana shareholder to receive 1.10 Alliance shares for each 1 Tawana share held</li> <li>• Implied offer value of A\$0.37 per Tawana share at the time of announcement, for a equity value of A\$216m<sup>3</sup></li> </ul>  |
| <b>Exclusivity and Shareholder Support</b> | <ul style="list-style-type: none"> <li>• Customary non-solicitation, termination fee and right to match provisions</li> <li>• Burwill Holdings Limited (“Burwill”) has entered into a binding voting agreement in relation to its 12.7% shareholding in Alliance to vote in favour of the Merger</li> <li>• Statements of intention to vote in favour of the Merger provided by Alliance shareholders (excluding Burwill) holding an additional 7.3% of Alliance shares and Tawana shareholders holding 29.5% of Tawana shares</li> </ul> |
| <b>Conditions</b>                          | <ul style="list-style-type: none"> <li>• Approval by Tawana shareholders and Alliance shareholders</li> <li>• Australian Court, SGX and ASX approval</li> <li>• Approval of the Australian Foreign Investment Review Board (“FIRB”)</li> <li>• Independent expert concluding that the Merger is in the best interests of Tawana shareholders</li> <li>• No material adverse change, no prescribed conditions and other standard conditions</li> </ul>   |
| <b>Board and Management</b>                | <ul style="list-style-type: none"> <li>• Mark Turner to be appointed Non-Executive Chairman of the Merged Group</li> <li>• Mark Calderwood to be appointed Managing Director of the Merged Group</li> <li>• Merged Group Board is a combination of 4 Directors of Tawana and 2 Directors of Alliance, and will be further strengthened with the appointment of an additional highly credentialed Independent Director elected by AMAL</li> </ul>  |
| <b>Indicative Timetable<sup>4</sup></b>    | <ul style="list-style-type: none"> <li>• Despatch Scheme documents including the Scheme booklet in late-July 2018</li> <li>• Tawana and Alliance shareholder meetings to be held in late-August 2018</li> <li>• Implementation of Scheme to occur in mid-September 2018</li> </ul>  |

1. For Tawana, in the absence of a superior proposal and subject to an independent expert concluding the Merger is in the best interest of Tawana Shareholders. For Alliance, in the absence of a superior proposal and subject to receipt of a valuation report as required under the SGX listing rules supporting the Merger.

2. Concurrent with and subject to the Scheme becoming effective, Alliance will apply for admission to the Official List of ASX.

3. Assuming the issue of ~13.5m Tawana shares as settlement for outstanding Tawana options, and ~61m Tawana shares assuming a A\$25m equity raising. Alliance share price as at close of trading on 4 April 2018.

4. The indicative timetable is subject to change, depending on, amongst other things, regulatory approval processes.

## Board of Directors



Merged Group Board will be composed of Alliance and Tawana Directors

|   |   |
|---|---|
| <p><b>Mark Turner</b><br/><i>Independent Non-Executive Chairman</i></p>         | <ul style="list-style-type: none"> <li>Independent Non-Executive Director of Tawana since 2017</li> <li>Mining Engineer with more than 30 years of experience in the resources sector</li> <li>Currently Chief Operating Officer of RTG Mining Inc.</li> </ul>  |
| <p><b>Mark Calderwood</b><br/><i>Managing Director</i></p>                      | <ul style="list-style-type: none"> <li>CEO and Managing Director of Tawana since 2016</li> <li>30 years mining exploration including over 5 years in pegmatite minerals</li> <li>Formerly Managing Director of ASX-100 listed gold producer Perseus Mining Limited</li> </ul>   |
| <p><b>Robert (Bob) Vassie</b><br/><i>Independent Non-Executive Director</i></p> | <ul style="list-style-type: none"> <li>Non-Executive Director of Tawana since 2017</li> <li>Mining Engineer with 30 years international mining industry experience and 18 years experience in a range of senior management roles with Rio Tinto</li> <li>Currently Managing Director &amp; CEO of St Barbara Limited</li> </ul> |
| <p><b>Vicki Xie</b><br/><i>Non-Executive Director</i></p>                       | <ul style="list-style-type: none"> <li>Non-Executive Director of Tawana since 2017</li> <li>16 years experience in Accounting and Finance, fund raising, acquisition and private equity</li> <li>Formerly held Chief Financial Officer, Accounting and Company Secretary roles in both China and Australia</li> </ul>           |
| <p><b>Burwill Nominee</b><br/><i>Non-Executive Director</i></p>                 | <ul style="list-style-type: none"> <li>In consultation with Alliance, a nominee of Burwill</li> </ul>   |
| <p><b>Joshua Ong</b><br/><i>Independent Non-Executive Director</i></p>          | <ul style="list-style-type: none"> <li>Independent Director of Alliance since 2014</li> <li>25 years experience as an auditor and CFO with various international accounting firms and corporates</li> </ul>   |
| <p><b>Alliance Nominee</b><br/><i>Independent Non-Executive Director</i></p>    | <ul style="list-style-type: none"> <li>In consultation with Tawana, a person nominated by Alliance with significant mining experience and a resident of Singapore</li> </ul>  |



# Indicative Merger Timetable<sup>1</sup>

## Merger targeted for completion in September 2018

|  |                   |
|--|-------------------|
| Lodge Tawana Scheme Booklet with ASIC              | 2 July 2018       |
| First Court Date                                   | 20 July 2018      |
| Alliance Shareholders meeting to approve Scheme    | 21 August 2018    |
| Tawana Shareholders meeting to approve Scheme      | 23 August 2018    |
| Second Court Date                                  | 29 August 2018    |
| Record Date  | 6 September 2018  |
| Implementation Date                                | 13 September 2018 |
| Alliance listing on ASX Official List <sup>2</sup> | 14 September 2018 |

1. The indicative timetable is subject to change, depending on, amongst other things, regulatory approval processes.
2. Concurrent with and subject to the Scheme becoming effective, Alliance will apply for admission to the Official List of the ASX.

# Operational Update & Outlook



## Bald Hill Resource/Reserve Upgrade Highlights

- Total lithium Resources of 26.5Mt at 1.0% Li<sub>2</sub>O (using 0.3% Li<sub>2</sub>O cut off).
- Project lithium Indicated Resources of 14.4Mt at 1.02% Li<sub>2</sub>O an increase of 55% in contained lithium from October 2017<sup>2</sup>.
- Lithium Ore Reserve of 11.3Mt at 1.0% Li<sub>2</sub>O and 160 ppm Ta<sub>2</sub>O<sub>5</sub> – representing an increase of 105% in contained lithium from the July 2017 reserve estimate<sup>3</sup>.
- Tantalum Ore Reserve of 2.0Mt at 313ppm Ta<sub>2</sub>O<sub>5</sub> – an increase of 43% from the July 2017 reserve estimate<sup>3</sup>.

Upgraded Reserves now support a mine life of 9 years at the current processing rate of 1.2Mtpa. However, given the large quantity of Inferred Resources awaiting infill drilling, strong market demand and superior economics of increased throughput rates, Tawana and JV partner Alliance Mineral Assets Limited are actively reviewing options for significant expansion in processing capacity and concentrate production.



1. All material assumptions and technical parameters underpinning the Mineral Resource and Mineral Reserve estimates in the ASX announcement dated 6 June 2018 continue to apply and have not materially changed since it was last reported.  
2. Refer ASX announcement 11 October 2017  
3. Refer ASX announcement 11 July 2017

# Bald Hill Production Update

- Lithium concentrate production commenced March 2018.
- Stage 1 DMS circuit achieved 50% of nameplate throughput for month 1 and 75% for month 2 of ramp-up, producing a premium high-quality lithium concentrate.
- Tantalum pre-concentrate recoveries from lithium circuit exceeding initial expectations.
- Mining averaging approximately 30,000Bm<sup>3</sup> per day.
- Two shipments were completed in May and the next shipment is anticipated in late June/early July 2018 (exact shipment date and quantity still to be determined).



# Bald Hill Project Production Upside Potential

- Fines circuit to treat otherwise stockpiled <1mm fines and 1mm-5.6mm middlings.
  - Favourable metallurgy points to fines DMS, low capital and operating cost, lower risk.
- Actively reviewing options for significant expansion in processing capacity and concentrate production:
  - Strong demand for spodumene concentrate;
  - Additional DMS circuit would have a relatively modest capital cost;
  - Likely to be similar to recently completed Stage 1 DMS, with design improvements;
  - Rapid construction time expected: Stage 1 DMS only took 7 months to construct; and
  - Significant benefits to operating costs.



# Conclusion

- Bald Hill Project production has commenced.
- First shipment was completed early May 2018.
- Production of 155,000t p.a. of concentrate from Stage 1.
- Top quality +1mm spodumene concentrate (low mica, low iron).
- Significant tantalum by-product production.
- Lowest Capex (of stand alone lithium mines) in Australia.
- Stage 2 – Fines and Stage 3 – second DMS plant under consideration.
- Significant Resource potential from successful step out drilling, and new areas identified.

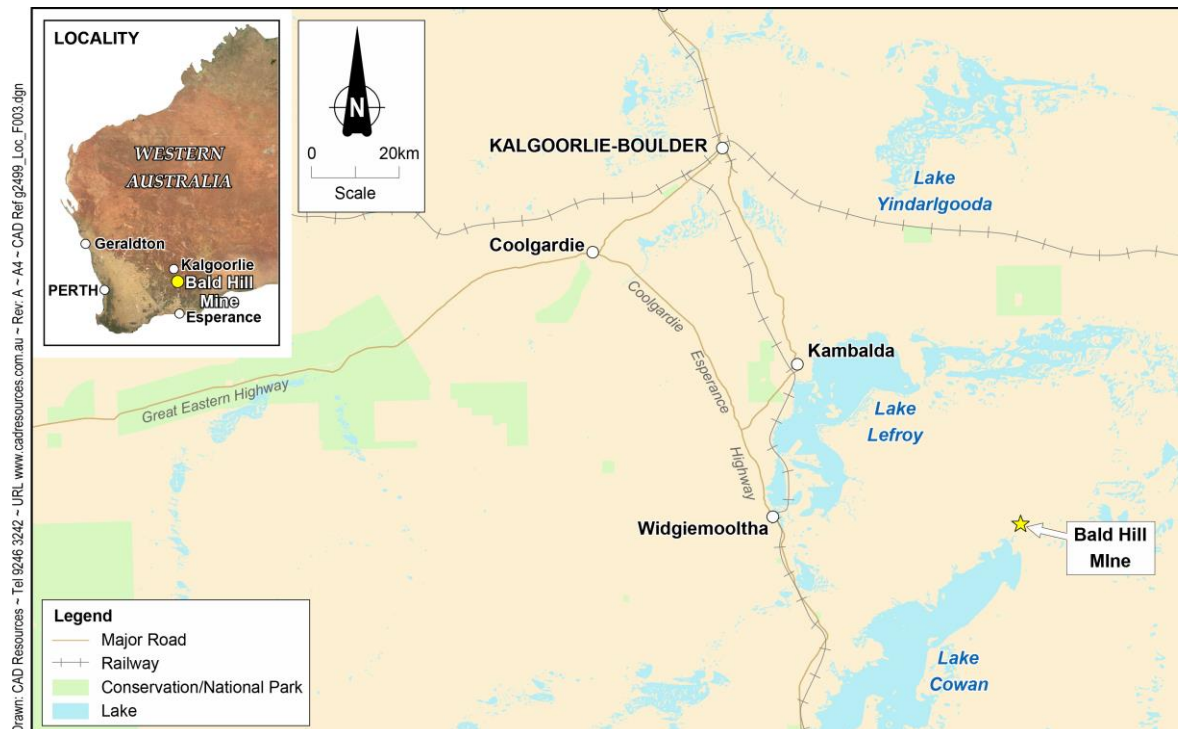


## Appendix – Bald Hill



# Bald Hill Project overview

- Tawana and Alliance’s principal project is the Bald Hill Lithium and Tantalum Mine (“Bald Hill”, or “Project”).
- Located ~50km south east of Kambalda in the Eastern Goldfields of Western Australia.
- Tawana and Alliance each have 50:50 ownership of the Bald Hill Project.
- The Bald Hill Project comprises 774km<sup>2</sup>.





# About the Bald Hill Lithium & Tantalum Offtakes



- Spodumene concentrate production commenced March 2018 - first new lithium mine in Australia since 2016.
- First lithium concentrate product was completed in early May 2018.
- Mine produces high grade concentrates of +6% Li<sub>2</sub>O, <1.0% Fe<sub>2</sub>O<sub>3</sub> and <0.5% Mica.

## Lithium Offtake<sup>1</sup>

- Offtake with Burwill Commodity Ltd who are in JV with lithium industry specialist Jiangte Special Electric Motor Co. Ltd.
- Offtake agreement 100% (>5.5% Li<sub>2</sub>O) of lithium concentrate production at US\$880/t (for 6% Li<sub>2</sub>O) for 2018 and 2019 FOB from Esperance Port.
- Pricing for 2020 to 2022 to be negotiated based on market indicators.

## Tantalum Offtake<sup>2</sup>

- Bald Hill Tantalum offtake non-binding term sheet executed with HC Starck Group, a leading premium supplier of technology metals.
- Key terms: 600,000 pounds minimum of tantalum concentrate from April 2018 to 31 December 2020 or all of the standard grade tantalum concentrate produced within the period if delivery less than 600,000 pounds.
- Pricing above PFS expectation.
- Tawana and Alliance are still in the process of negotiating the terms of a binding definitive agreement.

1. Refer ASX announcement 26 April 2017 and SGX announcement 4 May 2017.

2. Refer to SGX and ASX announcement 25 January 2018.

## Australia's First New Spodumene Mine since 2016\*

- Contract mining and contract crushing.
- Staged development - currently new 1,200ktpa spodumene DMS circuit being ramped up.
- Separate (existing) 350ktpa tantalum plant.
- Only twelve months of Resource drilling completed to date; many years of exploration ahead.
- Mineral Ore Reserve increase of 105% was announced on 6 June 2018<sup>1</sup>.



\* Excludes DSO production

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# Additional Information - Bald Hill Project – Resources and Reserves<sup>1</sup>

Table 1 | Bald Hill Project, Resources above 0.3% Li<sub>2</sub>O cut-off

| Resource Category | Tonnes (Mt) | Grade Li <sub>2</sub> O % | Contained Li <sub>2</sub> O Tonnes | Grade Ta <sub>2</sub> O <sub>5</sub> ppm | Contained Ta <sub>2</sub> O <sub>5</sub> (,000) Lbs |
|-------------------|-------------|---------------------------|------------------------------------|--|---|
| Indicated         | 14.4        | 1.02                      | 147,200                            | 168                                      | 5,300   |
| Inferred          | 12.1        | 0.90                      | 108,000                            | 123                                      | 3,300   |
| <b>Total</b>      | <b>26.5</b> | <b>0.96</b>               | <b>255,200</b>                     | <b>149</b>                               | <b>8,600</b>  |

Table 2 | Bald Hill Project, Resources below 0.3% Li<sub>2</sub>O and above 200ppm Ta<sub>2</sub>O<sub>5</sub> cut-offs

| Resource Category | Tonnes (Mt) | Grade Li <sub>2</sub> O % | Contained Li <sub>2</sub> O Tonnes | Grade Ta <sub>2</sub> O <sub>5</sub> ppm | Contained Ta <sub>2</sub> O <sub>5</sub> (,000) Lbs |
|-------------------|-------------|---------------------------|------------------------------------|--|---|
| Indicated         | 3.0         | 0.16                      | 4,700                              | 333                                      | 2,200   |
| Inferred          | 1.4         | 0.15                      | 2,200                              | 339                                      | 1,100   |
| <b>Total</b>      | <b>4.4</b>  | <b>0.16</b>               | <b>6,900</b>                       | <b>336</b>                               | <b>3,300</b>  |

Table 3 | Bald Hill Project, Reserves above 0.3% Li<sub>2</sub>O

| Reserve Category | Tonnes (Mt) | Grade Li <sub>2</sub> O % | Contained Li <sub>2</sub> O Tonnes | Grade Ta <sub>2</sub> O <sub>5</sub> ppm | Contained Ta <sub>2</sub> O <sub>5</sub> (,000) Lbs |
|------------------|-------------|---------------------------|------------------------------------|--|---|
| Proven           | -           | -                         | -                                  | -  | -   |
| Probable         | 11.3        | 1.01                      | 114,100                            | 160                                      | 4,000   |
| <b>Total</b>     | <b>11.3</b> | <b>1.01</b>               | <b>114,100</b>                     | <b>160</b>                               | <b>4,000</b>  |

Table 4 | Bald Hill Project, Reserves below 0.3% Li<sub>2</sub>O and above 200ppm Ta<sub>2</sub>O<sub>5</sub> cut-offs, April 2018

| Reserve Category | Tonnes (Mt) | Grade Ta <sub>2</sub> O <sub>5</sub> ppm | Contained Ta <sub>2</sub> O <sub>5</sub> (,000) Lbs |
|------------------|-------------|--|---|
| Proven           | -           | -  | -   |
| Probable         | 2.0         | 313                                      | 1,400   |
| <b>Total</b>     | <b>2.0</b>  | <b>313</b>                               | <b>1,400</b>  |

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