

ALLIANCE MINERAL ASSETS LIMITED

(Company Registration Number: ACN 147 393 735)
(Incorporated in the Australia on 6 December 2010)

PROPOSED PLACEMENT OF 83,500,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT S\$5,010,000 FOR EACH PLACEMENT SHARE (THE “PLACEMENT”)

1. INTRODUCTION

- 1.1 The board of directors (“**Board**” or “**Directors**”) of Alliance Mineral Assets Limited (the “**Company**”) refers to the announcement of the Company dated 3 June 2016 in relation to the binding conditional terms sheet (“**Binding Term Sheet**”) entered into with Lithco No. 2 Pty Ltd (“**3 June Announcement**”). Further to the 3 June Announcement, the Board wishes to announce that the Company has, on 3 June 2016, entered into an engagement letter (“**Placing Agreement**”) with Canaccord Genuity (Australia) Limited (“**Lead Manager**”) for the procurement by the Lead Manager, on a best efforts basis, placement of new fully paid-up ordinary shares issued in the capital of the Company to approximately S\$5,000,000 million.
- 1.2 As at 5 June 2016, confirmed subscriptions to the Placement amounted to S\$5,010,000 (equivalent to approximately A\$4,994,469) (“**Gross Proceeds**”) comprising subscription to an aggregate of 83,500,000 new ordinary shares (“**Placement Shares**”) in the capital of the Company to be issued at an issue price of S\$0.06 per Placement Share (“**Placement Price**”).
- 1.4 The Placement is undertaken in fulfilment of the condition precedent to the execution of the Binding Definitive Agreements (as defined in the 3 June Announcement) with Lithco No. 2 Pty Ltd (“**Lithco**”), pursuant to the Binding Term Sheet. The Lead Manager is a shareholder of Lithco.

2. TERMS OF THE PLACEMENT

2.1 Placement Price

The Placement Price represents a discount of approximately 4.83% to the volume weighted average price per Share of S\$0.0629 for trades done on the SGX-ST on 31 May 2016, being the last full market day prior to the date on which the Placing Agreement was entered into.

2.2 Placement Shares

The Placement Shares will be allotted and issued pursuant to the Constitution of the Company and pursuant to the general share issue mandate (“**General Mandate**”) granted by the shareholders of the Company to the Directors under Rule 806(2) of the Listing Manual Section B: Rules of Catalist of the SGX-ST (“**Catalist Rules**”), by way of an ordinary resolution passed at the annual general meeting of the Company on 30 October 2015 (“**AGM**”).

2.3 Commission

A placement commission of S\$200,000, being 3.99% of the Gross Proceeds raised from the Placement, will be payable to the Placement Agent on the Completion Date (as defined herein). This will be paid through the allotment and issue of fully paid ordinary shares in the capital of the Company at the Placement Price per share and within the limits of the General Mandate (“**Commission Shares**”). Accordingly, no part of such said commission will be shared by any subscribers to the Placement.

2.4 General Mandate

As at the date of the AGM, the issued and paid-up share capital of the Company (excluding treasury shares) (the “**Existing Share Capital**”) comprised 393,930,427 shares issued in the capital of the Company (“**Shares**”). According to the terms of the General Mandate, the aggregate number of Shares to be issued shall not exceed 100% of the Existing Share Capital of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to existing shareholders of the Company shall not exceed 50% of the Existing Share Capital. The Company does not have any treasury shares.

As no Shares were previously issued under the General Mandate prior to the Placement,, the total number of Shares that may be issued under the Generate Mandate is 393,930,427 of which the maximum number of Shares that may be issued other than on a *pro-rata* basis is 196,965,213. The proposed allotment and issuance of the Placement Shares and Commission Shares, i.e. an aggregate of 86,833,333 Shares (“**New Shares**”), are within the limits of the General Mandate.

As at the date of this announcement, the Placement Shares and Commission Shares represent approximately 21.2% and 0.85% respectively of the Company’s Existing Share Capital, and approximately 17.37% and 0.69% respectively of the Company’s enlarged share capital comprising 480,763,760 Shares (“**Enlarged Share Capital**”), assuming all the New Shares have been issued. In aggregate, the Placement Shares and Commission Shares represent approximately 22.04% and 18.06% of the Existing Share Capital and the Enlarged Share Capital respectively.

2.5 Condition to completion of Placement

The completion of the Placement shall be conditional upon obtaining the Required Approvals (as defined in the 3 June Announcement).

3. **RATIONALE FOR PLACEMENT AND USE OF PROCEEDS**

- 3.1 The estimated net proceeds from the Placement, after deducting expenses incurred in connection with the Placement, is expected to be approximately S\$4,910,000 million or approximately A\$4,894,779¹ million (“**Net Proceeds**”).
- 3.2 As at 31 March 2016, the Group had an unaudited net cash balance of A\$1,705,704 and negative working capital of A\$435,176. In connection with paragraph 1.4 above, the Placement is undertaken to strengthen the Company’s balance sheet and introduce investors who are excited with the Bald Hill joint venture (“**Joint Venture**”) and the invigorated exploration program over the period to 31 December 2017, further details are set out in the 3 June Announcement.
- 3.3 The Company intends to use the Net Proceeds for general working capital purposes of the Group which includes funding the Company’s share of expenditure in relation to the Joint Venture.
- 3.4 The Company will make periodic announcements as and when the net proceeds from the Placement are materially disbursed and whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of the Net Proceeds raised from the Placement in the Company’s interim and full year financial statements and the Company’s annual report. Where the Net Proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the announcements and the status report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

- 3.5 Pending the deployment of the proceeds from the Placement, such proceeds may be placed as short term deposits with financial institutions and/or invested in short term money markets or debt instruments or for any other purposes on a short term basis as the Directors may in their absolute discretion deem fit, from time to time.
- 3.6 The Directors are of the opinion that, after taking into consideration the Group's present banking facilities and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

4. FINANCIAL EFFECTS OF THE PLACEMENT

- 4.1 For illustrative purposes only and based on the audited consolidated financial statements of the Group for the financial year ended 30 June 2015 ("FY2015"), the financial effects of the Placement (including the issuance of the Commission Shares) on (i) the net asset value ("NAV") per Share of the Group (assuming that the Placement and the issuance of the Commission Shares had been completed on 30 June 2015); and (ii) the loss per Share ("LPS") of the Group (assuming that the Placement and the issuance of the Commission Shares had been completed on 1 July 2014), are as follows:

	<u>Before the Placement</u>	<u>After the Placement</u>
NAV per Share (Australia cents)	4.31	4.57
Number of Shares excluding treasury shares at the end of FY2015 for calculating NAV per Share	393,930,427	480,763,760
LPS (Australia cents)	2.74	2.24
Weighted average number of Shares for calculating LPS	393,930,427	480,763,760

- 4.3 The financial effects of the Placement on the Group are for illustrative purposes only and are, therefore, not indicative of the actual financial performance or position of the Group after the completion of the Placement.

5. NO PROSPECTUS, OFFER DOCUMENT OR OFFER INFORMATION STATEMENT TO BE ISSUED

The Placement will be undertaken in Australia and wholly outside Singapore to investors wholly outside Singapore, relying on the Australian Private Placement Exemptions, by way of offering to professional investor(s) under section 708(11) of the Corporations Act, or sophisticated investor(s) under section 708(8) or section 708(10) of the Corporations Act.

No prospectus, offer document or offer information statement will be lodged with the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore in connection with the Placement.

6. ADDITIONAL LISTING APPLICATION

The sponsor of the Company, PrimePartners Corporate Finance Pte. Ltd. ("**Sponsor**"), will be making an additional listing application for and on behalf of the Company to the SGX-ST for the listing and quotation of the Placement Shares on the Catalist board of the SGX-ST

("Application"). The Company will make the necessary announcement upon receipt of the approval in-principle from the SGX-ST for the listing and quotation of the Placement Shares.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- 7.1 The Placement Shares will not be placed out to any person who is a Director or a substantial shareholder of the Company or any person who falls within the categories set out in Rule 812(1) of the Catalist Rules.
- 7.2 None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Placement (other than arising from their shareholdings in the Company, if any).
- 7.3 The Placement would not result in any transfer of controlling interest in the Company (without prior approval of shareholders in general meeting) as set out in Rule 803 of the Catalist Rules.

7. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Placing Agreement is available for inspection during normal business hours at the registered office of the Company for a period of three (3) months commencing from the date of this Announcement.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Placement, the Company and its subsidiaries and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

9. TRADING CAUTION

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders of the Company are advised to refrain from taking any action in respect of their securities in the Company that may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

All exchange rates used herein are based on A\$1 : S\$ 0.9969.

BY ORDER OF THE BOARD

Suen Sze Man
Executive Director
6 June 2016

Alliance Mineral Assets Limited (the "**Company**") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 25 July 2014. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**" or "**PPCF**").

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents 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.