

**ALLIANCE MINERAL ASSETS LIMITED**  
(Company Registration Number: ACN 147 393 735)  
(Incorporated in Australia on 6 December 2010)

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**Unaudited Financial Statement and Dividend Announcement  
For the First Quarter Ended 30 September 2016 (“1Q FY2017”)**

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*This announcement has been prepared by Alliance Mineral Assets Limited (the “Company”) and its contents have been reviewed by PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor”), for compliance with the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of Catalist.*

*The Sponsor has not verified the contents of this announcement. The Sponsor has not drawn on any specific technical expertise in its review of this announcement. This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.*

## **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 and other minerals 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.

The Company had on 3rd June 2016 signed a binding terms sheet with Lithco No. 2 Pty Ltd (“Lithco”), pursuant to which the Company and Lithco have agreed upon the principal terms for, amongst other things, the establishment of a farm-in and joint venture arrangement with respect to Project, pursuant to which Lithco is entitled to earn a 50% joint venture interest in all rights to lithium minerals on the Tenements, including rights to explore and mine for lithium on the Tenements, and provided further expenditure commitments are met, the right to earn a 50% joint venture interest in the overall Project (“**Proposed Transaction**”).

Shareholders’ had, at the extraordinary general meeting on 15 September 2016, approved, *inter alia*, the Proposed Transaction. Please refer to the Company’s circular to shareholders dated 24 August 2016 for further information on the aforementioned (“Circular”).

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**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		
	30 September		
	2016	2015	Increase /
	(Unaudited)	(Unaudited)	(Decrease)
	A\$	A\$	%
Interest income	223	10,199	n.m
Gain / (Loss) on foreign exchange	(167,149)	110,913	n.m
Accounting and audit expenses	(42,125)	1,560	n.m
Consulting and directors fees	(69,491)	(82,889)	162
Tenement expenses	-	(90,450)	n.m
Administrative expenses	(250,982)	(169,568)	48
Employee salaries and other benefits expenses	(80,378)	(164,541)	(51)
Site operating expenses	(515,108)	-	n.m
Borrowing costs	(145,773)	(140,157)	4
<b>Loss before income tax</b>	<b>(1,270,783)</b>	<b>(524,933)</b>	<b>142</b>
Income tax expense	-	-	n.m
<b>Loss after tax</b>	<b>(1,270,783)</b>	<b>(524,933)</b>	<b>142</b>
<b>Other comprehensive income</b>	-	-	n.m
<b>Total comprehensive loss for the financial year attributable to owners of the Company</b>	<b>(1,270,783)</b>	<b>(524,933)</b>	<b>142</b>

(i) n.m = not meaningful

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

	<b>3-months ended</b>		
	<b>30 September</b>		
	<b>2016</b>	<b>2015</b>	<b>Increase /</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Decrease)</b>
	<b>A\$</b>	<b>A\$</b>	<b>%</b>
Interest income	223	7,652	n.m
Gain / (Loss) on foreign exchange	(167,149)	110,913	n.m
Borrowing costs	(145,773)	(140,157)	4
Depreciation expense	(332,544)	(12,034)	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**

	As at	
	30 September 2016 (Unaudited) A\$	30 June 2016 (Audited) A\$
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	4,287,307	5,389,663
Other receivables	2,099,724	2,147,645
Other current assets	112,890	23,247
<b>TOTAL CURRENT ASSETS</b>	<b>6,499,921</b>	<b>7,560,555</b>
<b>NON CURRENT ASSETS</b>		
Mine development	3,088,018	3,088,018
Property plant & equipment	13,305,390	13,635,758
<b>TOTAL NON CURRENT ASSETS</b>	<b>16,393,408</b>	<b>16,723,776</b>
<b>TOTAL ASSETS</b>	<b>22,893,329</b>	<b>24,284,331</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	1,965,572	3,585,753
Employee Benefit Liabilities	50,520	37,605
Interest bearing loans and borrowings	1,081,407	1,032,188
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,097,499</b>	<b>4,655,546</b>
<b>NON CURRENT LIABILITIES</b>		
Trade and other payables	1,669,130	669,511
Provision for rehabilitation	1,078,987	1,078,987
Interest bearing loans and borrowings	30,301	34,507
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>2,778,418</b>	<b>1,783,005</b>
<b>TOTAL LIABILITIES</b>	<b>5,875,917</b>	<b>6,438,551</b>
<b>NET ASSETS</b>	<b>17,017,412</b>	<b>17,845,780</b>
<b>EQUITY</b>		
Issued capital	38,960,275	38,960,275
Reserves	2,905,920	2,463,505
Accumulated losses	(24,848,783)	(23,578,000)
<b>TOTAL EQUITY</b>	<b>17,017,412</b>	<b>17,845,780</b>

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

**Amount repayable in one year or less, or on demand**

<b>As at 30 September 2016 (Unaudited)</b>		<b>As at 30 June 2016 (Audited)</b>	
<b>Secured A\$</b>	<b>Unsecured A\$</b>	<b>Secured A\$</b>	<b>Unsecured A\$</b>
977,617	1,693,273	1,014,494	3,139,156

**Amount repayable after one year**

<b>As at 30 September 2016 (Unaudited)</b>		<b>As at 30 June 2016 (Audited)</b>	
<b>Secured A\$</b>	<b>Unsecured A\$</b>	<b>Secured A\$</b>	<b>Unsecured A\$</b>
30,301	1,669,130	34,507	669,511

**Details of any collateral**

The secured borrowings comprised (a) finance lease liabilities of A\$47,488 (30 June 2016: A\$51,694), 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\$960,430 as of 30 September 2016 (30 June 2016: A\$997,307) which is secured by the S\$1.03 million term deposit which is valued at A\$989,243 as at 30 September 2016.

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**

	<b>For 3-months Ended 30 September</b>	
	<b>2016</b>	<b>2015</b>
	<b>Unaudited A\$</b>	<b>Unaudited A\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received	223	10,199
Interest paid	(4,295)	(7,428)
Income Received	-	645,020
Payments to suppliers and employees	(779,425)	(437,431)
<b>NET CASH FLOWS USED IN OPERATING ACTIVITIES</b>	<b>(783,497)</b>	<b>(210,360)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for mine development	-	(639,730)
Purchase and refurbishment of plant & equipment	(2,177)	(190,453)
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(2,177)</b>	<b>(830,183)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment to finance lease principle	(4,206)	(4,126)
Payments of insurance premium loan principle	(39,788)	(26,111)
Loan drawdowns	125,883	-
Repayment of unsecured loan	(231,422)	-
<b>NET CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES</b>	<b>(149,533)</b>	<b>(30,237)</b>
Net decrease in cash and cash equivalents	(935,207)	(650,060)
Cash and cash equivalents at beginning of year	5,389,663	3,856,137
Net foreign exchange difference on cash balances	(167,149)	110,913
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<b>4,287,307</b>	<b>3,316,990</b>

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\$
<b>(Unaudited)</b>				
Balance as at 1 July 2015	34,011,266	2,463,505	(19,495,906)	16,978,864
Loss for the 1Q FY2016	-	-	(524,933)	(524,933)
Total comprehensive loss for the 1Q FY2017	-	-	<b>(524,933)</b>	<b>(524,933)</b>
<b>Balance as at 30 September 2015</b>	<b>34,011,266</b>	<b>2,463,505</b>	<b>(20,020,839)</b>	<b>16,453,931</b>
<b>(Unaudited)</b>				
Balance as at 1 July 2016	38,960,275	2,463,505	(23,578,000)	17,845,780
Loss for the 1Q FY2017	-	-	(1,270,783)	(1,270,783)
Total comprehensive loss for the 1Q FY2017	-	-	<b>(1,270,783)</b>	<b>(1,270,783)</b>
<u>Equity Transactions:</u>				
Parent equity contributions – interest free loan	-	442,415	-	442,415
<b>Balance as at 30 September 2016</b>	<b>38,960,275</b>	<b>2,905,920</b>	<b>(24,848,783)</b>	<b>17,017,412</b>

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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.**

	<b>Number of ordinary shares</b>	<b>Share Capital A\$</b>
As at 30 June 2016 and 30 September 2016	480,763,760	38,960,275

The Company had on 16 June 2014, adopted the Alliance Employee Share Option Scheme (“**Scheme**”). As at 30 September 2015 (“**1Q FY2015**”) and as at the date of this announcement, no options has been granted under the Scheme.

There were no other outstanding convertibles as at 30 September 2015 and 30 September 2016.

The Company did not have any treasury shares as at 30 September 2015 and 30 September 2016.

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

The total number of issued ordinary shares was 480,763,760 as at 30 September 2016 and 480,763,760 as at 30 June 2016.

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

**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.



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**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

Except as disclosed in paragraph 5 below, the Company has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the most recently audited financial statements for the financial year ended 30 June 2016.

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

The Company adopted a number of new International Financial Reporting Standards ("IFRS"), amendments to standards and interpretations that are relevant to its operations and which 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 30 September	
	2016 (Unaudited)	2015 (Unaudited)
Basic and diluted loss per share (AU cents)	(0.3) <sup>(1)</sup>	(0.1) <sup>(1)</sup>
Loss for the period attributable to owners of the Company (A\$)	<u>(1,270,783)</u>	<u>(524,933)</u>
Number of weighted ordinary shares used in calculating basic and diluted loss per share for the financial period	<u>480,763,760</u>	<u>393,930,427</u>

Note:

- (1) The basic and diluted loss per share for the 3-month financial period ended 30 September 2016 and 30 September 2015 were the same as there were no potentially dilutive ordinary shares in issue as at 30 September 2016 and 30 September 2015.

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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.**

	<b>As at</b>	
	<b>30 September 2016 (Unaudited)</b>	<b>30 June 2016 (Audited)</b>
Net asset value per ordinary share based on issued share capital (AU cents)	3.5	3.7
Net asset value as at the end of the respective financial periods (A\$)	17,017,412	17,845,780
Number of ordinary shares as at the end of the respective financial periods	480,763,760	480,763,760

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

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

**3-months ended 30 September 2016 ("1Q FY2017") vs. 3-months ended 30 September 2015 ("1Q FY2016")**

**Review of the Income Statement**

Revenue

There was no revenue in 1Q FY2017 and 1Q FY2016 as we had not commenced commercial production and sale of Tantalite concentrate.

Interest income

Interest income had decreased by A\$9,976 from A\$10,199 in 1Q FY2016 to A\$223 in 1Q FY2017 due to a decrease in interest rates and cash held in interest earning bank accounts.

Gain on foreign exchange

The loss on foreign exchange of A\$167,149 in 1Q FY2017 (1Q FY2016: A\$110,913 gain) is mainly due to a loss on foreign exchange movement on translation of our Singapore dollar bank balance to Australian dollars and the strengthening of the Australian dollar exchange rate.

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#### Accounting and audit expenses

Accounting and audit expenses was A\$42,125 in 1Q FY2017 as compared to an income of A\$1,560 in 1Q FY2016. The aforesaid income was due to a reversal of A\$1,560 in accounting and audit expenses in 1Q FY2016 as a result of prior year overprovision of accounting and audit expenses associated with the FY2015 audit.

#### Administrative expenses

Administrative expenses increased by A\$81,414 or 48% from A\$169,568 in 1Q FY2016 to A\$250,982 in 1Q FY2017 mainly due to an increase investor and regulatory costs, namely secretarial-related, sponsor fees and related listing costs and an increase in international travel expenses, related to the Proposed Transaction and costs associated with the equity fund raising placement exercise.

#### Employee salaries and other benefits

Employee salaries and other benefits of A\$80,378 in 1Q FY2017 decreased from A\$164,541 in 1Q FY2016 mainly due to a reduction in full time employees of the Company.

#### Site operating costs

Site operating costs of A\$515,108 in 1Q FY2017 relates to costs incurred to maintain the Bald Hill Mine Site (which was previously capitalised) as the Company is now focussed on lithium exploration as prescribed under the on-going Proposed Transaction with Lithco.

#### Tenement expenses

Tenement expenses are nil in 1QFY2017 as these costs incurred are now classified as site operating costs.

#### Depreciation expense

Depreciation expense increased by A\$320,510 from A\$12,034 in 1Q FY2016 to A\$332,544 in 1Q FY2017 as depreciation expense relating to property, plant and equipment at the Bald Hill Mine Site was previously capitalised and is now being expensed as the Company is now focussed on lithium exploration as prescribed under the on-going Proposed Transaction with Lithco.

#### Loss before income tax

In view of the foregoing, loss before taxation increased by A\$745,850 from A\$524,933 in 1Q FY2017 to A\$1,270,783 in 1Q FY2017.

### **Review of the Financial Position of the Group**

#### Non-current assets

As at 30 September 2016, our non-current assets of A\$16,393,408 accounted for approximately 72% of our total assets. Our non-current assets comprised of property, plant and equipment and mine development.

Property, plant and equipment decreased by A\$330,368 to A\$13,305,390 mainly due to depreciation of \$320,713 which has been expensed as site operating expenses.

#### Current assets

As at 30 September 2016, our current assets of A\$6,499,921, represents 28% of our total assets. Our current assets consist of cash and cash equivalents and other receivables and other current assets.

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Cash and cash equivalents of A\$4,287,307 decreased by A\$1,102,356 due to expenditure relating to the maintenance of the Bald Hill Mine, repayment of the loan from Living Waters Mining (as further elaborated herein) and associated administration overheads.

Other receivables decreased by A\$47,921 to A\$2,099,724 mainly as a result of the decrease of net goods and services tax refund and fuel tax credit, and foreign exchange loss on the Singapore dollar term deposit.

Other current assets comprise prepayments of A\$112,890 represents insurance premium prepaid and expensed over the period of insurance cover.

#### Non-current liabilities

As at 30 September 2016, our non-current liabilities of A\$2,778,418 represented 47% of our total liabilities. Our non-current liabilities relate 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 (Australia) Pty Ltd ("**LWM**") of A\$1,669,130 ("**Living Waters Loan**") is \$999,619 higher due to the amortisation of the nominal interest and the re-classification of a portion to non-current liabilities during the year in accordance with its repayment terms following the revised payment terms agreed between the Company and LWM on 5 September 2016 ("**Agreement**").

Provision for rehabilitation of A\$1,078,987 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\$30,301, decreased slightly from A\$34,507 as at 30 June 2016 due to repayments of the principal amount of the finance leases for vehicles.

#### Current liabilities

As at 30 September 2016, our current liabilities of A\$3,097,499, representing 53% of our total liabilities comprised trade and other payables, employee benefit liabilities and interest bearing loans and borrowings.

Trade and other payables decreased by A\$1,620,181 to A\$1,965,572 mainly attributable to the reclassification of a significant portion of the Living Waters Loan from Current Liabilities to Non-Current Liabilities in accordance with its repayment period and a reduction in trade payables due to the reduction in activity pursuant to the Lithco Transaction (as defined herein).

Employee benefit liabilities increased by A\$12,915 to A\$50,520 as a result of annual leave accruals for our employees.

Interest bearing loans and borrowings, amounting to A\$1,081,407 as at 30 June 2016, increased by A\$49,219 mainly due to the increase of insurance premium funding in line with the insurance program renewal.

#### Shareholders' equity

As at 30 September 2016, our Shareholders' equity amounted to A\$17,017,412 comprising A\$38,960,275 of issued share capital, A\$2,229,237 of parent equity contribution, A\$676,683 of share based payment reserve and A\$24,848,783 of accumulated losses. Parent equity contribution increased during the period as a result of the Agreement which provides for new repayment terms relating to a portion of the Living Waters Loan that was due and payable as at 30 June 2016.

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## **Review of the Cash Flow Statement of the Group**

In 1Q FY2017, we recorded a net cash outflow from operating activities of A\$783,497 which comprised payments made to suppliers mainly for corporate administration and Bald Hill site maintenance expenses and employees of A\$779,425, interest paid on finance lease of A\$4,295 and interest received of A\$223.

Net cash outflow from investing activities amounted to A\$2,177, which was attributable to purchases of property, plant & equipment.

Net cash outflow from financing activities amounted to A\$149,533 which were as a result of receipt from insurance premium funding of \$125,883, payment in insurance premium funding of A\$39,788, repayment of hire purchase of A\$4,206 and repayment of Living Waters Loan of \$231,422 in accordance with revised repayment terms pursuant to the Agreement.

As at 30 September 2016, our cash and cash equivalents amounted to A\$4,287,307.

### **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 2016 ("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 3Q FY2016 as noted in our 1QFY2016 Financial Results. However, the full scale mining and 24-hour production did not commence in 3Q FY2016 mainly due to the current depressed spot prices for Tantalum Concentrate and hence, the Company has suspended commercial tantalum mining and production.

In an article published by The Edge Singapore dated 26 September 2016, it was mentioned that (i) "*Now, by producing lithium and tantalum concurrently, AMA expects to be able to operate profitably despite the steep fall in the price of tantalum.*"; (ii) "*The additional revenue that AMA could now generate from the sale of lithium would make its mining operation profitable, even with the current low tantalum prices.*"; and (iii) "*...AMA is not likely to begin producing lithium until late 2017...will only see a boost in profitability from lithium production in FY2018, at the earliest.*"

As per the news release on the 30<sup>th</sup> September 2016, metallurgical testwork have been very encouraging with excellent spodumene recovery and concentrate grades. The early results demonstrates that future Bald Hill spodumene concentrates have the potential to be a medium to high grade marketable product. Bald Hill is already noted for its track record of producing premium tantalum concentrates. Current spodumene prices have surged while tantalum prices have remained depressed. Exploration drilling on lithium has commenced on the Bald Hill Mine Site. The Company has yet to commence commercial production of tantalum and lithium and will keep shareholders updated in relation thereto.

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

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**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.**

Tantalum Concentrate spot prices still remain depressed and this could impact cash flow and revenue received from initial sales. The decision to move forward with commercial Tantalum production involves large expenditure commitments (to recommence mining and 24-hour plant production). Consequently, the Company has decided to postpone commercial mining and production. Even with the ability to command a premium above spot prices of Tantalum Concentrate, the Company is seeking opportunities to expand into other commodities and not be just a “tantalite producing” operation.

Due to current economic conditions, greater importance is now being placed on the capturing of the other minerals inherent in our ore to produce additional revenue streams in the short term or to move the project into further expansion or vertical integration activities (ie. refining) in the long term.

Out of the various minerals inherent in our ore, lithium has been the most outstanding mineral with current lithium prices increasing exponentially compared to other commodity prices. This has prompted the expedition of investigations into the lithium potential of the Bald Hill Project as referenced in the Company’s response to SGX queries announced on 23 February 2016. Various exciting opportunities have been identified and the exploitation of this potential will be investigated thoroughly.

Lithium is present in our ore in the form of Spodumene or  $\text{LiAl}(\text{SiO}_3)_2$ . A clear indication of this mineral was observed during the processing of our Tantalum concentrate which further work is required to isolate and commercialise the mineral. As well as seeing Spodumene in our concentrate, metallurgical tests has confirmed that it is present in the tailings that is being produced during Tantalum production. From previous historical production there is a significant tailings resource available which further work will be needed to assess whether we can cost effectively re-process the tailings and capture the Spodumene.

During commissioning, a 6.7% Spodumene concentrate was produced as a by-product of our tantalite production. The Spodumene was sent to commence early discussions with potential off-take partners and initial test work by them have received favourable comments rating our product as potentially superior to other Australian producers.

As previously announced on 23 November 2015, the Company is constantly on the lookout for opportunities to develop our business and to continually deliver value to shareholders through a combination of initiatives, including but not limited to joint ventures, merger, acquisitions or purchase or sale of significant assets.

On 3 June 2016, the Company announced the execution of a binding term sheet with Lithco for a Farm-In and Joint Venture arrangement with respect to the Company’s Bald Hill project in Western Australia. Refer to the Background section for further detail.

Shareholders should note that as at the date of this announcement, the definitive agreements in respect of the Proposed Transaction have not been executed and as mentioned in the Company’s announcement dated 3 November 2016, the Company endeavours to enter into the definitive agreements by 31 January 2017. Nonetheless, as per the news release disseminated on the 3 October 2016, metallurgical and engineering work has already commenced. Exploration drilling for lithium has commenced on the Company tenements.

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

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**11. If a decision regarding dividend has been made:-**

- (a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

No dividend has been declared for 1Q FY2017.

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

Not applicable.

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

None.

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

Not applicable.

- (d) The date the dividend is payable.**

Not applicable.

- (e) Book closure date**

Not applicable.

**12. If no dividend has been declared/recommended, a statement to that effect**

No dividend has been declared or recommended for 1Q FY2017.

**13. If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Company does not have a general mandate for recurrent interested person transactions. There were no new interested person transactions which were S\$100,000 or more entered into during the financial period reported on.

**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).**

We confirm that we have procured undertakings from our Directors, namely Pauline Gately, Suen Sze Man, Ong Kian Guan and Mahtani Bhagwandas and executive officers, namely Tjandra Pramoko and Fiona Mun Ni Leaw as required under Rule 720(1).

**15. Use of Proceeds**

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:

<b>Use of Proceeds<sup>(1)</sup></b>	<b>Amount Allocated (A\$'000)</b>	<b>Amount Utilised (A\$'000)</b>	<b>Amount Unutilised (A\$'000)</b>
Exploration and drilling	1,028	197	831
Internal scoping study	428	300	128
Development of mining deposits	428	335	93
Working capital <sup>(2)</sup>	4,723	4,723	-
Listing expenses	1,962	1,962	-
<b>Total</b>	<b>8,569</b>	<b>7,456</b>	<b>1,052</b>

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

Use of Placement Proceeds

The net proceeds from the placement, which was completed on 30 June 2016, was approximately A\$4.9 million ("Placement") ("Net Proceeds"). As at the date of this announcement, the Net Proceeds have been utilised as follows:

<b>Use of Proceeds</b>	<b>Amount allocated A\$'000</b>	<b>Amount utilised A\$'000</b>	<b>Amount Unutilised A\$'000</b>
General working capital purposes <sup>(1)</sup>	4,949	929	4,020
<b>Total</b>	<b>4,949</b>	<b>929</b>	<b>4,020</b>

Notes:

- (1) A breakdown on the utilisation for general working capital purposes is as follows:

	<b>A\$'000</b>
Payments to suppliers and employees	654
Repayment of Living Water Loan, leases and insurance premium funding	275
<b>Total</b>	<b>929</b>

The above utilisation are in accordance with the intended use of the Net Proceeds, as stated in the Company's announcement dated 6 June 2016.

## **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:-**

For the quarter ended 30 September 2016 ("1Q FY2017"), funds / cash were mainly used for the following activities:-

<b>Purpose</b>	<b>Amount (A\$) Projected Usage</b>	<b>Amount (A\$) Actual Usage</b>
Corporate administrative expenses	250,000	250,981
Mine Development Costs	300,000	-
<b>Total</b>	<b>550,000</b>	<b>250,981</b>



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**Explanation for the variances:**

Mine development was lower than forecast of A\$300,000 for the period as mine development relating to tantalum production was suspended and the costs incurred in relation to maintaining the good standing of the mine assets, were expensed as site operating expenses as the focus was on progressing the Proposed Transaction with Lithco.

Administrative expenses were comparable to forecast.

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

For the next immediate quarter (financial period from 1 October 2016 to 31 December 2016 ("2Q FY2017")), the Company's use of funds/cash for development activities are expected to be as follows:-

<b>Purpose</b>	<b>Amount (A\$)</b>
Corporate administrative expenses	300,000
Site operating expenses	300,000
<b>Total</b>	<b>600,000</b>

For the avoidance of doubt, such project of funds/cash does not include any expenditure which is to be incurred by Lithco if the Proposed Transaction is approved and completed within 1Q FY2017.

**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 suspended the commissioning of its Bald Hill facility during the quarter ended 30 September 2016 and has expended A\$515,108 on site operating expenses to maintain the assets in good standing. During the quarter ended 30 September 2016, Lithco had commenced metallurgical test work for Lithium mineral spodumene and early analysis of results indicate high grade concentrates can be achieved by gravity at a coarse crush size, indicating a simple low cost process.

**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 12 August 2016.

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**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 30 September 2016 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  
10 November 2016