



ALLIANCE MINERAL  
ASSETS LIMITED

# Australian Lithium & Tantalum Producer

## EXTRAORDINARY GENERAL MEETING PRESENTATION



11 JULY 2019

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# Company Highlights - January to June 2019



## Operations

- Steady production; upper end of guidance with 78,937t (6% Li<sub>2</sub>O equivalent)
  - March Quarter 38,291t lithium concentrate at 6.10% Li<sub>2</sub>O and 34,380Lbs of Ta<sub>2</sub>O<sub>5</sub>
  - June Quarter<sup>1</sup> 38,717t lithium concentrate at 6.20 Li<sub>2</sub>O and 35,970Lbs Ta<sub>2</sub>O<sub>5</sub>
  - 63,000t shipped in half year to June 2019: 58,000t to Jiangxi Bao Jiang Lithium Industrial Limited (**JBIL**)<sup>2</sup>; and 5,000t trial shipment to a third party
- Bald Hill gaining strong reputation for premium quality concentrate
- Resource and exploration drilling recommenced; significant targets defined

## Optimisation Projects

- Fines circuit engineering well advanced
- Fines circuit long lead mechanical equipment and tails thickener ordered
- Pilot testwork to remove tantalum from lithium concentrate (T3) completed successfully
- Stage 2 tailings facility construction 95% completed

## Corporate

- MOU signed with Jiangxi Special Electric Motor Co. Ltd for a downstream joint venture to produce lithium hydroxide and carbonate<sup>3</sup>
- Negotiations continue with other prospective offtake customers for limited remaining uncommitted production

1. Refer Alliance ASX & SGX announcement 11/07/2019

2. JBIL is a JV between Burwill Lithium Company Limited and lithium industry specialist Jiangxi Special Electric Motor Co. Ltd

3. Refer Alliance ASX & SGX announcement 29/04/2019

# Company Outlook - 2H 2019



## Operations

- July to Dec 2019 Production guidance: 65,000t to 80,000t of spodumene concentrate, in line with Jan to June 2019 guidance
- Waste strip ratio to reduce from 12.1:1 to 8.4:1 and will further reduce for the half year ending June 30, 2020
- Reserve upgrade expected
- Infill drilling reducing and step-out drilling increasing

## Optimisation Projects

- Commencement of fines circuit construction
- Commencement of T3 tantalum circuit construction
- Commissioning of tailings storage facility
- Expansion of on-site camp capacity

## Corporate

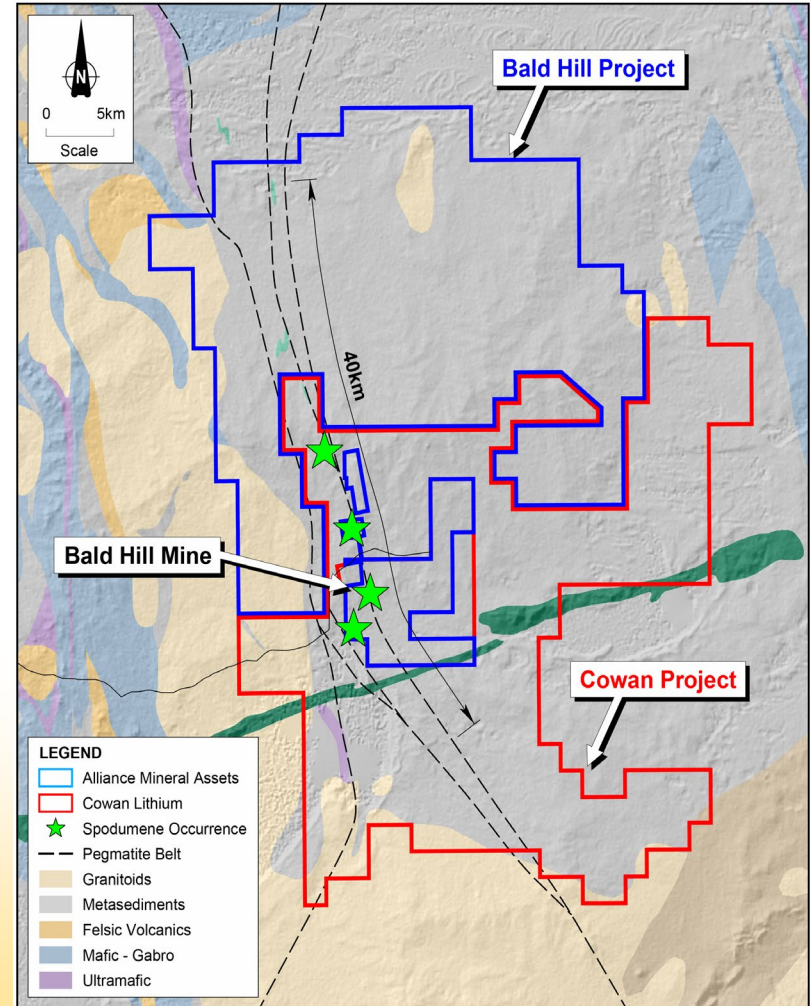
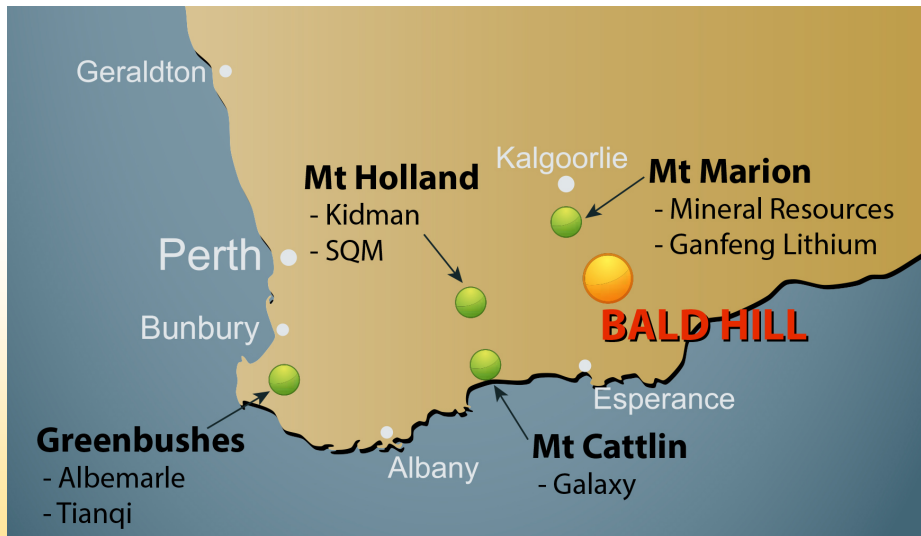
- Completion of Hydroxide JV documentation. The parties are in the process of finalising negotiations
- Completion of off-take negotiations with other parties



# Bald Hill Lithium & Tantalum Mine - Overview



- Alliance owns 100% of the Bald Hill Lithium & Tantalum Mine (**Bald Hill Mine** or **Project**)
- The Bald Hill Mine:
  - Is located 130km from Kalgoorlie, Western Australia
  - Comprises 769km<sup>2</sup>
  - Produces a premium (high Li, low Fe & fines) lithium product
  - Produces a premium (high Ta, non class 7) tantalum product
  - Boasts standout metallurgy – simple processing



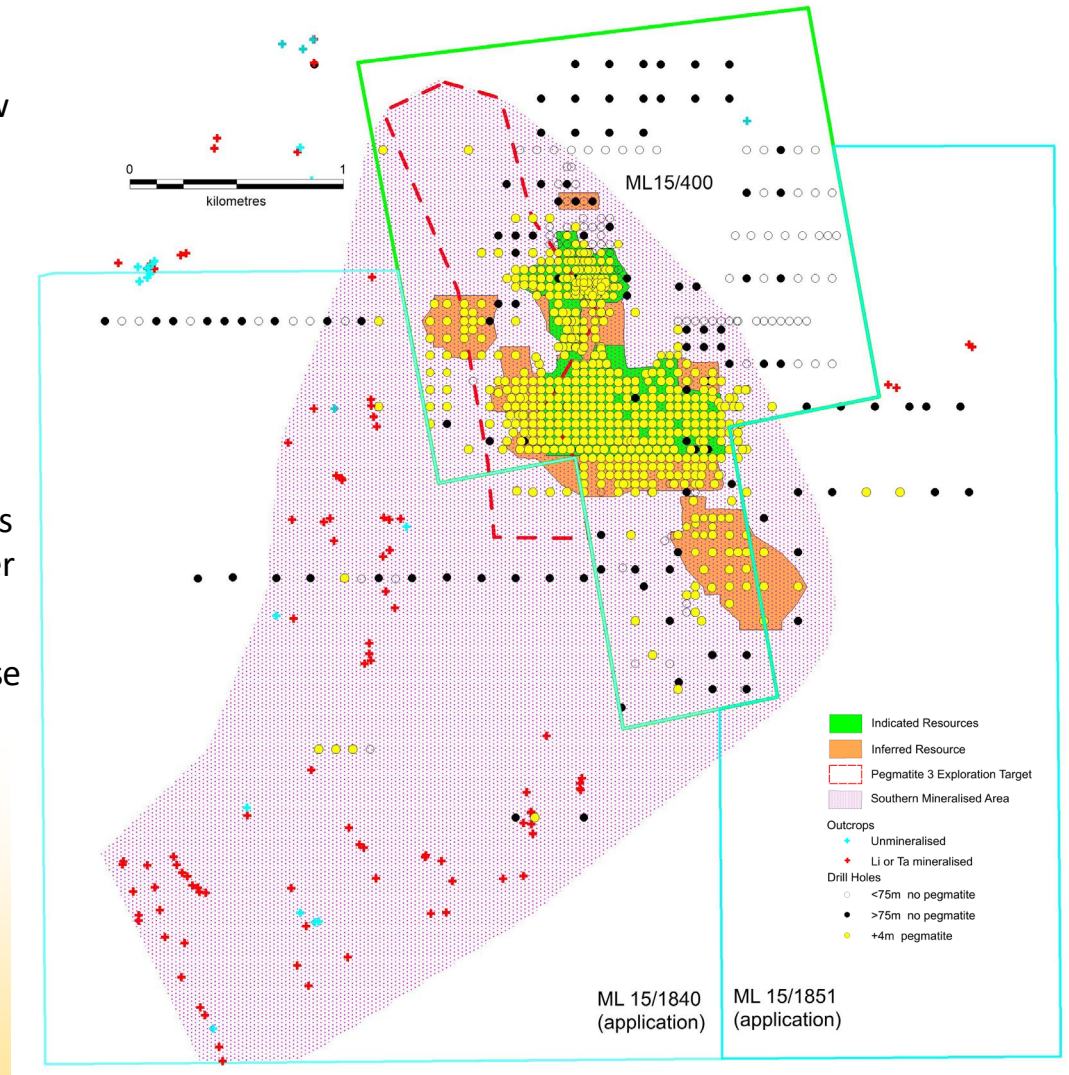
# Bald Hill Exploration



- Considerable drilling undertaken over past few months. Latest results to be published in upcoming quarterly report.
- Exploration drilling in early 2019 showed further evidence of extensive mineralised pegmatite body<sup>1</sup>.

## Exploration Strategy

- Infill drilling to increase resource confidence as a pre-cursor to reserve estimates in September 2019 and again in 1H 2020
- Step out drilling to significantly grow resource base
- Drilling of untested, shallow targets
- Overall strategy to significantly increase resource base to allow for longer term mine planning

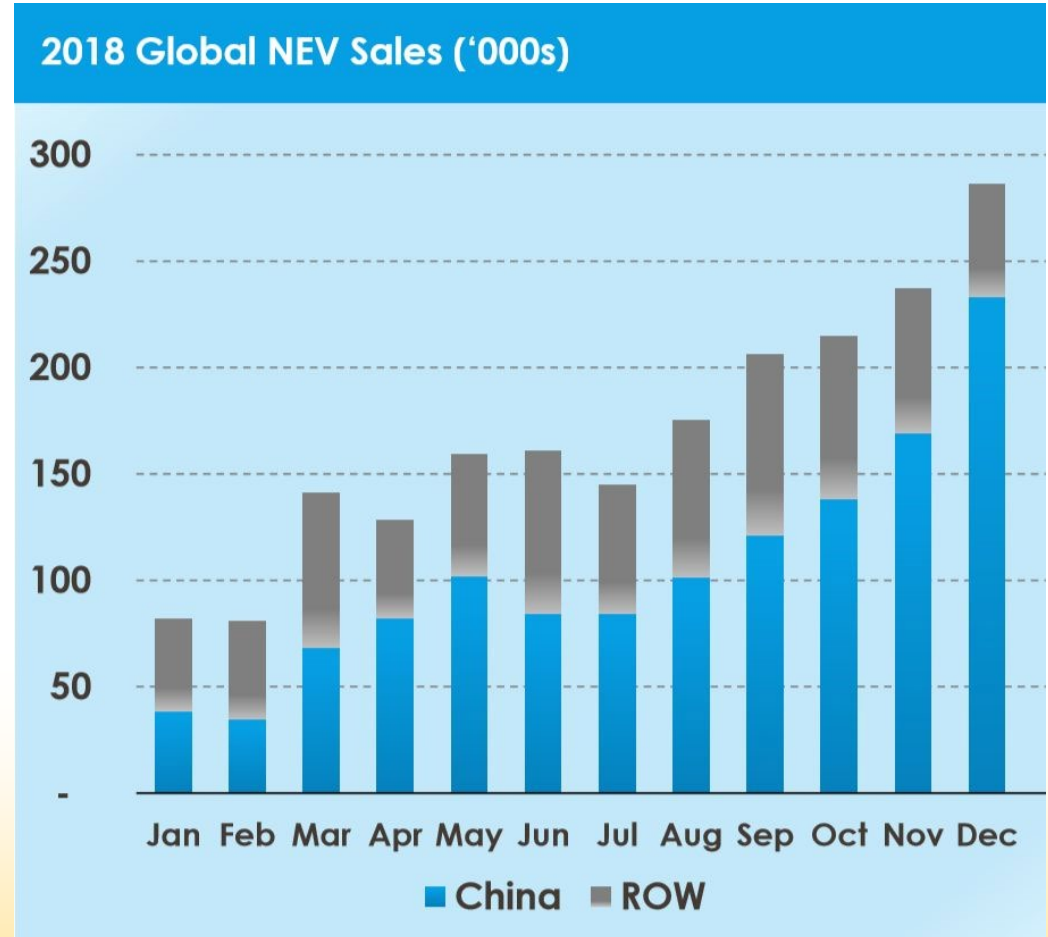


<sup>1</sup> Refer Alliance ASX & SGX announcement 10/05/2019

# Lithium market trends



- NEVs\* dominate lithium demand
- China dominates the NEV market
- Global growth in electric vehicles has been strong, +2 million vehicles in 2018:
  - 61.5% increase for China from 2017
  - 69.6% increase for the rest of the world
- Chinese government subsidies continue to reduce
- Battery manufacturing capacity to increase well ahead of demand with a 400% increase expected over next 5 years
- Energy storage sector growth expected to play meaningful role to lithium demand



Source: Galaxy Resources Limited ASX announcement 28 May 2019

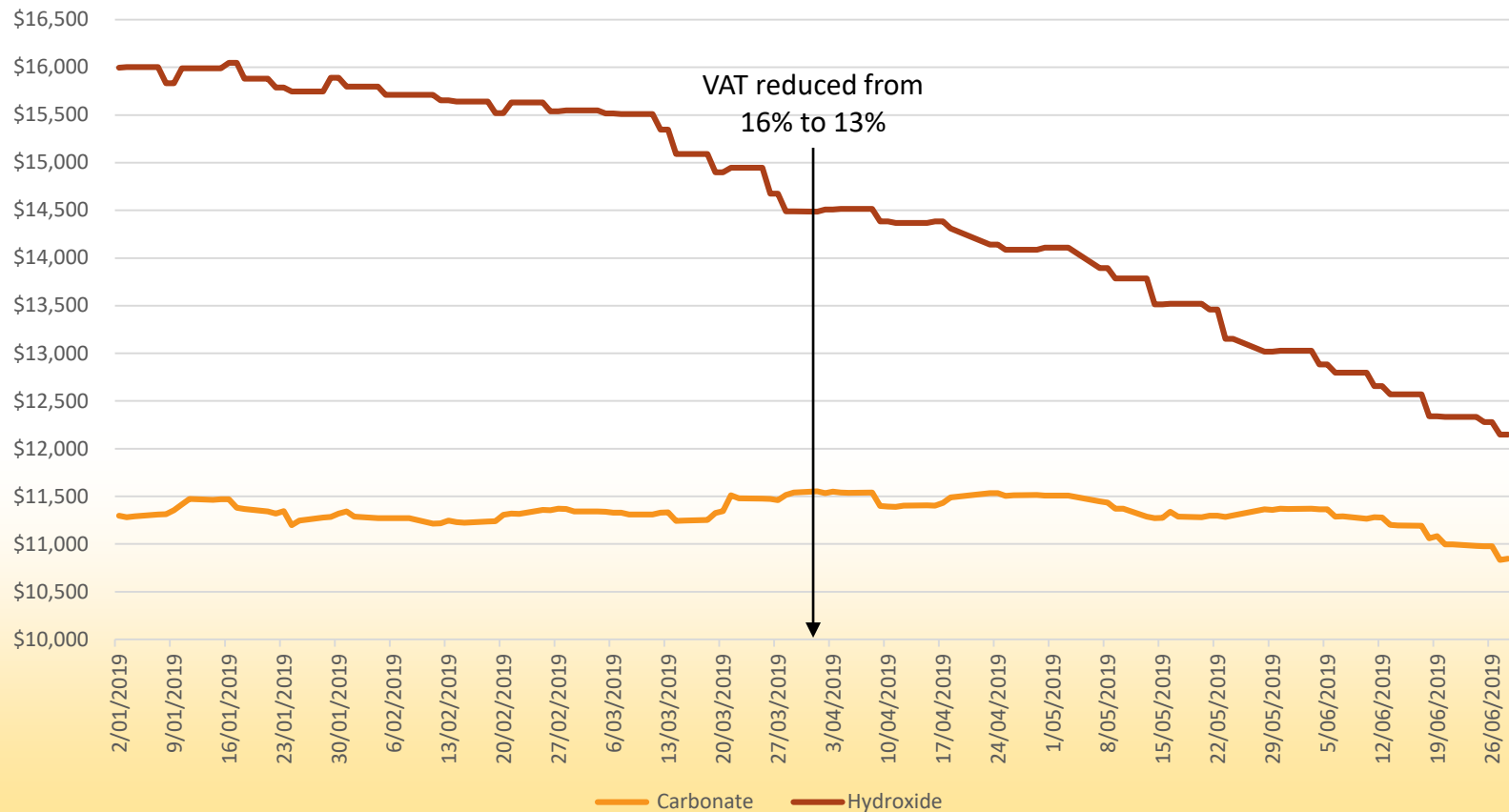
\*NEV = New Energy Vehicles, both Battery and Hybrid

# Lithium market trends – Cathode materials



- Despite strong performance for NEV sales, battery grade lithium carbonate and lithium hydroxide demand has apparently been soft and oversupply has been persistent.
- Lithium carbonate prices have been reasonably stable and hydroxide prices have been falling.

6 month China ex-works Lithium Carbonate and Lithium Hydroxide Prices Incl. VAT as US\$/t



Source: Independent market price consultant



# Summary



- Bald Hill Mine producing consistently
- Targeting a repeat of 65,000t to 80,000t of lithium concentrate for half year, July to December 2019
- Top quality +1mm lithium concentrate (low mica, low iron)
- Offtake agreement in place for approximately 50% of lithium concentrate production and discussions with other parties underway for balance of production
- Significant resource potential from successful step-out drilling, and new target areas identified
- Market headwinds



# GLOSSARY OF TERMS



<b>Li</b>	Lithium
<b>Li<sub>2</sub>O</b>	Lithium oxide
<b>MOU</b>	Memorandum of Understanding
<b>Mt</b>	Million tonnes
<b>ROW</b>	rest of the world
<b>T</b>	Tonnes
<b>Ta<sub>2</sub>O<sub>5</sub></b>	Tantalum pentoxide



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