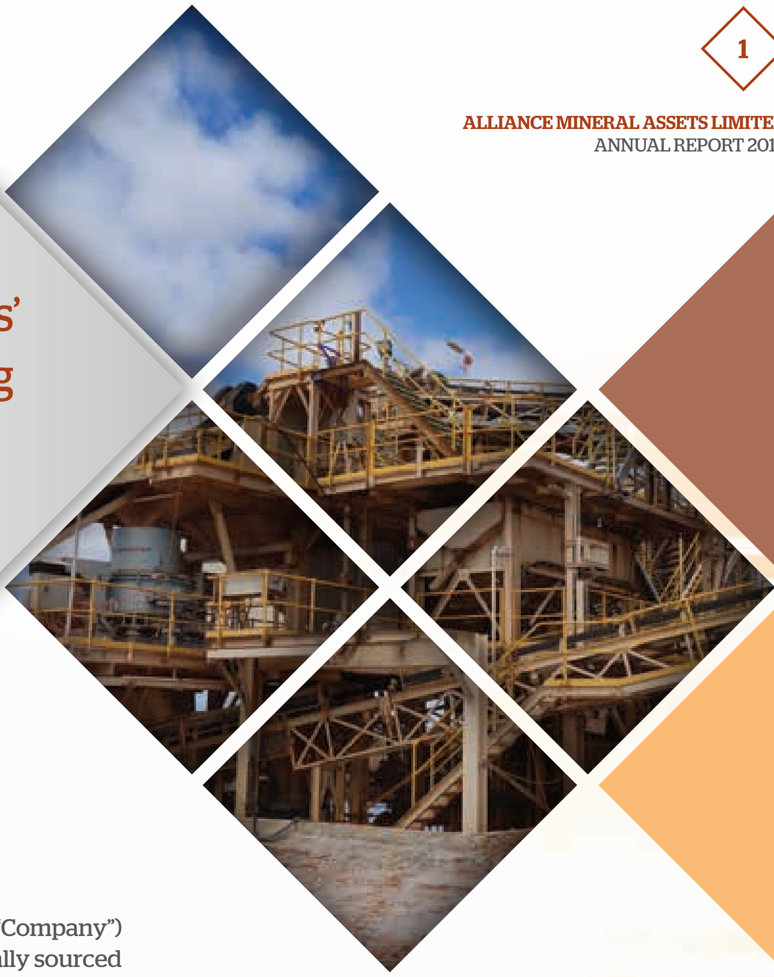
ALLIANCE MINERAL ASSETS LIMITED

2016 ANNUAL REPORT

FROM TANTALITE PRODUCTION TOWARDS DIVERSITY

CONTENTS

Alliance Mineral Assets' Vision is to be a leading producer of ethically sourced minerals



Corporate PROFILE

Alliance Mineral Assets Limited's ("AMA" or the "Company") vision is to become a leading producer of ethically sourced Tantalite Concentrate and other minerals through the development of Mineral Resources at its Bald Hill Project, encompassing the Bald Hill Mine, processing plant and an extensive tenement portfolio in the Eastern Goldfields of Western Australia.

Listed on the Catalist board of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 25 July 2014, AMA owns a complete processing and beneficiation treatment plant, infrastructure and working licenses ready to commence operations.

The highlight of the financial year ended 30 June 2016 was the successful commissioning of the primary and secondary processing plants and the sale of our first tantalite concentrate to Japan in accordance with AMA's then distribution agreement with Mitsubishi Corporation RtM Japan Ltd. Recent weakness in the spot tantalite prices has not diminished the Company's determination to enhance shareholders' value. Even with the ability to command a premium over tantalite spot prices, the difficult decision was made to postpone the next mining campaign and adopt extensive cost saving measures to minimise expenditure, therefore, postponing commercial mining and production of tantalite.

Metallurgical studies conducted during the commissioning process, confirmed that various by-products were produced and lost through the tailings. This presented the Company with opportunities to expand into other commodities and not be just a "tantalite producing" operation. The most significant by-product being a 6.7% Li_2O Spodumene concentrate. Given the surge in the prices for Spodumene, the decision was made to expedite investigations into the capturing of other minerals inherent in our ore to produce additional revenue streams.

Investigations into additional revenue streams will provide the necessary margins to lower risks and diversify into other mineral commodities to make the operations more commercially viable.

To capture this opportunity into additional revenue stream from minerals other than tantalite, the Company is adopting a fast track project strategy into the Joint Ore Reserve Committee (JORC) resource definition, feasibility studies, engineering studies and commence discussions with potential off-takers.

This led to the signing of a binding terms sheet with Lithco No. 2 Pty Ltd ("Lithco") on 3 June 2016 relating to granting Lithco exploration and prospecting rights over minerals in the tenement area with entitlement to 50% of the lithium rights after having spent a minimum of A$7.5 million expenditure commitment and expend a further A$12.5 million on capital expenditure to be entitled to 50% interest in the Project to form a 50/50 joint venture. The Company had on 15 September 2016 obtained shareholders' approval at an Extraordinary General Meeting for the farm-in and joint venture agreement with Lithco and the expansion of the Company's business to include the exploration, mining, development and production of lithium and other minerals. The Company will be entering into formal binding definitive agreements with Lithco in relation to the aforementioned farm-in and joint venture.

To this end, the Company's focus has not changed as a leading producer of ethically sourced Tantalite Producer and other minerals. Our partnership with Lithco will curtail the Company's risks and potentially define additional JORC resources for tantalum and other minerals in our extensive tenement portfolio.

Letter to SHAREHOLDERS

Dear Shareholders,

Alliance Mineral Assets Limited ("AMA" or the "Company") recently celebrated its 2nd anniversary of its listing on the Singapore Exchange Securities Trading Limited. In reflecting on this momentous occasion, I realised that much has happened since our Company took this bold step. While the management's (the "Management") focus in the first 12 months following listing was on commissioning our plants and securing all of the necessary approvals and licences to commence commercial production of Tantalite Concentrate, over the last year, volatile commodity prices and difficult economic conditions have challenged this business strategy. AMA's demonstration of great agility in adapting and leveraging changing market conditions is testimony both to the Management and the Board's ability to steer our Company in testing times.

Over the last 12 months when even the large resource sector players have been tested, AMA has recalibrated its business strategy to enable our Company to more fully leverage the significant potential of our 461km^2 of granted tenements and further 319km^2 currently under application.

Overview of FY2016

Two key decisions secured both our Company's future and its ability to enhance shareholders' value. The first of these was the difficult decision to conserve cash by pressing the pause button on the next mining campaign and the commercial production of Tantalite Concentrate. Depressed Tantalite prices simply made full commercial production uneconomic. The second crucial decision made by the Management and the Board was to aggressively pursue Bald Hill's potential for exploiting minerals other than Tantalum. To this end, the Management identified assay results, which yielded 6.7% Li2O Spodumene Concentrate as a by-product of our Company's trial production of Tantalite Concentrate. These impressive results confirmed the Management's view of Bald Hill's significant exploration upside not only for Tantalum but also for Lithium.

Identified as one of the resource sector's standout commodities, demand for Lithium is expected to climb globally as uptake of electric vehicles (buses, cars) and, more broadly, lithium batteries, expands exponentially. Consequently, the Management and the Board believe that shareholders' value will be enhanced by AMA's ability to participate in the potentially lucrative lithium industry.

To this end, AMA has entered into a binding terms sheet with Lithco No. 2 Pty Ltd for a farm-in and joint venture arrangement for the purpose of joint exploration and exploitation of lithium and other minerals and will be

entering into definitive agreements in relation thereto. This represents another major step forward in AMA's vision of becoming a leading producer of ethically sourced minerals. While the Company's passage to achieving its vision has added a new dimension through this arrangement, AMA's long term growth potential has most certainly been enhanced.

Outlook

Consequently, the long term outlook for AMA continues to blossom. With a significant initial earn-in expenditure requirement of A$7.5 million by 31 December 2017 by Lithco as part of the farm-in arrangement, AMA is poised to benefit from its JV partner's highly focused exploration programme. The Company's balance sheet has also been boosted by an injection of S$5 million of equity capital through the introduction of investors, via a placement exercise completed on 30 June 2016, who are extremely excited about Bald Hill's invigorated exploration programme and prospects.

Although the market for Tantalite Concentrate is expected to remain weak over the next 12 months, AMA, in tandem with its Lithium ambitions, is continuing discussions with Chinese parties to upgrade its Concentrate and potentially participate in downstream activities to add further value to its Tantalite product.

These bold initiatives are already underway, and the Company will update shareholders as and when there are any material developments.

Sincere Appreciation

On behalf of the Board of Directors and the Company, I would once more like to express our appreciation to AMA's Management for its leadership, and to our colleagues for their diligence and commitment. To secure a binding farm-in and joint venture arrangement during difficult times is testimony to their dedication. We are immensely proud of AMA's achievements.

We would also like to express our gratitude to all our shareholders for their loyalty and support. We sincerely hope that you will continue to place your faith in AMA as we endeavour to unlock the potential that we believe our Bald Hill Project holds.

Pauline Gately
Non-Executive Chairman
27 September 2016

Corporate INFORMATION

BOARD OF DIRECTORS

Ms. Pauline Gately (Independent Non-Executive Chairman)
Ms. Suen Sze Man (Executive Director)
Mr. Mahtani Bhagwandas (Independent Director)
Mr. Joshua Ong Kian Guan (Independent Director)

COMPANY SECRETARY

Ms. Fiona Leaw Mun Ni

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Lakeside Corporate Building
Unit 6, 24 Parkland Road
Osborne Park WA 6017
Australia
Telephone: + 618 9388 8826
Website: http://www.alliancemineralassets.com.au

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

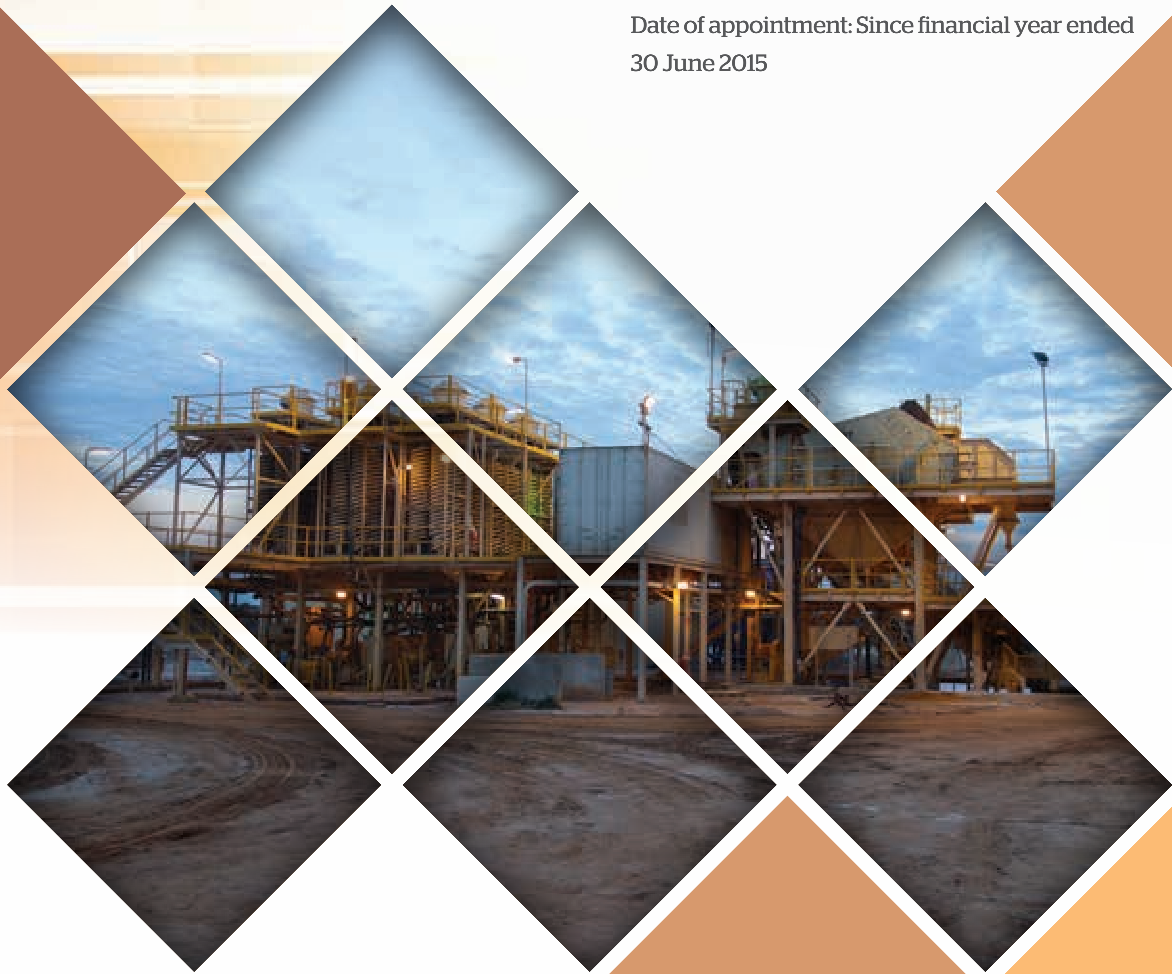
CONTINUING SPONSOR

PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay
#10-00 Income At Raffles
Singapore 049318

AUDITORS

Ernst & Young
The Ernst & Young Building
11 Mounts Bay Road
Perth WA 6000, Australia

Partner-in-charge: Michael Hoang
Date of appointment: Since financial year ended 30 June 2015



Financial HIGHLIGHTS

FINANCIAL REVIEW

		FY2016	FY2015
FOR THE FINANCIAL YEAR			
Revenue and other income[1]	AUD $	268,161	1,713,427
Total expenses	AUD $	2,639,307	14,209,866
Loss before income tax	AUD $	(2,371,146)	(12,496,439)
Income tax credit/(expense)/benefit	AUD $	(1,710,948)	1,710,948
Loss after tax	AUD $	(4,082,094)	(10,785,491)
AT YEAR END			
Total assets	AUD $	24,284,331	23,125,504
Total shareholder's equity	AUD $	17,845,780	16,978,864
Total liabilities	AUD $	6,438,551	6,146,640
Cash and cash equivalents	AUD $	5,389,663	3,856,137
Debt to equity ratio[2]	%	27.2	24.1
PER SHARE			
Loss per share			
– Basic and diluted[3]	AUD ¢	(1.0)	(2.8)
Net asset value			
– Per ordinary share	AUD ¢	3.7	4.3

Notes:

(1) Revenue comprises interest income, and other income comprises other income and foreign exchange gain.

(2) The debt to equity ratio increased from 24.1 as at 30 June 2015 to 27.2 as at 30 June 2016 mainly due to the accretion of notional interest on the loan owing to Living Waters Mining (Australia) Pty Ltd ("LWM") (the "Living Waters Loan"). This is partially offset by repayment of finance leases undertaken for the purchase of motor vehicles.

(3) The basic and diluted loss per share for the financial year ended 30 June 2016 ("FY2016") and the financial year ended 30 June 2015 ("FY2015") were the same as there were no potentially dilutive ordinary shares on issue as at 30 June 2016 or 30 June 2015.

Financial HIGHLIGHTS

	FY2016 A$	FY2015 A$	Change %
Interest income	22,742	9,482	n.m
Other income	134,560	930,509	(86)
Gain on foreign exchange	110,859	773,436	(86)
Loss on disposal of assets	(15,417)	(1,244)	n.m
Accounting and audit expenses	(146,407)	(216,765)	(32)
Consulting and directors' fees	(343,999)	(355,729)	n.m
Tenement expenses	(175,882)	(125,387)	40
Administrative expenses	(680,952)	(484,330)	41
Employee salaries and other benefits expenses	(489,025)	(673,203)	(27)
Borrowing costs	(787,625)	(574,591)	37
Fair value movement on embedded derivatives	-	(14,889)	n.m
Listing expenses	-	(462,352)	(100)
Loss on settlement of financial instruments	-	(280,428)	(100)
Impairment Expense	-	(11,020,948)	(100)
Loss before income tax	**(2,371,146)**	**(12,496,439)**	**(81)**
Income tax (expense)/benefit	(1,710,948)	1,710,948	(200)
Loss after tax	**(4,082,094)**	**(10,785,491)**	**(81)**
Other comprehensive income	-	-	
Total comprehensive loss for the financial year attributable to equity holders of the Company	**(4,082,094)**	**(10,785,491)**	**(81)**

[1] n.m = not meaningful

Revenue

There was no revenue in FY2016 and FY2015 as we had not commenced the commercial production and sale of Tantalite concentrate.

Interest income

Interest income of A$22,742 in FY2016 (FY2015: A$9,482) was mainly due to an increase in cash balances in banks.

Other income

Other income of A$134,560 (FY2015: A$930,507) was in relation to assessed and estimated refunds from the Australian Taxation Office ("ATO") for Research and Development (R&D) Expenditure ("R&D Tax Refund") that have been expended on new processing methods being adopted for the Company's processing facilities. The decrease is due to lower qualifying expenditure incurred during the year.

Gain on foreign exchange

The smaller gain on foreign exchange of A$110,859 (FY2015: A$773,436) was mainly due to a decrease in Singapore dollar cash balances in banks and only a small movement of the Singapore dollar against the Australian dollar in FY2016.

Accounting and audit expenses

Accounting and audit expenses decreased from A$216,765 in FY2015 to A$146,407 in FY2016 mainly due to lower audit costs and fewer senior accounting consultants employed by the Company in FY2016.

Financial HIGHLIGHTS

Tenement expenses

Tenement expenses increased to A$175,882 in FY2016 from A$125,387 in FY2015 due to additional tenement management costs and additional application fees for new tenements.

Administrative expenses

Administrative expenses increased by A$196,625 or 41% from A$484,330 in FY2015 to A$680,952 in FY2016 mainly due to an increase in investor and regulatory costs, namely secretarial-related, sponsor fees and related listing costs; an increase in international travel expenses to investigate opportunities to develop the Company's business; and office administration expenses.

Employee salaries and other benefits

Employee salaries and other benefits of A$489,025 in FY2016 decreased from A$673,203 in FY2015 mainly due to a reduction in full time employees of the Company.

Borrowing costs

Borrowing costs increased from A$574,591 in FY2015 to $787,625 in FY2016 due mainly to the notional interest on the amount owing to LWM as a result of instalment payments becoming payable under the terms of the loan agreement thereby changing the profile of the notional interest expense.

The aforementioned notional interest expenses arise from the Company's financial liabilities held at amortised cost whereby the initial carrying value of the liability is accreted to its principal amount over the life of the loan. This accretion is recognised as a borrowing cost.

Listing expenses

Listing expenses of A$Nil in FY2016 reduced from A$462,352 in FY2015 as most of the professional fees incurred in relation to the Company's listing were incurred in FY2015 and in the financial year ended 30 June 2014.

Loss on settlement of financial instruments

There was no settlement of financial instruments in FY2016. The loss on settlement of financial instruments of A$280,428 in FY2015 relates to the early conversion of the convertible loans into ordinary shares in the capital of the Company.

Impairment expense

There was no impairment expense in FY2016. The impairment expense of A$11,020,948 in FY2015 was as a result of a comprehensive review of the carrying value of its assets which took into account, *inter alia*, the expected sale price of our Tantalite concentrate and the expected costs to mine, extract and process the Pegmatite Ore for shipment to our customers.

Loss before income tax

In view of the foregoing, loss before taxation decreased from A$12,496,441 in FY2015 to A$2,371,146 in FY2016.

FINANCIAL POSITION

(AUD $)	FY2016	FY2015	Change %
Non-current assets	16,723,776	17,399,164	(4)
Current assets	7,560,555	5,726,340	32
Total assets	**24,284,331**	**23,125,504**	**5**
Total equity	**17,845,780**	**16,978,864**	**5**
Non-current liabilities	1,783,005	5,210,802	(66)
Current liabilities	4,655,546	935,838	397
Total liabilities	**6,438,551**	**6,146,640**	**5**

Financial HIGHLIGHTS

Non-current assets

As at 30 June 2016, our non-current assets of A$16,723,776 accounted for 69% of our total assets. Our non-current assets comprised mine development and property, plant and equipment.

Other receivables has decreased by A$986,212 to A$nil as a result of the reclassification of a term deposit to current assets.

Mine development increased by A$2,695,416 to A$3,088,018 mainly due to the capitalisation of expenses in relation to commissioning activities that have been ongoing at the Bald Hill Mine Site during FY2016. This is offset by the estimated R&D Tax Refund of A$913,974 relating to capital expenditure and a decrease of A$338,534 in the rehabilitation provision.

Property, plant and equipment decreased by A$673,644 to A$13,635,758 mainly due to depreciation of A$1,060,465 which has been capitalised as mine development during the commissioning phase and the construction related commissioning activities that have been ongoing at the Bald Hill Mine Site during FY2016.

Deferred tax asset decreased by A$1,710,948 to nil due to current forecast projected cashflows not being able to support its carrying value.

Current assets

As at 30 June 2016, our current assets of A$7,560,555, represents 31% of our total assets. Our current assets as at 30 June 2016 consist of cash and cash equivalents, other receivables and prepayments.

Cash and cash equivalents of A$5,389,663 increased by A$1,533,526 pursuant to cash receipts from a placement exercise completed in June 2016 which raised A$4,980,614 and the receipt of a R&D Tax Refund of A$1,703,412 from the Australia Tax Office offset by expenditure relating to the commissioning of the Bald Hill Mine Site and associated administration overheads in FY2016.

Financial HIGHLIGHTS

Other receivables increased by A$308,606 to $2,147,645 mainly as a result of the reclassification of a term deposit to current receivables of $1,027,226, offset by a decrease in the R&D Tax Refund of $616,693.

A portion of other receivables of A$1,027,226 relates to the Singapore Dollar Term Deposit of S$1,030,000 as security for our Singapore Dollar Bank Loan which has increased from June 2015 as a result of an appreciation of Singapore Dollar against the Australian Dollar.

Prepayments of A$23,247 represents insurance premium prepaid and expensed over the period of insurance cover.

Non-current liabilities

As at 30 June 2016, our non-current liabilities of A$1,783,005 represented 28% of our total liabilities. Our non-current liabilities relates to the provision for rehabilitation required at the Bald Hill Mine Site, interest bearing loans and borrowings as well as trade and other payables.

Trade and other payables comprising an amount of A$669,511 due to controlling entity, LWM is $2,114,437 lower due to the amortisation of the nominal interest and the re-classification of a significant portion to current liabilities during the year in accordance with its repayment terms.

Provision for rehabilitation of A$1,078,987 represents management's best estimate as at balance sheet date to rehabilitate the existing Bald Hill Mine Site.

Interest bearing loans and borrowing of A$34,507, decreased from A$1,009,333 as at 30 June 2015 due to the reclassification of the Singapore Dollar Bank Loan to current liabilities in accordance with its repayment terms and repayments of the principal amount of the finance leases for vehicles.

Financial HIGHLIGHTS

Current liabilities

As at 30 June 2016, our current liabilities of A$4,655,546 representing 72% of our total liabilities comprised trade and other payables, employee benefit liabilities and interest bearing loans and borrowings.

Trade and other payables increased by A$2,724,983 to A$3,585,753 mainly attributable to the reclassification of a significant portion of the Living Waters Loan from Non-Current Liabilities to Current Liabilities in accordance with its repayment period.

Employee benefit liabilities increased by A$4,889 to A$37,605 as a result of annual leave accruals for our employees.

Interest bearing loans and borrowings, amounting to A$1,032,188 as at 30 June 2016, increased by A$989,836 due to the reclassification of the Singapore Dollar Bank Loan to current liabilities in accordance with its repayment terms and payment of insurance premium funding.

Shareholders' equity

As at 30 June 2016, our Shareholders' equity amounted to A$17,845,780 comprising A$38,960,275 of issued share capital, reserves of A$2,463,505 comprising A$1,786,822 of parent equity contribution and A$676,683 of executive option reserve and A$23,578,000 of accumulated losses. Issued capital increased during the period as a result of a placement which raised $4,980,614 before costs.

CASH FLOW

(AUD $)	FY2016	FY2015
Net cash used in operating expenses	(842,668)	(3,473,871)
Net cash used in investing expenses	(2,656,439)	(6,326,147)
Net cash from financing activities	4,921,774	9,196,447
Net increase/decrease in cash and cash equivalents	**1,422,667**	**(603,571)**

In FY2016, we recorded a net cash outflow of A$842,668 from operating activities which comprised payments of A$1,754,135 made to suppliers and employees, interests of A$30,601 for finance lease and Singapore Dollar Bank Loan, offset by R&D Tax Refund of A$919,326 on operating expenditure and interest of A$22,742 received from bank deposits.

Net cash outflow from investing activities amounted to A$2,656,439, which was mainly attributable to expenses relating to the commissioning of the Bald Hill Project offset by R&D Refund of A$784,086 on capital expenditure.

Net cash inflow from financing activities amounted to A$4,921,774, which was mainly attributable to proceeds from a capital raising of A$4,949,011 net of shares issue costs offset by A$16,241 as a result of repayment of hire purchase liabilities and $10,996 as a result of net repayment of the insurance premium loan principal.

As at 30 June 2016, our cash and cash equivalents amounted to A$5,389,663.

Board of DIRECTORS

Our Board of Directors is entrusted with the responsibility for the overall management of our Company. The particulars of each of our Directors are set out below:

Name	Age	Position in our Company
Pauline Gately	54	Independent Non-Executive Chairman
Suen Sze Man	47	Executive Director
Mahtani Bhagwandas	48	Independent Director
Ong Kian Guan	48	Independent Director

Information on the business and working experience, education and professional qualifications, if any, and areas of responsibilities/key principal commitments of our Directors are set out below:

Pauline Gately

Independent Non-Executive Chairman

Pauline Gately joined our Company in March 2011 and was appointed as an Independent Non-Executive Chairman in 2014. Pauline started her career in CitiBank, Hong Kong as the Vice-President and Senior Economist for the Asia Pacific Region in 1987, where she spent two (2) years developing Asian economic research capabilities. In 1989, Pauline took on the position of General Manager and Head of Research and Equity Investment at BNP International Financial Services where she managed the research department specialising in Asian economics, international bonds and currencies; a position which she held until 1994. From 1994 to 1997, Pauline was appointed as the director and Head of Investment Strategy of Asia at Merrill Lynch Hong Kong.

In 1997, Pauline was appointed as a director and Head of Economics and Investment Strategy for BZW Asia Ltd. During her time with BZW Asia Ltd, Pauline managed economic and strategy research across nine Asian countries. Pauline continued in this role until 1999, whereby she took a sabbatical and resumed work in 2003 providing consulting services for The Asian Development Bank including providing technical assistance on public debt management to the Ministry of Finance of the People's Republic of China. During this time, she was also involved in the analysis of Western Australia and the Northern Territory's services trade with Asia, which included an in-depth examination of market potential across East Asia and the People's Republic of China.

In 1991, Pauline was appointed as a non-executive director of Beaverbrook (HK) Ltd. From 2006 to 2012, Pauline was appointed as the managing director of Codexa Capital LLC, during which time she presided over research development, investment strategy and asset allocation for multi-asset portfolios across international markets with a strong emphasis in Asia.

Pauline is currently involved in developing a boutique real estate business in Western Australia. Pauline also currently sits on the board of a Western Australian Charity providing practical and emotional support to families dealing with cancer.

Pauline obtained an Honours Degree in Economics from Strathclyde University in 1983, after which she obtained a Graduate Diploma in Accounting from Glasgow University between 1984 and 1985. Pauline took a year of sabbatical after her time at Glasgow University, before starting her professional career in 1987.

Suen Sze Man

Executive Director

Suen Sze Man joined our Company on 6 December 2010 as an Executive Director. As a founder of our Company, she procured, mobilised and organised relevant experienced staff and resources for the setting up of our business and operations. She is currently responsible for devising the business direction of our Company and overseeing the management of mining proposals and Tenements in relation to the Bald Hill Project. In 1990, Suen Sze Man was appointed as a non-executive director of Sun Kong Pty. Ltd, a company which specialised in the export of raw wool from Australia into China, between 1991 and 1997. In 1998, Suen Sze Man was appointed as a director in D & S Trading Pty Ltd, a family holding company involved in a number of businesses ranging from building and construction to health supplements. Initially, Suen Sze Man conducted her own import and distribution agreements for building and landscaping materials and was later involved in the importation and distribution of health supplements in Australia.

Board of DIRECTORS

In 1999, Suen Sze Man was appointed as a director of Indo Expo Building Products Pty Ltd, a company which specialised in the supply of building and construction materials and services such as granite and marble. In this position, Suen Sze Man gained her initial experience in the mining industry. Between 2005 and 2010, Suen Sze Man was appointed as an executive director of Cell-Tech Suisse Pty Ltd, a company which specialised in stem cell transplantation services.

Suen Sze Man obtained a Bachelor of Business from Edith Cowan University, Western Australia, in 1994.

Suen Sze Man is the spouse of the Company's Chief Executive Officer, Tjandra Pramoko.

Mahtani Bhagwandas

Independent Director

Mahtani Bhagwandas joined our Company on 2 May 2014 as an Independent Director. He graduated from the National University of Singapore with a Bachelor of Laws (Honours) degree in 1992 and has been practicing as an advocate and solicitor of the Supreme Court of Singapore since 1993. He is currently the senior partner of LegalStandard LLP, a law firm in Singapore which specializes in commercial/corporate practice.

Apart from legal practice, Mahtani Bhagwandas is currently also the Independent Director of GRP Limited and SBI Offshore Limited, companies listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). He has held, and continues, to hold directorships in several private companies. In the course of all his directorships, Mahtani Bhagwandas has chaired Audit, Nominating, Remuneration and Board Risk Committees.

Separately, and on charitable and social matters, Mahtani Bhagwandas has been, and continues to be involved in such organizations, essentially as a honorary legal advisor.

Ong Kian Guan

Independent Director

Ong Kian Guan joined our Company on 20 June 2014, as an Independent Director. He has been an Audit Partner with Baker Tilly TFW LLP since 2005, where he is currently the Head of its Assurance and Capital Market practices. He was the Chief Financial Officer of Medtecs International Corporation Limited from 2002 to 2004. Between 1992 and 2002, Ong Kian Guan was an auditor with various international accounting firms and his last position held was a Senior Audit Manager with Arthur Andersen LLP, Singapore. He is also the Independent director and Chairman of the audit committees of Serrano Limited and Weiye Holdings Limited, both of which are listed on SGX-ST, and China XLX Fertilisers Ltd, a company listed on the Hong Kong Stock Exchange.

Ong Kian Guan obtained a Bachelor of Accountancy from Nanyang Technological University in 1992. He is a fellow of the Institute of Singapore Chartered Accountants ("ISCA"). He is a currently a member of the Investigation and Displinary panel, and has also previously served as a member of the Auditing and Assurance committee of ISCA.

Senior MANAGEMENT

The day-to-day operations are entrusted to our Executive Director and Chief Executive Officer who is assisted by an experienced and qualified team of Executive Officers. The particulars of our Executive Officers are set out below:

Name	Age	Principal Occupation
Tjandra Pramoko	45	Chief Executive Officer
Fiona Mun Ni Leaw	44	Company Secretary

The business and working experience, education and professional qualifications, if any, and areas of responsibility of our Executive Officers are set out below:

Tjandra Pramoko joined our Company in 2014 as a Chief Executive Officer. He founded our Company in 2010 to engage in the business of exploration and exploitation of the Bald Hill Project. His present responsibility as Chief Executive Officer of our Company includes general business development, through liaising with existing and potential mining contractors as well as identifying new business opportunities. He is also in charge of overseeing the project management at the Bald Hill Tantalite Mine Site. In 1992, Tjandra Pramoko was appointed as a Director of Indo Expo Building Products Pty Ltd, a company engaged in the supply of building and construction materials and services, including granite and marble. In 1993, Tjandra Pramoko joined Acetrend Pty Ltd as a Director, and subsequently served as a Director in Ausindo Imports & Exports Pty Ltd, a construction materials company, between 1994 and 2009. In 1996, Tjandra Pramoko joined Ausita Constructions Pty Ltd, a family holding company as a Director, a position which he held until 1997.

In 2002, Tjandra Pramoko joined Hardrock Minerals Pty Ltd as a director. Hardrock Minerals Pty Ltd is engaged in the mining, fabrication and distribution of tiger iron gemstones. Between 2003 and 2005, he was appointed as a Director of La Moda Marble and Granite Pty Ltd, a company supplying granite and marble. In 2005, Tjandra Pramoko joined Oz Gem Pty Ltd, which primarily deals in the exploration and extraction of precious stones, as a Director. Between 2006 and 2008, Tjandra Pramoko joined R&T Earthmoving & Demolition Pty Ltd. as a Director.

Between 2008 to 2014, Tjandra Pramoko was a Director in Zen Mining Pty Ltd which was previously in the business of mining of tiger iron gemstones. He was also the Director in Zen Minerals Pty Ltd which is involved in the exploration, mining and processing of blue lepidolite gemstones during the same period.

From 2009 to present, Tjandra Pramoko was appointed as a Director of Living Waters Mining (Australia) Pty Ltd, our controlling shareholder. In 2010, he founded our Company together with our Executive Director, Suen Sze Man.

Tjandra graduated with a Bachelor of Business from Edith Cowan University, Western Australia in 1995.

Tjandra Pramoko is the spouse of our Company's Executive Director, Suen Sze Man.

Fiona Leaw Mun Ni was appointed as the Company Secretary on 21 May 2014. She holds a Bachelor of Commerce from Edith Cowan University, Western Australia and is a member of the Australian Certified Practicing Accountants. From 2007 to 2008, she worked for Westnet Infrastructure Group as their corporate accountant. During 2009 to 2010, Fiona worked for Department of Environment and Conservation and Department of Agriculture, both are divisions of the Government of Western Australia performing an Accounts Executive role within its IT and Procurement departments. From 2010 to early 2014, Fiona was solely in charge of all preparation of financial accounts for our Company for audit. Currently, she is in charge of sending out notices of meeting, coordinating the signing and maintaining the statutory records of the Company and arranging for the Company's announcements to be uploaded onto our website. Aside from performing our corporate secretarial work, she assists with the accounting and administrative matters for our Bald Hill Mine Site.

Our determination for growth is backed by the strengths in our Bald Hill project and our ability to evolve to market conditions whilst maintaining a consistent focus towards expansion and production.

Operations REVIEW

Alliance Mineral Assets Limited's ("AMA" or the "Company") principal goal has been to bring the Bald Hill Tantalite Project ("Project") back into production and re-establish Bald Hill's prominent position in the tantalum industry.

Our first strategic objective has always been the refurbishment and commissioning of the Primary Processing Plant at the Bald Hill Mine Site and the Secondary Beneficiation Plant. This was successfully achieved along with the construction of all the necessary supporting infrastructure and approvals from various governing bodies. The resulting success was finalised by the sale and delivery of our first batch of tantalite concentrate to Japan through our long association with Mitsubishi RtM Japan Ltd.

The Project has always had an excellent potential to increase tantalum Mineral Resources and consequently the Ore Reserves. Efforts has been concentrated on the refurbishment and commissioning of the primary and secondary processing plants to commence production and this was successfully completed in late 2015/early 2016.

Due to the unique mineralogy of the Bald Hill pegmatite ore body, additional valuable by-products namely Spodumene, high grade garnet, and ilmenite (titanium) concentrates were also produced at sufficient grade to be sold as by-products.

Operations REVIEW

To capture this opportunity into additional revenue streams from minerals other than tantalite, the Company is adopting a fast track project strategy into the Joint Ore Reserve Committee (JORC) resource definition, feasibility studies, engineering studies and commence discussions with potential off-takers.

Considerable exploration has already been undertaken in the Bald Hill area directed at locating tantalum mineralisation hosted, in general, by rare-element pegmatites. Much of this work was undertaken by Haddington Resources but others that have undertaken exploration include Gwalia Consolidated and Tantalum Australia. To build on this past exploration, rather than start afresh, it was necessary to acquire the old exploration database and any other relevant exploration reporting. The aim of reviewing the past data was to define the remaining high grade resource remaining adjacent to the plant, to quantify the low grade resource located by past exploration and to produce a coherent plan of past exploration to better focus future exploration programs.

Previous exploration focused on Tantalum and used Lithium as a geochemical indicator for pegmatites which hosted the various minerals. Rare metal pegmatites containing spodumene or other lithium bearing minerals have been reported to form geochemical haloes in the host rocks surrounding the pegmatities. Haloes of lithium, cesium and rubidium have been detected around known tantalum bearing pegmatites. Lithium usually gives the strongest alteration effect. For this reason, geochemical sampling was carried out to investigate the lithium halo around the Bald Hill pegmatites in search for non-outcropping mineralised pegmatites.

Historically, Lithium values indicated a fairly consistent relationship with pegmatites rising from a background of around 150 ppm Li 15 to 20 m vertically away from the pegmatite up to 500 to 1500 ppm Li adjacent to the pegmatite.

Extensive work was also conducted on the inherited Master Database to include all data available. The newly reconstructed database included 634 new drill holes and their assays. Of most importance was a complete set lithium assays from Haddington's regional RAB drilling program which included several important lithium anomalies that will help with the planned lithium exploration focus.

Operations REVIEW

The conclusion to all the work resulted in AMA applying for another two new ELs covering an additional 76 graticular blocks that trend to the north-west of the main Bald Hill mining lease (M15/400). These two ELs cover the interpreted extension to the pegmatites mined at Bald Hill as well as several aeromagnetic anomalies that have potential as gold and base metal targets.

To improve the existing JORC resource definition, we needed to add the other minerals into our existing Tantalum Resources and Reserves. The Bald Hill Tantalite Project spans over 461.5km^2 of granted tenements with a further 319km^2 applications pending. To date less than 5% of the total project area has been extensively explored.

To curtail the Company's risk and minimise expenditure to define additional JORC resources in our extensive tenement portfolio, the Company signed a binding terms sheet with Lithco No. 2 Pty Ltd, for the granting Lithco exploration and prospecting rights for minerals in the tenement area to earn in for 50% of the lithium rights for A$7.5 million and expend a further A$12.5 million to earn 50% of the project to form a 50/50 joint venture on the project.

Our partnership with Lithco allows the Company to tap into the exploration expertise of Mr Mark Calderwood, former Chief Executive Officer of Perseus Mining Limited and an authority on pegmatites being a co-author of "Guidebook to the Pegmatites of Western Australia." To this end, the Company's focus has not changed as a leading producer of ethically sourced Tantalite Producer and other minerals.

During commissioning, various metallurgical studies were performed to provide information on production efficiencies and plant performance. This information was studied to determine whether further metallurgical and engineering studies were warranted to improve plant recoveries and assess the feasibility of economically recovering other minerals. The conclusion was by continuing to produce a Tantalite concentrate. We were not maximising the record of other valuable minerals which could be a potential source of additional revenue. This along with the current spot prices for Tantalite concentrate provided the basis for delaying the next mining campaign.

Operations REVIEW

During our commissioning one of our by-products was 6.7% Spodumene which was sent to commence early discussions with potential off-take partners. Initial test work by them on our product received comments that the lithium grade is fantastic and potentially superior to other Australian producers. Discussions are continuing.

Tantalite Mineral Resources and Reserve

Pursuant to the waiver granted by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 2 September 2014 to, *inter alia*, use 31 March as the effective date of its annual qualified person's report instead of 30 June as required under Rule 1204(23)(a) of the Listing Manual Section B: Rules of Catalist of the SGX-ST ("**Catalist Rules**"), the Company had on 12 August 2016, announced its Independent Qualified Person's Report (IQPR) with an effective date of 31 March 2016.

Further, the Company had on 4 August 2015, obtained a waiver from the SGX-ST from strict compliance with Rules 1204(23)(a) and 1204(23)(c) of the Catalist Rules of the SGX-ST to not reproduce the IQPR in the Company's annual report for the financial year ended 30 June 2015 and subsequent IQPRs in subsequent annual reports.

Operations
REVIEW

As disclosed in the IQPR, the Tantalum Mineral Resources for the Central Mine, Boreline, and Creekside have been estimated and reported using the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code") and are summarised in the table below. Resources are reported as of 31 March 2016 using a cut-off criterion of 100 parts per million (ppm) Ta_2O_5 as follows;

Category	Mineral Type	Gross Attributable to licence				Net Attributable to Issuer			Remarks
		2015		2016					
		Tonnes (millions)	Grade Ta_2O_5 (ppm)	Tonnes (millions)	Grade Ta_2O_5 (ppm)	Tonnes (millions)	Grade Ta_2O_5 (ppm)	Change from previous update (contained Ta_2O_5)	
Reserves									
Proved	Tantalum	0	0	0.00	0	0.00	0	0	
Probable	Tantalum	0.02	187	1.69	303	1.69	303	13654%	Central and Boreline
Total		**0.02**	**187**	**1.69**	**303**	**1.69**	**303**	**13654%**	
Resources*									
Measured	Tantalum	0	0	0.00	0	0.00	0	0	
Indicated	Tantalum	2.57	340	0.65	306	0.65	306	-77%	
Inferred	Tantalum	0.1	367	1.1	339	1.1	339	1005%	
Total		**2.67**	**341**	**1.74**	**326**	**1.74**	**326**	**62%**	

Table: Resource and Reserve Summary for Bald Hill outside mined pits (whole of pegmatite Varley, 2015 for Central and Boreline, and AMC Consultants 2014 using 100ppm Ta2O5 lower cut-off for Creekside) at 31 March 2016. Note: See Mineral Resource and Ore Reserve sections of IQPR for details, Reserves are exclusive of Resources.

* 2015 Indicated resources from Central and Boreline only converted to reserves.

The Board confirms that there are no material change to the level of reserves or resources between the IQPR cut-off date of 31 March 2016 and the financial year ended 30 June 2016.

Work has already commenced by Lithco to fast track AMA to be the next hard rock Spodumene producer.

With all our current approvals and infrastructure in placed for mining and production, puts AMA in a favourable position to capture opportunities in the Lithium industry. With the current surge in prices for Spodumene and the market capitalisation values of other hard rock Spodumene miners in Western Australia, AMA is purged for an exciting journey.

In FY2016, the Company expended A$3,033,950 for Mine Development as part of the commissioning on the assets and mine infrastructure at the Bald Hill Mine Site. Mine development costs incurred during the year related to expenditure incurred on construction and pre-production activities at the Bald Hill Project relating to getting the project into production.

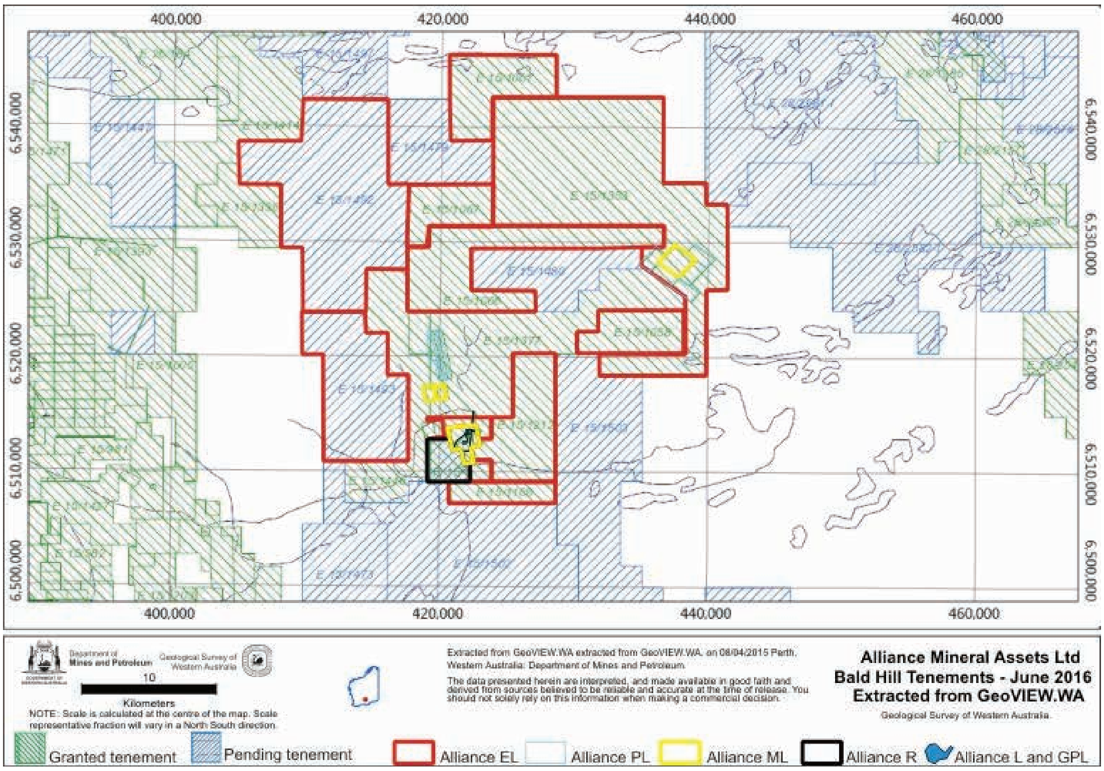
License
SUMMARY

Our Company has an extensive portfolio of mineral Tenements for the purposes of the Bald Hill Project. These Tenements are free from any registered caveats or mortgages, and there is no private land affected by our Tenements save for one (1) pastoral lease (Madoonia Downs) underlying portions of our Tenements.

Being a good corporate citizen and part of continuous stakeholder consultations, our Company will notify this pastoral leaseholder prior to undertaking exploration works, including ground-disturbing activity, in compliance with the Mining Act and any other key Commonwealth or State environmental legislation.

Our Company has obligations to fulfil, including but not limited to minimising environmental disturbance, making good any environmental damage and complying with all State and Commonwealth primary legislation, including but not limited to the *Mining Act 1978 (WA), the Aboriginal Heritage Act 1972 (WA)* and the *Native Title Act 1993 (Clth)*.

The following map highlights the location of our Tenements:



Our Company is required to comply with the relevant local regulatory and governmental licensing requirements during the course of our operations.

License SUMMARY

As at 1 September 2016, details of our Company's Tenements are as follows:

No.	Name of Permit/ License	Description of Permit/License (including purpose thereof)	Authorising Body	Date of Issue of Permit/License (if applicable)	Date of Expiry of Permit/ License (if applicable)
1.	E15/1058	Exploration Licence	DMP	12 March 2009	11 March 2019
2.	E15/1066	Exploration Licence	DMP	20 August 2009	19 August 2019
3.	E15/1067	Exploration Licence	DMP	20 August 2009	19 August 2019
4.	E15/1161*	Exploration Licence	DMP	25 January 2011	24 January 2016 (Under renew application)
5.	E15/1162*	Exploration Licence	DMP	10 January 2011	9 January 2016 (Under renew application)
6.	E15/1166	Exploration Licence	DMP	31 August 2010	30 August 2020
7.	E15/1212*	Exploration Licence	DMP	2 May 2011	1 May 2016
8.	E15/1353	Exploration Licence	DMP	5 August 2013	4 August 2018
9.	G15/17	General Purpose Licence	DMP	23 January 2001	22 January 2022
10.	L15/264	Miscellaneous Licence	DMP	11 October 2006	10 October 2027
11.	L15/265	Miscellaneous Licence	DMP	11 October 2006	10 October 2027
12.	L15/266	Miscellaneous Licence	DMP	11 October 2006	10 October 2027
13.	L15/267	Miscellaneous Licence	DMP	11 October 2006	10 October 2027
14.	L15/268	Miscellaneous Licence	DMP	11 October 2006	10 October 2027
15.	L15/269	Miscellaneous Licence	DMP	11 October 2006	10 October 2027
16.	L15/270	Miscellaneous Licence	DMP	11 October 2006	10 October 2027
17.	L15/348	Miscellaneous Licence	DMP	5 September 2014	4 September 2035
18.	M15/1305	Mining Lease	DMP	29 December 2000	28 December 2021
19.	M15/1308	Mining Lease	DMP	29 December 2000	28 December 2021

License SUMMARY

No.	Name of Permit/ License	Description of Permit/License (including purpose thereof)	Authorising Body	Date of Issue of Permit/License (if applicable)	Date of Expiry of Permit/ License (if applicable)
20.	M15/1470	Mining Lease	DMP	13 May 2010	12 May 2031
21.	M15/400	Mining Lease	DMP	8 September 1988	7 September 2030
22.	M59/714	Mining Lease	DMP	27 October 2009	26 October 2030
23.	P15/5465	Prospecting Licence	DMP	21 July 2010	20 July 2018
24.	P15/5466	Prospecting Licence	DMP	21 July 2010	20 July 2018
25.	P15/5467	Prospecting Licence	DMP	21 July 2010	20 July 2018
26.	P15/5862	Prospecting Licence	DMP	15 October 2014	14 October 2018
27.	P15/5863	Prospecting Licence	DMP	15 October 2014	14 October 2018
28.	P15/5864	Prospecting Licence	DMP	15 October 2014	14 October 2018
29.	P15/5865	Prospecting Licence	DMP	15 October 2014	14 October 2018
30.	P15/5866	Prospecting Licence	DMP	15 October 2014	14 October 2018
31.	R15/1*,#	Retention Licence	DMP	9 June 2010	8 June 2016 (4 Year Extension of Term Available)
		Pending			
32.	E15/1492	Exploration Licence	DMP		Pending
33.	E15/1493	Exploration Licence	DMP		Pending
34.	E15/1555	Exploration Licence	DMP		Pending
35.	E15/1556	Exploration Licence	DMP		Pending
36.	G15/28	General Purpose Lease	DMP		Pending
37.	M15/1811	Mining Lease	DMP		Pending

Notes:

* Renewal application submitted.

\# Alliance Mineral Assets Limited has submitted an application to convert our current Retention Lease 15/1 into Mining Lease15/1811. The current state of matter M2015/0032 is in Section 31(3) mediation process.

Corporate Social RESPONSIBILITY

Alliance Mineral Assets is committed to being a responsible corporate citizen and considers the physical and human environment in making its business decisions. We are mindful that the commissioning and operations at the Bald Hill Project, and subsequent mining and treatment of Ore could have certain impacts, whether be it environmental or social. We are committed to fulfilling our responsibilities as a responsible corporate citizen and have adopted measures and strategies to minimise such potential impacts. These include but are not limited to the following measures.

Corporate Social RESPONSIBILITY

Environmental Management Techniques

Our Company is committed to adopting contemporary environmental management techniques. Such environmental management techniques include:

- ongoing monitoring of environmental parameters such as water and air quality
- minimising disturbance where possible
- progressive rehabilitation of disturbed areas as soon as practical
- suppression of dust and noise
- backfilling mine voids with tailings and/or waste rock where practical to do so
- ensuring remaining voids are made safe by installing appropriate bunding
- effective management of hypersaline groundwater to ensure it is not released into the environment
- appropriate management of hydrocarbons, chemicals and waste materials.

Specific environmental management techniques that are used to address potential environmental impacts are detailed below:

Environmental aspiration	Commitment	Timeline
To implement best-practice environmental management.	Develop an Environmental Management System that includes management plans and procedures detailing the methods and practices to be employed to ensure effective environmental management. Ensure employees, contractors and visitors are made aware of the company's environmental obligations and methods of compliance. Provide appropriate training as necessary. Regularly review the documentation and update as required.	Prior to ground disturbance and during operations
To protect native flora and fauna.	Implement a site disturbance permitting system and associated procedures to ensure effective management of the clearing of vegetation within the project area. Provide appropriate training to staff and contractors. Prevent access to and provide egress from water bodies such as lined dams and tailings disposal facilities. Ensure transfer of saline groundwater is managed effectively to minimise the potential for environmental impact to occur.	During operations

Corporate Social RESPONSIBILITY

Environmental aspiration	Commitment	Timeline
To ensure effective rehabilitation of mining and exploration disturbance.	Topsoil and vegetation will be removed from areas of disturbance and stockpiled appropriately for later use in rehabilitation. Monitor for the presence and spread of introduced flora (weeds) and carry out weed eradication as required.	During operations
To prevent impact to ground and surface water.	Ensure appropriate handling and disposal of tailings to prevent release into the environment. Ensure appropriate storage and handling of hydrocarbons, chemicals and waste products is undertaken. Provide procedures and training to staff and contractors to ensure awareness of required handling and disposal, as well as the company's obligations. Undertake regular sampling of groundwater to monitor for the presence of contaminants emanating from the mine operations.	During operations
To plan for cost effective, progressive site closure.	Regularly review and update the Mine Closure Plan, detailing the methods and timeframe for decommissioning, rehabilitation and final closure of the site on completion of mining and processing activity.	During operations

Our Company will continue to ensure effective environmental management through compliance with license conditions and regulations, and ongoing review and development of our environmental management techniques.

Community Development

Our Company's policy regarding community development is to develop and manage our mining operations in a way that is sensitive to local cultural and community expectations.

As such, we work closely with various stakeholders. This includes consulting with the pastoral lessee of the Bald Hill Tantalite Mine Site about the Bald Hill Project in relation to the post-mining use and resumption of pastoral activities. Separately, the Shire of Coolgardie, has been apprised of the Bald Hill Project, and the Departments of Water, Environment Regulation and Parks and Wildlife have also been consulted for relevant approvals.

Consultation with stakeholders will continue throughout the life of the operations of the Bald Hill Project. There are no heritage or land use and community impacts associated with the Bald Hill Project. Positive social impact pertains to new employment opportunities, training and skills development for workers at the Bald Hill Tantalite Mine Site, indirect employment and business for service providers, and rate and loyalty payments to local and state government.

Safety POLICY

Due to the nature of our business, incidents that may have a detrimental effect on the health and safety of workers and the environment may occur from time to time. Our Company aims to conduct its business in such a manner that all reasonable and practicable measures are taken to protect workers and the environment from any detrimental impact. In order for our Company to achieve this aim, we have employed a mine site manager and have established a set of environment, health and safety policies, as follows:

(a) Risk assessment will be conducted before any work is allowed to commence so that foreseeable risks arising from such work is identified and eliminated accordingly. Where it is not reasonably practicable to eliminate the risks, measures and safe work procedures will be developed to minimise and control risks;

(b) All staff and workers will be briefed on the hazards and risks associated with works and trained to carry out work in accordance with established safe work procedures;

(c) Regular inspections and checks will be conducted to ensure established safe work procedures are adhered to;

(d) All staff and workers will be provided with necessary safety and health training to enable them to carry out their work safely;

(e) All machinery and equipment deployed at the worksite will be in good working condition. Only workers who have been trained are permitted to operate machinery and equipment. In addition, all machinery and equipment will be regularly serviced and maintained;

(f) Regular promotion of safety through talks, demonstrations, seminars and courses will be carried out to maintain and raise awareness of safety; and

(g) Only sub-contractors and suppliers who are able to meet the environment, health and safety requirements of our Company will be selected as our business partners. Our Company will monitor their performance on a continuous basis to ensure they maintain high standards.

Quality ASSURANCE

Our Company's primary focus is to produce a quality Tantalite concentrate in order to build a reputation as a producer of high quality, and non-conflict Tantalite concentrate. With the expansion of the Company's business to include exploration, mining, development and production of Lithium and other minerals, our focus will encapsulate these new opportunities.

Our Company believes that establishing a quality management system will enable us to achieve these goals.

The following quality management and control procedures will be adopted by our Company:

Mining of Ore

Our Company will monitor the quality of Tantalum Ore mined to minimise dilution and waste mining through in-pit grade control drilling, on-site inspections and regular sampling at our laboratory facilities on the Bald Hill Mine Site. This will enable us to mine efficiently and to blend various grades of Ore in order to achieve consistent concentrate specifications.

Production of Tantalite concentrate

Our Company will implement the following quality management and control procedures in respect of production of mineral concentrate at the Bald Hill Mine Site:

(a) *Quality control during production*

Our Company will perform various sample quality checks at every stage of the production and beneficiation process to ensure consistency in the quality of the mineral concentrate and to ensure that material that does not meet the required specifications will not proceed to the next stage of production.

(b) *Quality control for finished products*

Our Company will assay test samples from each batch of final mineral concentrate produced to ensure specifications comply with customer requirements. The assay tests that we will conduct will focus on the chemical composition of our mineral concentrate. Only the final mineral concentrate that meets the required specification will be stored and supplied to customers.

In the event that our Company is required to deliver our mineral concentrate to customers, we will select reputable delivery or transportation agents, in order to ensure that our customers receive our product in a satisfactory condition.

FINANCIAL CONTENTS

Corporate Governance REPORT

The Board of Directors (the "**Board**") of Alliance Mineral Assets Limited (the "**Company**") is committed to achieving and maintaining high standards of corporate governance principles and processes in managing its business and affairs in order to improve the performance, accountability and transparency of the Company.

This corporate governance report outlines the Company's corporate governance practices that were in place during the financial year ended 30 June 2016 ("**FY2016**"), with specific reference to the Code of Corporate Governance 2012 (the "**Code**") issued by the Monetary Authority of Singapore and the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in January 2015 (the "Guide"). The Company has complied with the principles of the Code and the Guide where appropriate, and deviations from the Code have been explained.

BOARD MATTERS

The Board's conduct of its affairs

Principle 1: *Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.*

The main role of the Board is to protect and enhance long-term shareholders' interests. The Board will set out corporate strategy for the management (the "**Management**") and will monitor the Management's performance against goals set out to enhance shareholders' value. The Board is also responsible for the overall corporate governance of the Company.

The functions of the Board include:

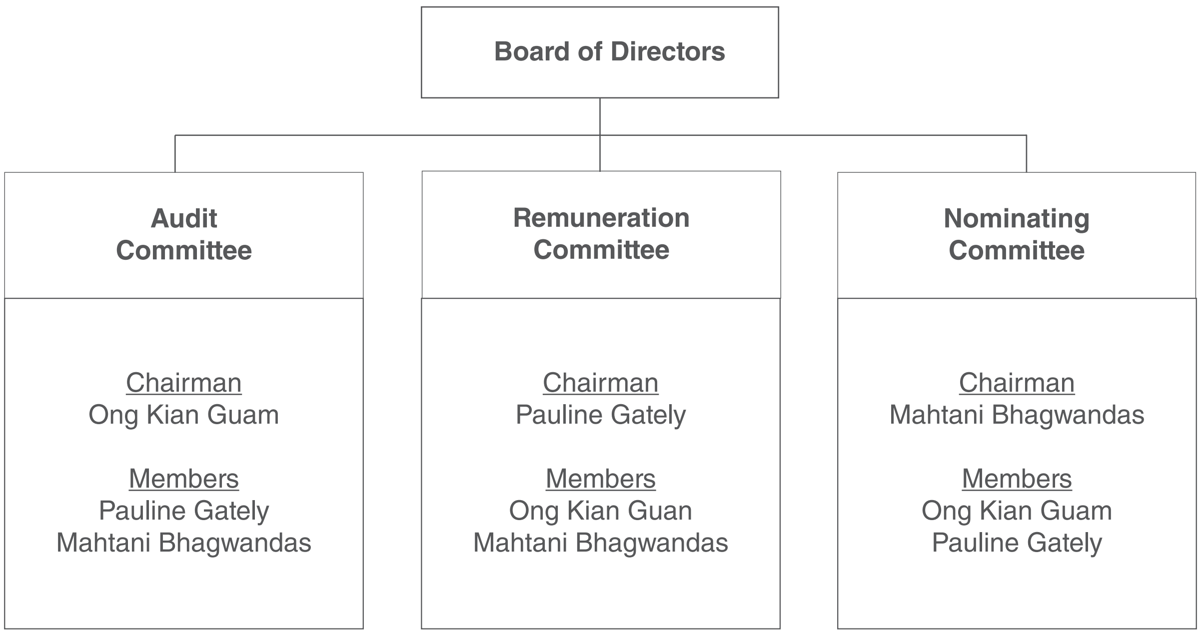
- enhance and protect long-term shareholders' value;
- set and approve the Company's strategic plans, key operational initiatives, and major investment and funding decisions;
- monitor and review the financial performance and conditions of the Company;
- identify principal risks of the Company's business and ensure the implementation of appropriate systems to manage these risks;
- deliberate and decide on policies covering business matters and corporate governance;
- ensure adequate and timely reporting to shareholders;
- provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
- consider sustainability issues (e.g. environmental and social factors), as part of the strategic formulation of the Company;
- approve matters beyond the authority of the key executives; and
- review and approve the nomination of Directors for appointment to the Board.

Corporate Governance REPORT

The Board shall objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company.

The responsibility of the daily operational management of the Company is delegated to the Company's Executive Director, Suen Sze Man and the Company's Chief Executive Officer ("**CEO**"), Tjandra Pramoko. The CEO does not sit on the Board.

To facilitate effective execution of its functions, the Board has delegated certain functions to three specialised committees, namely the Nominating Committee ("**NC**"), Remuneration Committee ("**RC**") and Audit Committee ("**AC**") (collectively, the "**Board Committees**") as set out in the diagram below. These Board Committees operate under clearly defined terms of references which set out respective areas of focus and reports its activities regularly to the Board. The terms of references and effectiveness of each Board Committee is subject to an annual review by the Board.



Board and Board Committee Meetings

The Board will hold quarterly meetings in each financial year and convene meetings as and when necessary. To facilitate regular meetings and ensure maximum Directors' participation, the Company's Constitution allows for telephone conferencing meetings.

Corporate Governance REPORT

The record of attendance of the Directors at the meetings of the Board and meetings of the Board Committees held during FY2016 is as follows:

	Board		Audit Committee		Remuneration Committee		Nominating Committee	
Director	**No of meetings held**	**No of meetings attended**	**No of meetings held**	**No of meetings attended**	**No of meetings held**	**No of meetings attended**	**No of meetings held**	**No of meetings attended**
Pauline Gately	4	4	4	4	1	1	1	1
Suen Sze Man	4	4	N/A	N/A	N/A	N/A	N/A	N/A
Mahtani Bhagwandas	4	4	4	4	1	1	1	1
Ong Kian Guan	4	4	4	4	1	1	1	1

The Company encourages its Directors to keep abreast of any new rules and regulations as well as any revisions, amendments or updates to laws or regulations. To this end, the Company encourages Directors to attend relevant training programmes conducted by the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), Singapore Institute of Directors, The Australian Institute of Company Directors and other relevant industry conferences.

During FY2016, the external auditors briefed the AC members on changes or amendments to accounting standards to enable the members of the AC to keep abreast of such changes and its corresponding impact on the financial statements, if any.

Newly appointed directors shall receive comprehensive and tailored induction upon joining the Board. This includes his/her duties as a director and how to discharge those duties, and an orientation program to ensure that they are familiar with the Company's business and governance practices. Training for first-time directors in areas such as accounting, legal and industry-specific knowledge as appropriate will also be provided. Further, each newly appointed Director will also be provided with a formal letter of appointment, setting out the Director's duties and obligations.

The CEO and/or the Executive Director will provide an update to the Board at each quarter's meeting on the business and strategic developments of the Company. The Board has also established an internal framework for material transactions that are reserved for Board's approval. Such matters which require Board's approval include:

(a) Overall business and budget strategy;

(b) Capital expenditure, investment or divestment exceeding certain material limits;

(c) All capital-related matters including capital issuance;

(d) Significant policies governing the operations of the Company;

(e) Corporate strategic development;

(f) Material interested person transactions; and

(g) Risk management.

Corporate Governance
REPORT

BOARD COMPOSITION AND GUIDANCE

Principle 2: *There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.*

The Board currently comprises four (4) Directors: one (1) Executive Director and three (3) Independent Non-Executive Directors, as follows:

Pauline Gately	Independent Non-Executive Chairman
Suen Sze Man	Executive Director
Ong Kian Guan	Independent Non-Executive Director
Mahtani Bhagwandas	Independent Non-Executive Director

A description of the background of each director is presented in the "Board of Directors" section of this annual report.

The composition of the Board will be reviewed annually by the NC to ensure that there is an appropriate mix of experience, expertise and competencies to effectively make functional and informed decisions.

The Board is of the opinion that the current board size is appropriate to make effective decisions relating to the operations of the Company. The Board also believes that the current Board composition provides a diversity of skills, experience, gender and knowledge to the Company as follows:

Balance and Diversity of the Board	**Number of Directors**	**Proportion of Board**
Core Competencies		
– Accounting or finance	2	50%
– Business management	4	100%
– Legal or corporate governance	1	25%
– Relevant industry knowledge or experience	1	25%
– Strategic planning experience	4	100%
Gender		
– Male	2	50%
– Female	2	50%

Corporate Governance
REPORT

The Board's policy in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender.

The Board has taken the following steps to maintain or enhance its balance and diversity:

- Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and

- Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.

The NC will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors.

The Independent Non-Executive Directors namely, Ms Pauline Gately, Mr Ong Kian Guan and Mr Mahtani Bhagwandas have confirmed that they do not have any relationship with the Company or its related corporations, its 10% shareholders or its officers that could interfere or be reasonably perceived to interfere with the exercise of the Directors' independent business judgement with a view to the best interests of the Company. None of the Independent Non-Executive Directors has served on the Board beyond nine (9) years from the date of their appointment.

The independence of each Director is reviewed annually by the NC. The NC adopts the Code's definition of what constitutes an independent director. The NC has examined and determined that the Independent Non-Executive Directors are independent in character and judgement and are under no circumstances or relationships that are likely to affect or appear to affect their individual judgement. There are no relationships amongst the members of the Board.

Non-Executive Directors will constructively challenge and help develop proposals on strategy and propose strategies to review the performance of the Management in meeting agreed goals and objectives. During FY2016, the Non-Executive Directors met at least once without the presence of Management.

The interests of the Directors for FY2016 in shares and options in the Company are set out in the "Director's Report" section of this annual report.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: *There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.*

The roles of the Chairman and CEO are kept separate. Ms Pauline Gately, the Independent Non-Executive Chairman and Mr Tjandra Pramoko, the CEO, are not related to each other. The Company believes in a clear division of responsibilities between the Independent Non-Executive Chairman and the CEO to ensure an appropriate balance of power, greater capacity of independent Board decision making and increased accountability.

Besides the Executive Director, the CEO is responsible for the business management of the day-to-day operations of the Company. His leading role is to manage, develop and expand the Company, including making major business and financial decisions within the delegated authority of the Board. He oversees the execution of the Company's business and corporate strategies as set out by the Board and ensures that the Board is kept informed and updated of the Company's progress.

Corporate Governance REPORT

The Independent Non-Executive Chairman leads the Board discussions and ensures that meetings are convened regularly and as and when necessary. She sets the Board meeting agenda and ensures that the Directors are provided with adequate, complete and timely information. She also chairs the meetings of the Board and encourages members of the Board to express their opinions on the topics being discussed at the meetings. She also ensures the compliance of the Company on corporate governance and encourages constructive relationships between the Board and Management, ensuring effective communications with shareholders.

The Board is of the opinion that there are sufficient safeguards and checks to ensure that the process of decision making by the Board is independent and based on collective decisions without any individual or group of individuals exercising any considerable concentration of power or influence.

BOARD MEMBERSHIP

Principle 4: *There should be a formal and transparent process for the appointment and re-appointment of Directors to the Board.*

The Board has established a NC which comprises three (3) members, all of whom are independent directors. The NC members are as follows:

Mr Mahtani Bhagwandas Chairman
Ms Pauline Gately
Mr Ong Kian Guan

The NC has written terms of reference, the key terms are as follows:

(a) The NC shall consist of not less than three Directors, a majority of whom shall be independent non-executive Directors;

(b) The Chairman of the NC shall be appointed by the Board and shall be an independent non-executive Director; and

(c) The Board shall within three (3) months of a cessation of a member appoint a new member so that the number of members does not fall below three.

The functions of the NC includes, *inter alia*:

(i) Making recommendations to the Board on:

  (a) the succession plans for the Directors, the Chairman and the CEO;

  (b) all Board appointments, including making recommendations on the composition of the Board generally; and

  (c) the balance between Executive and Non-Executive Directors appointed to the Board.

Corporate Governance REPORT

(ii) Regularly reviewing the Board structure, size and composition and making recommendations to the Board with regards to any adjustments that are deemed necessary.

(iii) Making recommendations on the re-nomination or continuation in office of any Director having regard to the Director's contribution and performance (e.g. attendance, preparedness, participation and candour) including, if applicable, as an Independent Director.

(iv) Identifying or nominating for the approval of the Board candidates to fill vacancies in the Board, as and when these arise.

(v) Determining annually whether or not a Director is independent, bearing in mind the circumstances set forth in the Code and any other salient factors.

(vi) Deciding whether or not a Director is able to and has been adequately carrying out his/her duties as a Director of the Company, particularly when he/she has multiple board representations.

The NC is of the view that the effectiveness of each Director is best assessed by a qualitative assessment of Director's contributions, after taking into account his other listed company board directorships and other principal commitments. The NC also believes that it is for each Director to assess his own capacity and ability to undertake other obligations or commitments together with serving on the Board effectively. The Board does not wish to omit from consideration outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as members of the Board. As such, the Board has not capped the maximum number of listed company board representations each Director may hold.

Currently, none of the Directors hold more than four (4) of board representations on other listed companies. When a Director has multiple board representations, the NC also considers whether a not the Director is able to and has adequately carried out his duties as a Director of the Company.

The considerations in assessing the capacity of Directors include the following:

- Expected and/or competing time commitments of Directors;
- Geographical location of Directors;
- Size and composition of the Board; and
- Nature and scope of the Group's operations and size.

Ms Pauline Gately, Mr Ong Kian Guan and Mr Mahtani Bhagwandas, Non-Executive Directors of the Company, currently sits on the board of directors of one (1), three (3) and two (2) other listed companies, respectively and have confirmed that notwithstanding their other directorships, they will have sufficient time to serve as Independent Directors of the Company. The NC is of the opinion that Ms Pauline Gately, Mr Ong Kian Guan and Mr Mahtani Bhagwandas are able to devote sufficient time to discharge their duties as Directors of the Company, notwithstanding that they have multiple board representations.

None of the Directors have appointed alternate director.

The Company has procedures and policies in place for the appointment of new Directors to the Board, including a search and nomination process. Suitable candidates will be drawn from contacts and networks of existing Directors. New Directors will be appointed by way of Directors' resolution, after the NC has nominated and reviewed them and taken into consideration the experience and qualifications of each candidate. The Board will consider the candidate's ability to add value to the Company's business in line with its strategic objectives. The Company's Constitution clearly states the procedures for the appointment of new Directors and the election and removal of Directors.

Corporate Governance REPORT

Each Director shall retire from office once every three (3) years and for this purpose, at each annual general meeting, at least one-third of the Directors for the time being (or, if their number is not a multiple of three, the nearest to but not less than one-third) shall retire from office by rotation (except for a Chief Executive Officer/Managing Director who may be appointed for a term of up to three (3) years). A retiring Director shall be eligible for re-election at the meeting at which he or she retires. The Board will assess and evaluate whether Directors retiring at each annual general meeting are properly qualified for re-appointment by virtue of their skills, experience and contributions.

Pursuant to clause 12.3 of the Company's Constitution, the NC has recommended to the Board for Ms Pauline Gately and Mr Mahtani Bhagwandas to retire by rotation and be eligible for re-election at the forthcoming annual general meeting of the Company ("**AGM**"). In making the aforementioned recommendations, the NC had considered the Directors' overall contributions and performance. Ms Pauline Gately and Mr Mahtani Bhagwandas have no relationship, including immediate family relationships with the other Directors, Company or its 10% shareholders. Ms Pauline Gately and Mr Mahtani Bhagwandas will, upon re-election as Directors of the Company, remain as the Chairman of the Board and RC and members of the AC and NC, and the Chairman of the NC and members of the AC and RC respectively, and will be considered independent for the purpose of Rule 704(7) of the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**").

The NC shall make recommendations to the Board on relevant matters relating to:

a. the development of a process for evaluation of the performance of the Board, its Board Committees and Directors; and

b. the review of training and professional development programs for the Board.

Each member of the NC abstains from voting on any resolution and making recommendation and/or participating in any deliberations in respect of matters in which he/she has an interest.

Key information regarding the Directors, including their present and past three year's directorships in other listed companies and their principal commitments are set out in the "Board of Directors" section of this annual report.

Details of the Directors are as follows:

Name of Director	Position held on the Board and Board Committees served on (if any)	Board Membership	Date of first appointment	Date of last re-appointment
Pauline Gately	Chairman of the Board and RC and member of AC and NC	Independent Non-Executive Director	March 2011	31 October 2014
Suen Sze Man	Director	Executive Director	6 December 2010	30 October 2015
Mahtani Bhagwandas	Chairman of NC and member of AC and RC	Independent Non-Executive Director	2 May 2014	31 October 2014
Ong Kian Guan	Chairman of AC and member of NC and RC	Independent Non-Executive Director	20 June 2014	30 October 2015

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BOARD PERFORMANCE

Principle 5: *There should be a formal annual assessment of the effectiveness of the Board as a whole and its Board committees and the contribution by each director to the effectiveness of the Board.*

The effectiveness of the Board is monitored by the NC. The NC has implemented a formal process for assessing the effectiveness of the Board as a whole on an annual basis. Given the relatively small size of the Board, the Board is of the view that no formal assessment is to be conducted on the Board Committees and contribution of each individual Director to the effectiveness of the Board. All members of the Board completed and sent the evaluation form to an independent coordinator directly and in confidence within three (3) weeks after the end of each financial year. The independent coordinator collated the results and forward them to all members of the NC for discussion. The NC will thereafter report its findings to the Board. The results of the evaluation process would be used by the Board to effect continuing improvements on Board processes where considered necessary. The Board has met its performance objectives for FY2016.

The table below sets out the performance criteria, as recommended by the NC and approved by the Board, to be relied upon to evaluate the effectiveness of the Board as a whole:

Performance Criteria	**Board**
Qualitative	1. Size and composition 2. Access to information 3. Board processes 4. Strategic planning 5. Board accountability 6. Risk management 7. Succession planning

ACCESS TO INFORMATION

Principle 6: *In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.*

All Directors are provided on an on-going basis with adequate, complete and timely information concerning the Company to enable them to be fully informed of the decisions and actions of the Company's Management. Examples of information provided to the Board includes Board papers, copies of disclosure documents, forecasts, budgets and internal financial statements. The Board has unrestricted access to the Company's information and records.

The Board has autonomous and individual access to Management and the Company Secretary at all times. Management is always available to provide explanatory information in the form of briefings to the Directors or formal presentations at meetings of the Board or such information can also be provided by external consultants who have been engaged for specific functions.

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The Company Secretary attends all meetings of the Board and meetings of the Board Committees to ensure that Board procedures are followed and applicable rules and regulations are adhered to. The Company Secretary ensures that appropriate information flows within the Board and its Board Committees and between the Management and the Independent Non-Executive Directors. The removal and appointment of the Company Secretary is a matter for the Board as a whole.

Each Director has the right to seek independent legal and professional advice, if necessary, at the Company's expense, concerning any aspects of the Company's operations or undertakings in order to fulfil their duties and responsibilities as Directors.

REMUNERATION MATTERS

Procedures for developing Remuneration Policies

Principle 7: *There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.*

The RC comprises of three (3) members, all of whom are Independent Non-Executive Directors, as follows:

Ms Pauline Gately	Chairman
Mr Mahtani Bhagwandas	
Mr Ong Kian Guan	

The RC has written terms of reference, the key terms are as follows:

(a) The RC shall comprise not consist of not less than three Directors, a majority of whom shall be independent non-executive Directors;

(b) The Chairman of the RC shall be appointed by the Board and shall be an independent non-executive Director; and

(c) The Board shall within three (3) months of a cessation of a member appoint a new member so that the number of members does not fall below three.

The functions of the RC includes, *inter alia*:

(i) Reviewing and recommending to the Board in consultation with the Chairman of the Board (and where considered necessary by the RC, the CEO and the human resource executives of the Company) a framework of remuneration for the Directors and key executives (as determined by the RC), and determine specific remuneration packages for each executive Director and the CEO (or equivalent). The framework and packages will cover all aspects of remuneration which may include Director's fees, basic salaries, allowances, bonuses, options and benefits in kind.

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(ii) Reviewing and recommending to the Board on the remuneration packages of all managerial staff in the Company that are related to any of the Directors, the CEO or any substantial shareholder of the Company.

(iii) Reviewing and making recommendations to the Board in consultation with the Chairman of the Board (and where considered necessary by the RC, the CEO and the human resource executives of the Company), regarding the implementation of any appropriate share option schemes or any long term incentive scheme for Directors, executives and employees of the Company.

(iv) Reviewing and making recommendations to the Board in consultation with the Chairman of the Board (and where considered necessary by the RC, the CEO and the human resource executives of the Company), regarding the implementation of any appropriate performance-related element to be incorporated in the remuneration framework and packages for Directors and key executive officers, which performance-related element should incorporate meaningful targets and measures of assessing the Company's performance and the performance of individual Directors, the key executive officers and the CEO.

(v) Making recommendations to the Board whether in any circumstances, the shareholders at the AGM of the Company should be invited to approve the remuneration policy.

(vi) Administering the Alliance Employee Share Option Scheme ("**Scheme**") as the Committee appointed by the Board pursuant to the rules of the Scheme.

Each RC member will abstain from participating in the deliberations of and voting on any resolution in respect of his/her remuneration package or that of employees related to him/her.

The RC may from time to time, where necessary or required, seek advice from external consultants in framing the remuneration policy and determining the level and mix of remuneration for the Directors and the Management, so that the Company's remuneration packages remains competitive.

In the event of termination of the Executive Director's and the key executive officers' contracts of service, the RC will review the Company's obligations to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

LEVEL AND MIX OF REMUNERATION

Principle 8: *The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.*

In setting the remuneration packages, the RC will consider the pay and employment conditions within the industry and compare to similar companies. The RC will ensure that the structure of the remuneration packages for the Executive Director and key executive officers are appropriate in linking rewards with performance and are in line with the interests of the shareholders. The remuneration of the Independent Non-Executive Directors is also reviewed by the RC to ensure that the remuneration corresponds with their contribution and responsibilities.

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The remuneration received by the Executive Directors and the Key Executive Officers takes into consideration his or her individual performance and contribution towards the overall performance of the Company for FY2016. Their remuneration is made up of a fixed compensation consisting of an annual base salary.

The review of the remuneration of the key executive officers will take into consideration the performance and the contributions of the key executive officers of the Company and will give due regard to the financial and business performance of the Company. The Company seeks to offer a competitive level of remuneration to attract, motivate and retain senior management of the required competency to run the Company successfully.

The Company will submit the quantum of Directors' fees of each financial year for shareholders' approval at each AGM.

On 26 May 2014, the Company entered into separate service agreements ("**Service Agreements**") with the Company's Executive Director, Ms Suen Sze Man, the Company's CEO, Mr Tjandra Pramoko (collectively, the "**Executives**" and individually, the "**Executive**"), and these Service Agreements commenced on 1 June 2014.

Each Service Agreement is valid for an initial period of three (3) years. Under the Service Agreement, each party may terminate the Service Agreement by giving to the other party not less than six (6) months' written notice. At the completion of the initial three year period, the employment of each Executive shall be automatically renewed on the same terms unless a new service agreement is signed.

Pursuant to the terms of the respective Service Agreements, Ms Suen Sze Man and Mr Tjandra Pramoko will each receive a monthly salary of A$15,000. In addition, each of them will be paid a performance bonus based on the Company's consolidated profit before tax. The rate of performance bonus payable will be computed as follows:

Profit Before Tax ("PBT")	**Performance Bonus**
PBT ≤ A$8.0 million	Nil
A$8.0 million < PBT ≤ A$15.0 million	2.0% of PBT
PBT > A$15.0 million	An aggregate of A$300,000 and 2.5% of PBT for the amount in excess of A$15 million

No performance bonuses were paid to the Company's CEO and Executive Director in respect of FY2016 as the aforementioned performance criteria has not been met.

DISCLOSURE ON REMUNERATION

Principle 9: *Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.*

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The breakdown of the level and mix of remuneration of the Directors and CEO of the Company for FY2016 is as follows:

Name	Total Remuneration	Directors' Fees (%)	Consultancy Fees (%)	Salary & other benefits (%)	Share based payment (%)	Total (%)
Directors						
Pauline Gately	A$30,000	100	–	–	–	100
Suen Sze Man	A$204,681	–	–	100	–	100
Mahtani Bhagwandas	S$30,000	100	–	–	–	100
Ong Kian Guan	S$40,000	100	–	–	–	100
Chief Executive Officer						
Tjandra Pramoko(1)	$204,681	–	–	100	–	100

Note:

(1) Mr Tjandra Pramoko, the Company's CEO, is the spouse of Ms Suen Sze Man, the Company's Executive Director.

Other than the CEO, the Company has two other Key Executive Officers for FY2016. The breakdown of the level and mix of the summary compensation table for the following Key Executive Officers (who are not Directors or the CEO) for FY2016 is as follows:

Name	Remuneration (A$)	Consultancy Fees (%)	Salary & other benefits (%)	Share based payment (%)	Total (%)
Key Executive Officers (Between S$0 to S$250,000)					
Fiona Leaw Mun Ni(2)	77,822	–	100	–	100
Paul Robson(1)(2)	130,166	–	100	–	100

Notes:

(1) Mr Paul Robson resigned as the Company's CFO with effect from 19 February 2016.

(2) All executive officers are paid in Australian Dollars and each of the above amount when converted to Singapore dollars at the rate of S$1.02 to A$1, falls within the band of S$0 and S$250,000.

The aggregate remuneration paid to the top key Executive Officers of the Company (who are not Directors or the CEO) for FY2016 was A$207,988 (S$212,148).

There are no termination, retirement and post-employment benefits granted to Directors, the CEO or the top Key Executive Officers of the Company.

There was no employee of the Company who was an immediate family member of a Director and/or the CEO whose remuneration exceeds S$50,000 during FY2016.

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The Alliance Employee Share Option Scheme (the "Scheme")

The Scheme was adopted and approved by shareholders of the Company pursuant to the extraordinary general meeting held on 16 June 2014. The Scheme is designed to provide an opportunity for Company's employees who have contributed significantly to the growth and performance of the Company (including Executive Directors) and who satisfy the eligibility criteria as set out in Rule 4 of the Scheme, to participate in the equity of the Company.

The Scheme is primarily a share incentive scheme. It recognises the fact that the services of such employees are important to the success and continued well-being of the Company. Implementation of the Scheme will enable the Company to give recognition to the contributions made by such employees. At the same time, it will give such employees an opportunity to have a direct interest in the Company and will also help to achieve the following positive objectives:

(a) To motivate each participant to optimise his/her performance standards and efficiency and to maintain a high level of contribution to the Company;

(b) To retain key employees and Directors whose contributions are essential to the long-term growth and profitability of the Company;

(c) To instill loyalty to, and a stronger identification by the participants with the long-term prosperity of, the Company;

(d) To attract potential employees with relevant skills to join and contribute to the Company and to create value for the Shareholders; and

(e) To align the interests of the participants with the interests of the Shareholders.

The Scheme allows for participation by employees of the Company (including Executive Directors) who have attained the age of 21 on or prior to the relevant date of grant of the option, provided that none shall be an undischarged bankrupt or have entered into a composition with his creditors.

Controlling shareholders and their associates who have contributed to the development and success of the Company shall be eligible to participate in the Scheme, provided that: (i) the participation of; and (ii) the terms of any options to be granted and the actual number of options to be granted under the Scheme, to a participant who is a controlling shareholder or an associate of a controlling shareholder shall be approved by the independent shareholders in separate resolutions for each such person.

The Scheme shall be administered by the RC with powers to determine, *inter alia*, (i) persons to be granted options; (ii) number of options to be granted; and (iii) recommendations for modifications to the Scheme.

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Further, the number of Shares to be received on the exercise of the options offered under the Scheme when aggregated with (i) the number of Shares issued during the previous five (5) years from the exercise of the options issued under the Scheme (or any other employee share plan extended only to employees of the Company); and (ii) the number of Shares that would be issued if each outstanding offer for Shares (including options to acquire unissued Shares or units of Shares) under any employee incentive scheme of the Company were to be exercised or accepted, does not exceed 5% of the total number of Shares on issue at the time of an offer under the Scheme (but disregarding any offer of Shares or option to acquire Shares that can be disregarded in accordance with the Class Order).

Since the commencement of the Scheme and up to the date of this report, no options were granted under the Scheme.

For further details of the Scheme, please refer to the Company's offer document dated 16 July 2014 ("**Offer Document**") as described in the section entitled "Alliance Employee Share Option Scheme" and Appendix I of the Offer Document for the terms of the Scheme.

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: *The Board should present a balanced and understandable assessment of the company's performance, position and prospects.*

The Board is accountable to the shareholders and is aware of its obligations to provide timely information, and to ensure full disclosure of material information to shareholders in compliance with the Catalist Rules.

Price sensitive information will be publicly released either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Financial results and annual reports will be announced or issued within the prescribed periods.

The Management shall provide members of the Board with updates covering operational performance, financial results, marketing and business development and other relevant information on a quarterly basis and as and when the Board may require from time to time, enabling the Board to make a balanced and informed assessment of the Company's performance, position and prospect.

The Board also acknowledges its responsibility in relation to the preparation of the financial statements of the Company. The Board ensures that the preparation of the financial statements is in accordance with statutory requirements and applicable accounting standards.

The statement of the auditors of the Company about their reporting responsibilities on the financial statements of the Company is set out in the "Financial Statements" section of this annual report.

Corporate Governance
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RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: *The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.*

Taking into consideration the size of the Board, the Board felt that it is not necessary to establish a separate board risk committee. Accordingly, the role and duties of a board risk committee shall be assumed and undertaken by the Board.

The Board is responsible for approving the Company's policies on risk oversight and management, and satisfying itself that the Management has developed and implemented a sound system of risk management and internal control. Implementation of the risk management system and day-to-day management of risk is the responsibility of the CEO as required.

The CEO has responsibility for identifying, assessing, monitoring and managing risks. The CEO is to report to the Board on the progress of, and on all matters associated with, risk management as a standing item at each meeting of the Board. The CEO is to report to the Board as to the effectiveness of the Company's management of its material business risks, at least annually. The Company considers that any risk that could have a material impact on its business should be included in its risk profile. The CEO is to ensure, with the approval of the Board, that the Company's risk profile is updated to reflect any material change.

The Board will review on an annual basis the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls.

For FY2016, the Board has received assurance from the CEO and the persons responsible for the financial records and statements of the Company ("Assurances") that:

(a) the financial records of the Company have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances, and

(b) the Company's risk management and internal controls systems are effective.

Based on the internal controls established and maintained by the Company, the work performed by the external auditors, Assurances as well as reviews performed by the Management and the various Board Committees, the Board with the concurrence of the AC, are of the opinion that the Company's internal controls, addressing financial, operational, compliance, information technology risks and that the Company has not yet received revenue from production, were effective and adequate for FY2016.

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AUDIT COMMITTEE

Principle 12: *The Board should establish an Audit Committee with written terms of reference, which clearly set out its authority and duties.*

The Company has established the AC comprising the following three members, all of whom are Independent and Non-Executive Directors:

Mr Ong Kian Guan Chairman
Mr Mahtani Bhagwandas
Ms Pauline Gately

All of the members of the AC have had many years of experience in senior management positions across different sectors. The Board is of the view that the members of the AC have sufficient management and/or financial expertise and experience to discharge the AC's functions.

The key terms of reference of the AC are as follows:

(a) The AC shall comprise not consist of not less than three Directors, all of whom shall be non-executive Directors with the majority being independent non-executive Directors;

(b) At least two members, including the Chairman of the AC, shall have recent and relevant accounting or related financial management expertise or experience;

(c) The Chairman of the AC shall be appointed by the Board and shall be an independent non-executive Director; and

(d) The Board shall within three (3) months of a cessation of a member appoint a new member so that the number of members does not fall below three.

The functions of the AC under its written terms of reference, and its responsibilities includes, *inter alia*, the following:

a. review the quarterly financial statements and results of the Company and the annual financial statements of the Company before submission to the Directors;

b. review all interested person transactions of the Company, and shall make such recommendations to the Board in respect thereof as the AC thinks appropriate;

c. review and make recommendations to the Board on the appointment and re-appointment of the Company's external auditors, and approve the remuneration and terms of engagement of the external auditors;

d. meet with the external auditors at least once each year, to review the audit plan, scope and results of the external audit, and the significant findings and recommendation of the external auditors and management's responses;

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e. review at least annually, and keep under review the following (but not limited to):

   (i) the independence and objectivity of the external auditors, taking into consideration the nature and extent of any non-audit services provided to the Company by the external auditors;

   (ii) the cost effectiveness of the audit taking into consideration the audit fees and any other fees which are payable to the external auditors in respect of non-audit services;

   (iii) evaluation of the external auditors, concerning issues on compliance with accounting standards, and concerning the Company's internal auditing standards and controls; and

   (iv) the auditors' report.

f. approve the hiring, removal, evaluation and compensation of the accounting/auditing firm or corporation to which the internal audit function is outsourced;

g. review the adequacy and effectiveness of the internal audit function annually; and

h. review significant findings and recommendations of the internal auditors and management's responses.

The AC shall have the authority to initiate, and to oversee, any investigation of matters within its terms of reference. For this purpose, it shall have full access to and be entitled to full co-operation from the Management, and full discretion to invite and permit any Director, executive, or employee of the Company, or any external consultant or professional advisor to attend its meetings, and to provide information and feedback to the AC. In the performance of its duties, the AC is authorised to obtain any information it requires from any employee of the Company.

The AC may commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls, or infringement of any law, rule or regulation which has or is likely to have a material impact on our Company operating results or financial position.

The AC will meet with the external auditors without the presence of the Management at least once a year, and this has been done in respect of FY2016.

The Company has put in place a whistle-blowing policy where employees and any other persons, such as suppliers, customers, sub-contractors and other stakeholders, with concerns about any impropriety in the Company's financial reporting and operations may come forward and voice these concerns with the assurance that swift action will be taken if necessary.

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The aggregate amount of fees paid or payable to the external auditors of the Company, broken down into audit and non-audit services during FY2016 are as follows:

	FY2016 A$
Amounts paid or payable to Ernst & Young (Australia) for:	
– audit or review of the financial report	45,000
– taxation services – R&D Claims	150,000
– taxation services – compliance	15,000
	210,000
Amounts paid or payable to Ernst & Young LLP (Singapore) for:	
– audit or review of the financial report	5,000
	5,000

Notwithstanding the substantial volume of non-audit services rendered to the Company, the AC is satisfied that Ernst & Young (Australia) remains independent after considering the following:

- that all relationships and/or arrangements between the Ernst & Young (Australia) and the Company that may reasonably be thought to affect the Ernst & Young (Australia)'s objectivity and as disclosed by the audit engagement partner did not impair the independence and objectivity of the Ernst & Young (Australia); and

- the audit engagement partner has confirmed that, in his/her professional judgement, Ernst & Young (Australia) is independent.

The AC has reviewed the non-audit services which was tax related, and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

The external auditors has informed the AC on changes or amendments to accounting standards to enable the members of the AC to keep abreast of such changes and its corresponding impact on the financial statements, if any.

The Company confirms that it is in compliance with Rule 712 of the Catalist Rules in relation to its external auditors. The Company does not have any subsidiaries and associated companies as at the date of this annual report.

INTERNAL AUDIT

Principle 13: *The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.*

The Board acknowledges that it is responsible for maintaining proper internal controls to safeguard shareholders' investment and the Company's assets and business.

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During FY2014, in connection with the Listing of the Company, a pre-initial public offering internal audit was conducted by Ernst & Young (Australia) to undertake a detailed internal audit and to report its findings to the AC. The AC has reviewed the reports submitted by Ernst & Young (Australia) on internal procedures and controls and is satisfied that there are adequate internal controls in the Company.

The Board, having considered various factors, including the scale of the Company's current operations whereby the production and sale of Tantalite ("**Production and Sale**") has not yet commenced, is of the opinion that an internal audit function is considered not necessary for FY2016. The AC will assess the adequacy of internal controls maintained by the Management on a continual basis and may commission an independent audit if it is not satisfied with the effectiveness of these internal controls. The Company will consider the establishment of an internal audit function and/or appointment of suitably qualified internal auditors when the Company commences operations under the Joint Venture arrangement with Lithco No. 2 Pty Ltd. or when there is an increased level of operating activities. The AC will conduct periodic reviews on the Company's level of operating activities to assess whether such establishment of an internal audit function and/or appointment of suitably qualified internal auditors is required.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14: *Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.*

The Company is committed to making timely full and accurate disclosures to shareholders and the public. All information that could materially affect the price or value of the Company's shares will be promptly disseminated via SGXNet to provide fair communication with shareholders.

The Company shall ensure that shareholders have the opportunity to participate effectively in and vote at general meetings of shareholders. Shareholders would be informed of the rules, including voting procedures that governs general meetings of shareholders. The Company shall allow corporations which provide nominee or custodial services to appoint more than two proxies so that shareholders who hold shares through such corporations can attend and participate in general meetings as proxies.

COMMUNICATION WITH SHAREHOLDERS

Principle 15: *Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.*

In accordance with the continuous disclosure obligations of the Company, pursuant to the Catalist Rules, the Board's policy is to ensure that all shareholders are informed of all significant developments that impact the Company. Information is released to shareholders and investors on a timely basis through:

- SGXNet announcements and news releases;
- Annual reports and notice of AGM issued to all shareholders;
- Press releases on major developments of the Company;

Corporate Governance REPORT

- Company's AGM; and

- Company's website at http://www.alliancemineralassets.com.au at which shareholders can access information on the Company.

In addition, if the need arises, the Company may organise media/analyst briefings to enable a better appreciation of the Company's performance and developments, which will also act as platforms to solicit and understand the views of shareholders and investors. Management shall observe and comply with SGX-ST's Corporate Disclose Policy set out in Appendix 7A of the Catalist Rules on a continuous basis.

The Company currently does not have a fixed dividend policy. However, as and when the Company is profitable and if the Board determine it to be in the best interests of the Company and the Shareholders, the Board may recommend the payment of dividend. The declaration and payment of dividends will be determined at the sole discretion of Directors after considering the Company's profits, subject to the approval of shareholders. The Company does not propose any dividend payments for FY2016 as the Company did not have any profits available for distribution.

CONDUCT OF SHAREHOLDER MEETINGS

Principle 16: *Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the Company.*

The Company's general meetings, AGM and/or Extraordinary General Meeting ("**EGM**") are principal events for discussion with shareholders. The Chairman and members of the Board, the Chairman of all Board Committees will be present at the general meetings to answer questions from shareholders.

Shareholders are encouraged to attend the AGM or EGM to be informed of the Company's goals and strategies. Shareholders shall be given the opportunity to ask questions and to clarify issues that they may have regarding the resolutions tabled at the AGM or EGM.

The Company's constitution allows a shareholder to appoint not more than two proxies who need not be a shareholder to attend and vote at the meetings. It also allows a shareholder who is unable to vote in person at any General Meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile.

The Company practices having separate resolutions at general meetings on each distinct issue. All resolutions at the Company's general meeting are put to vote by poll so as to better reflect shareholders' shareholding interests. The poll voting results will be announced at the meeting and in an announcement released after the meeting via SGXNet. The Company does not plan to implement electronic voting at general meetings in view of the cost involved, but will consider implementing it in future if electronic voting is more cost efficient to do so.

All queries from shareholders and the relevant responses from the Board and management shall be properly recorded. All minutes of general meetings will be available for inspection by shareholders within one month after the general meeting upon request by the shareholder of the Company.

Corporate Governance REPORT

Dealing in Securities

In line with Rule 1204(19) of the Catalist Rules and the Company's internal compliance code, the Company will issue a memorandum to its Directors and all its officers to provide guidance with regards to dealings in securities of the Company by them, highlighting that Directors and all officers are prohibited from dealing in the Company's securities, commencing two (2) weeks before the announcement of the Company's financial results for each of the first three (3) quarters and one (1) month before the release of the Company's full-year financial results and ending on the date of the announcement of the financial results or when in possession of price-sensitive information which is not available to the public. They are also discouraged from dealing in the Company's securities on short-term considerations. The Directors and officers are also expected to observe insider-trading laws at all times even when dealing with securities within the permitted trading period.

Interested Person Transaction

The Company has established procedures to ensure that all transactions entered into with interested persons are properly documented and reported on a timely manner to the AC and that the transactions are conducted on normal commercial terms and on an arm's length basis and are not prejudicial to the interest of the Company and its minority shareholders, in accordance with the internal controls set up by the Company on dealing with interested person transactions. In the event that a member of the AC is involved in any interested person transaction, he/she will abstain from reviewing that particular transaction.

Further to the Sale of Business Agreement dated 20 December 2010 and the Supplemental Deed dated 18 June 2014, the Company has, pursuant to a Deed of Variation dated 30 June 2015 between Living Waters Mining (Australia) Pty Ltd ("Living Waters Mining") and the Company, agreed the following repayment term for the loan:

- Repayment of the loan shall only be made to Living Waters after January 2016

- The monthly repayment is subject to AMA having positive cash flow and such positive cash flow not less than twice the amount to be paid by AMA for the preceding calendar month. Free Cash Flow means the difference between the closing cash balance and the opening cash balance as reported in the monthly financial accounts of AMA for the preceding calendar month

- The monthly instalments as stipulated in the revised loan agreement defines the amount of each instalment to be paid as "the greater of AUD 50,000 or 50% of the Free Cash Flow for the Preceding Calendar Month"

- No instalment shall be aggregated with any unpaid Instalment for any given calendar month.

At 30 June 2015, the Company expected the repayment would commence at a rate of $50,000 per month starting February 2016. As a result, the Company recognised a current liability in relation to the loan of $250,000 and this would increase in accordance to the loan repayment schedule as the company ramps up production.

The aforementioned payment remains interest free.

Other than the interested person transactions as disclosed on pages 172 and 173 of the Offer Document, there were no other interested person transactions entered into during FY2016 which were more than S$100,000.

The Company does not have a general shareholders' mandate for interested person transactions pursuant to Rule 920 of the Catalist Rules.

Corporate Governance
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Material Contracts

Sale of Business Agreement

Pursuant to the Sale of Business Agreement dated 20 December 2010, the Company acquired the assets comprising the Bald Hill Project, which includes the Tenements, the Project Intellectual Property and the Bald Hill Treatment Plant and the exploration and mining business carried out on the Bald Hill project site from Living Waters Mining for consideration shares and cash consideration of A$4 million ("**Cash Component**"). As at 18 June 2014, the entire Cash Component remained outstanding to Living Waters Mining. Living Waters Mining and the Company entered into a Supplemental Deed on 18 June 2014 whereby Living Waters Mining agreed, confirmed and undertook to the Company that:

(a) Living Waters Mining shall not be paid the outstanding Cash Component (or any part thereof) for a period of 18 months commencing from the date of the Listing ("**Minimum Non-Payment Period**");

(b) the Cash Component has been, and will remain and continue to be, interest-free and unsecured; and

(c) payment of the Cash Component by our Company to Living Waters Mining shall only be made by our Company to Living Waters Mining:

  (i) after the date of expiry of the Minimum Non-Payment Period;

  (ii) subject to the commencement of production and sales by our Company of Tantalite concentrate and positive cash flow based on the quarterly financial statements of our Company for the financial quarter preceding the date on which payment is approved to be made; and

  (iii) with the approval in writing by the AC and the Directors (excluding Directors who are interested in such payment), after taking into consideration, without limitation, the general financial and business conditions, results of operations, earnings, capital expenditure, cash flow requirements and development plans of our Company at the time of the proposed payment.

Further information on the aforementioned can be found under the section "Interested Person Transactions" on pages 171 and 172 of the Offer Document.

On 30th June 2015 an additional deed ("**Deed**") was entered into to vary the terms of the payment of the outstanding amount. Key details of the amendment include:-

- Repayment of the loan shall only be made to Living Waters after January 2016

- The monthly repayment is subject to AMA having positive cash flow and such positive cash flow not less than twice the amount to be paid by AMA for the preceding calendar month. Free Cash Flow means the difference between the closing cash balance and the opening cash balance as reported in the monthly financial accounts of AMA for the preceding calendar month

Corporate Governance
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- The monthly instalments as stipulated in the revised loan agreement defines the amount of each instalment to be paid as "the greater of AUD 50,000 or 50% of the Free Cash Flow for the Preceding Calendar Month"

- No instalment shall be aggregated with any unpaid Instalment for any given calendar month.

At 30 June 2015, the Company expected the repayment would commence at a rate of $50,000 per month starting February 2016. As a result, the Company recognised a current liability in relation to the loan of $250,000 and this would increase in accordance to the loan repayment schedule as the company ramps up production.

As at 30th June 2016 no payments were made to Living Waters Mining under the Deed. However, due to the cash received from the R&D claims and the capital raising in June 2016; $2,777,065 became due and payable to Living Waters Mining as at 30 June 2016 in accordance with the terms of the Deed in addition to an amount of $344,396 which is expected to be payable in the next 12 months. Subsequent to the balance date, an agreement was made, via a letter, between the Company and Living Waters on 5 September 2016 that the repayment of the amount owing of $2,777,065 is to be made in 24 equal monthly instalments of $115,711 per month commencing in July 2016 and that the Company is not in default of the Deed.

Save as disclosed above, there were no other material contracts entered into by the Company and/or any of its subsidiaries during FY2016 involving the interests of the CEO, any Director or controlling shareholder of the Company either still subsisting at the end of FY2016 or if not then subsisting, entered into since the end of FY2016.

Utilisation of Initial Public Offering ("IPO") Proceeds

The Company has raised gross proceeds amounting to S$10 million (equivalent to approximately A$8.569 million) from the IPO. As at 30 June 2016, the utilisation of the IPO proceeds is as set out below:

Use of Proceeds	Amount Allocated[(1)] (A$'000)	Amount Utilised (A$'000)	Amount Unutilised (A$'000)
Exploration and drilling	1,028	197	831
Internal scoping study	428	300	128
Development of mining deposits	428	335	93
Working capital[(2)]	4,723	4,723	–
Listing expenses	1,962	1,962	–
Total	**8,569**	**7,517**	**1,052**

Notes:

(1) The IPO proceeds were received on the 2nd of September 2014 and for the purpose of comparability have been converted to Australian dollars on the date received.

(2) The amount of working capital has been utilised for refurbishment and construction of the Bold Hill and Boulder facilities.

The use of the above IPO proceeds is in accordance with the allocation and its intended use as set out in the section entitled "Use of Proceeds from the Placement and Expenses Incurred" of the Offer Document. The Company will make periodic announcements on the material disbursement of the remaining IPO proceeds and as and when such proceeds are materially disbursed.

Non-Sponsorship Fees

With reference to Rule 1204(21) of the Catalist Rules, there was no non-sponsorship fee paid to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd., during FY2016.

DIRECTOR'S REPORT

For the year ended 30 June 2016

The following report is submitted in respect of the results of the Company for the financial year ended 30 June 2016, together with the state of affairs of the Company as at that date.

DIRECTORS

The names, qualifications and experience of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire financial year unless otherwise stated.

Pauline Gately (Independent Non-executive Chairman)

Pauline Gately joined our Company in March 2011 and was appointed as an Independent Non-Executive Chairman in 2014. Pauline started her career in CitiBank, Hong Kong as the Vice-President and Senior Economist for the Asia Pacific Region in 1987, where she spent two (2) years developing Asian economic research capabilities. In 1989, Pauline took on the position of General Manager and Head of Research and Equity Investment at BNP International Financial Services where she managed the research department specialising in Asian economics, international bonds and currencies; a position which she held until 1994. From 1994 to 1997, Pauline was appointed as the director and Head of Investment Strategy of Asia at Merrill Lynch Hong Kong.

In 1997, Pauline was appointed as a director and Head of Economics and Investment Strategy for BZW Asia Ltd. During her time with BZW Asia Ltd, Pauline managed economic and strategy research across nine Asian countries. Pauline continued in this role until 1999, whereby she took a sabbatical and resumed work in 2003 providing consulting services for The Asian Development Bank including providing technical assistance on public debt management to the Ministry of Finance of the People's Republic of China. During this time, she was involved in the analysis of Western Australia and the Northern Territory's services trade with Asia, which included an in-depth examination of market potential across East Asia and the People's Republic of China.

In 1991, Pauline was appointed as a non-executive director of Beaverbrook (HK) Ltd. From 2006 to 2012, Pauline was appointed as the managing director of Codexa Capital LLC, during which time she presided over research development, investment strategy and asset allocation for multi-asset portfolios across international markets with a strong emphasis in Asia. Pauline also currently sits on the board of a Western Australian Charity providing practical and emotional support to families dealing with cancer.

Pauline obtained an Honours Degree in Economics at Strathclyde University in 1983, after which she obtained a Graduate Diploma in Accounting at Glasgow University between 1984 and 1985. Pauline took a year of sabbatical after her time at Glasgow University, before starting her professional career in 1987.

Suen Sze Man (Executive Director)

Suen Sze Man joined our Company on 6 December 2010 as an Executive Director. As a founder of our Company, she procured, mobilised and organised relevant experienced staff and resources for the setting up of our business and operations. She is currently responsible for devising the business direction of our Company and overseeing the management of mining proposals and Tenements in relation to the Bald Hill Project. In 1990, Suen Sze Man was appointed as a non-executive director of Sun Kong Pty. Ltd, a company which specialised in the export of raw wool from Australia into China, between 1991 and 1997. In 1998, Suen Sze Man was appointed as a director in D & S Trading Pty Ltd, a family holding company involved in a number of businesses ranging from building and construction to health supplements. Initially, Suen Sze Man conducted her own import and distribution agreements for building and landscaping materials and was later involved in the importation and distribution of health supplements in Australia.

DIRECTOR'S REPORT

For the year ended 30 June 2016

In 1999, Suen Sze Man was appointed as a director of Indo Expo Building Products Pty Ltd, a company which specialised in the supply of building and construction materials and services such as granite and marble. In this position, Suen Sze Man gained her initial experience in the mining industry. Between 2005 and 2010, Suen Sze Man was appointed as an executive director of Cell-Tech Suisse Pty Ltd, a company which specialised in stem cell transplantation services.

Suen Sze Man obtained a Bachelor of Business from Edith Cowan University, Western Australia, in 1994.

Suen Sze Man is the spouse of the Company's Chief Executive Officer, Tjandra Pramoko.

Mahtani Bhagwandas (Independent Director)

Mahtani Bhagwandas joined our Company on 2 May 2014 as an Independent Director. He graduated from the National University of Singapore with a Bachelor of Laws (Honours) degree in 1992 and has been practicing as an advocate and solicitor of the Supreme Court of Singapore since 1993. He is currently the senior partner of Legal Standard LLP, a law firm in Singapore which specializes in commercial/corporate practice.

Apart from legal practice, Mahtani Bhagwandas is also the Independent Director of GRP Limited and SBI Offshore Limited respectively, companies listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). He has held, and continues, to hold directorships in several private companies. In the course of all his directorships, Mahtani Bhagwandas has chaired Audit, Nominating, Remuneration and Board Risk Committees.

Separately, and on charitable and social matters, Mahtani Bhagwandas has been, and continues to be involved in such organizations, essentially as a honorary legal advisor.

Ong Kian Guan (Independent Director)

Ong Kian Guan joined our Company on 20 June 2014, as an Independent Director. He has been an Audit Partner with Baker Tilly TFW LLP since 2005, where he is currently the Head of its Assurance and Capital Market practices. He was the Chief Financial Officer of Medtecs International Corporation Limited from 2002 to 2004. Between 1992 and 2002, Ong Kian Guan was an auditor with various international accounting firms and his last position held was a Senior Audit Manager with Arthur Andersen LLP, Singapore. He is also the Independent director and Chairman of the audit committees of Serrano Limited and Weiye Holdings Limited, both of which are listed on SGX-ST, and China XLX Fertilisers Ltd, a company listed on the Hong Kong Stock Exchange.

Ong Kian Guan obtained a Bachelor of Accountancy from Nanyang Technological University in 1992. He is a fellow of the Institute of Singapore Chartered Accountants ("ISCA"). He is a currently a member of the Investigation and Disciplinary panel, and has also previously served as a member of the Auditing and Assurance committee of ISCA.

Fiona Leaw Mun Ni (Company Secretary)

Fiona Leaw Mun Ni was appointed as the Company Secretary on 21 May 2014. Ms Leaw holds a Bachelor of Commerce from Edith Cowan University, Western Australia and is a member of the Australian Certified Practicing Accountants. From 2007 to 2008, she worked for Westnet Infrastructure Group as their corporate accountant. During 2009 to 2010, Fiona worked for Department of Environment and Conservation and Department of Agriculture, both are divisions of the Government of Western Australia, performing an Accounts Executive role with its IT and Procurement departments. From 2010 to early 2014, Fiona was solely in charge of all preparation of financial accounts for our Company for audit. Currently, performs all the corporate secretarial duties which includes sending out notices of meetings, coordinating the signing and maintaining the statutory records of the Company and arranging for the Company's announcements to be uploaded onto our website. Aside from performing our corporate secretarial work, she assists with the accounting and administrative matters for our Bald Hill Mine Site.

DIRECTOR'S
REPORT

For the year ended 30 June 2016

INTERESTS IN THE SECURITIES OF THE COMPANY

As at the date of this report, the interests of the Directors in the securities of Alliance Mineral Assets Limited were:

Director	Ordinary Shares
Pauline Gately	326,081
Mahtani Bhagwandas	–
Suen Sze Man[(1)]	196,187,950
Ong Kian Guan	–

For the purposes of Rule 1204(7) of the SGX-ST Listing Manual Section B: Rules of Catalist of the SGX-ST, there were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 July 2016.

(1) This represents an indirect interest in ordinary shares arising from the shareholding in the Company held by Living Waters Mining (Australia) Pty Ltd. Ms. Suen Sze Man and her spouse (Mr. Tjandra Pramoko) are deemed to be interested in the Shares of the Company held by Living Waters Mining (Australia) Pty Ltd as they collectively hold, directly and beneficially, 100% of the shares in Living Waters Mining (Australia) Pty Ltd.

RESULTS OF OPERATIONS

The net loss of the Company for the financial year after income tax was A$4,082,094 (2015: A$10,785,491 loss).

DIVIDENDS

No dividend was paid or declared by the Company in the financial year and up to the date of this report.

OUR COMPANY

On 6 December 2010, our Company was incorporated in the Commonwealth of Australia under the Corporations Act as a public company limited by shares, under the name of "HRM Resources Australia Ltd". On 13 March 2014, our name was changed to "Alliance Mineral Assets Limited". Our Company registration number is ACN 147 393 735. Our Company was listed on the Catalist board of the SGX-ST on 25 July 2014.

Our Company is currently headquartered in Perth, Western Australia, and our Company possesses the rights to explore and mine Tantalum at the Bald Hill Project located within the Eastern Goldfields Province of the Archaean Yilgran Block, within the Shire of Coolgardie, which is approximately 50km east of Widgiemooltha, the nearest township.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

We are principally engaged in the business of developing and exploiting Tantalum Mineral Resources in Australia.

During the financial year, the principal activity was successful commissioning of the primary and secondary processing plants and supporting infrastructure at the Bald Hill Mine Site.

At an extraordinary general meeting (the "EGM") held on 15 September 2016, approval was granted by shareholders for the farm-in and joint venture arrangement with Lithco No. 2 Pty Ltd ("Lithco") and the expansion of the Company's business to include the exploration, mining, development and production of lithium and other minerals.

DIRECTOR'S REPORT

For the year ended 30 June 2016

EMPLOYEES

As at 30 June 2016, we have six (6) Australian employees, with three (3) based in our Perth Head Office and three (3) based at our Bald Hill Operation.

REVIEW OF OPERATIONS

Highlights

- Alliance Mineral Assets Limited ("AMA" or the "Company") is a public company incorporated in Australia, focused on recommencing tantalum production in fertile grounds of Bald Hill, in the Eastern Goldfields of Western Australia, near Kalgoorlie.

- The main activity undertaken during the year was to complete refurbishment of the Bald Hill Plant, develop or improve infrastructure at our Bald Hill Mine Site, construct the Secondary Beneficiation Facility at Boulder and commence trial mining.

- AMA had produced and sold its first Tantalum Concentrate after commissioning of the Bald Hill Plant. AMA has delayed the decision to commence the next mining campaign pending, *inter alia*, an improvement in the tantalite concentrate price. AMA had, during the commissioning phase produced by-products from the tantalite concentrate production with the most significant being a 6.7% Li2O Spodumene concentrate.

- The Bald Hill mine was previously one of the largest tantalum producing mines in the world, with high grade g/t tantalite. AMA owns these tenements which still has extensive available resources; together with its plant operations.

- AMA owns the Bald Hill Tantalite Project; an additional 319km^2 in close proximity to Bald Hill has been added to its existing 461.5km^2 tenement portfolio. The exploration potential for additional resources within the tenements is considered to be very favourable based on past results.

- AMA is in a great position to become a leading producer of ethically sourced tantalite concentrate (Ta2O5); There are also other minerals, such as Niobium (Nb), Tin (Sn) and Lithium (Li) in these resources; that can be potentially extracted as by products during the production of our tantalite concentrate (Ta2O5), or through independent exploration for these minerals.

- AMA has on 3 June 2016 signed a binding terms sheet (the "Binding Terms Sheet") with 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 Bald Hill 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 (the "Proposed Transaction").

- At the EGM held on the 15 September 2016, approval was granted by shareholders for the farm-in and joint venture arrangement with Lithco and the expansion of the Company's business to include the exploration, mining, development and production of lithium and other minerals.

DIRECTOR'S REPORT

For the year ended 30 June 2016

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the financial year, the following significant changes in the state of affairs occurred:

- 83,500,000 fully paid ordinary shares were issued at S$0.06 each to raise S$5 million (before costs of the offer) pursuant to a placement exercise that occurred in June 2016;

- 3,333,333 fully paid ordinary shares were issued to the placement agent as commission pursuant to their engagement terms relating to the placement exercise that occurred in June 2016.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 5 September 2016, the Company and Living Waters Mining (Australia) Pty Ltd agreed to a variation of the loan agreement as disclosed in Note 11 of the Financial Statements.

With the approval of the Company's Shareholders to proceed with the transaction with Lithco, operations of the Company will affect its operating results and its state of affairs in the subsequent financial years. The signing of a binding terms sheet with Lithco in June 2016 grants Lithco exploration and prospecting rights over minerals in the tenement area with entitlement to 50% of the lithium rights after having spent a minimum of A$7.5 million expenditure commitment and expend a further A$12.5 million on capital expenditure to be entitled to 50% interest in the project to form a 50/50 joint venture in the Bald Hill Project.

Other than disclosed above, no matters or circumstances have arisen subsequent to the balance sheet date which would significantly affect the operations of the Company, its operating results or its state of affairs in the subsequent financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Directors expect that the farm-in and joint venture arrangement with Lithco will proceed during the financial year ending 30 June 2017. The Company expects a loss for the financial year ending 30 June 2017.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The operations of the Company are presently subject to environmental regulation under the laws of the Commonwealth of Australia and Western Australia. The Company has been, at all times, in full environmental compliance with the conditions of its licenses.

SHARE OPTIONS

As at the date of this report, there were no unissued ordinary shares under options.

No options were issued and exercised during the financial year.

DIRECTOR'S REPORT

For the year ended 30 June 2016

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has entered into an agreement indemnifying all the Directors and officers of the Company against all losses or liabilities incurred by each Director or officer in their capacity as Directors or officers of the Company to the extent permitted by the Corporations Act 2001. The indemnification specifically excludes wilful acts of negligence.

A Director's and Officer's insurance policy is in place for which a premium of A$19,895 was paid by the Company during the financial year.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the beginning of the FY2016.

DIRECTORS' MEETINGS

The attendance of the Directors at the meetings of the Board of Directors during the financial year was as follows:

Director	Number of Meetings Eligible to Attend	Number of Meetings Attended
Pauline Gately	4	4
Suen Sze Man	4	4
Mahtani Bhagwandas	4	4
Ong Kian Guan	4	4

The attendance of members of the Remuneration Committee at its meetings held during the financial year was as follows:

Director	Number of Meetings Eligible to Attend	Number of Meetings Attended
Pauline Gately	1	1
Mahtani Bhagwandas	1	1
Ong Kian Guan	1	1

The attendance of members of the Audit Committee at its meetings held during the financial year was as follows:

Director	Number of Meetings Eligible to Attend	Number of Meetings Attended
Pauline Gately	4	4
Mahtani Bhagwandas	4	4
Ong Kian Guan	4	4

DIRECTOR'S REPORT

For the year ended 30 June 2016

The attendance of members of the Nomination Committee at its meetings held during the financial year was as follows:

Director	Number of Meetings Eligible to Attend	Number of Meetings Attended
Pauline Gately	1	1
Mahtani Bhagwandas	1	1
Ong Kian Guan	1	1

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the financial year.

AUDITOR'S INDEPENDENCE

Section 307C of the Corporations Act 2001 requires the Company's auditors to provide the Directors of Alliance Mineral Assets Limited with an Independence Declaration in relation to the audit of the financial report. A copy of that declaration is included in page 60 of this report.

NON-AUDIT SERVICES

The following non-audit services were provided by the Company's auditor, Ernst and Young, during the financial year. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

	FY2016 $	FY2015 $
Amounts paid or payable to Ernst & Young (Australia) for:		
– taxation services – R&D Claims	150,000	191,753
– other services	15,000	15,000
	165,000	206,753

Signed in accordance with a resolution of the Directors.

On behalf of the Directors.

Simone Suen
Director

27 September 2016

Auditor's Independence DECLARATION

EY
Building a better working world

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Fax: +61 8 9429 2436
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Auditor's Independence Declaration to the Directors of Alliance Mineral Assets Limited

As lead auditor for the audit of Alliance Mineral Assets Limited for the financial year ended 30 June 2016, I declare to the best of my knowledge and belief, there have been:

a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b. no contraventions of any applicable code of professional conduct in relation to the audit.

Ernst & Young

V L Hoang
Partner
30 September 2016

Independent
AUDITOR'S REPORT

Building a better working world

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Independent auditor's report to the members of Alliance Mineral Assets Limited

Report on the financial report

We have audited the accompanying financial report of Alliance Mineral Asset Limited, which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2(b), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Independent AUDITOR'S REPORT

Opinion

In our opinion:

a. the financial report of Alliance Mineral Assets Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the company's financial positions as at 30 June 2016 and of their performance for the year ended on that date;

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2(b).

Ernst & Young

V L Hoang
Partner
Perth
30 September 2016

Statement of
COMPREHENSIVE INCOME

For the financial year ended 30 June 2016

	Note	2016 $	2015 $
Revenue			
Interest income		22,742	9,482
Total Revenue		**22,742**	**9,482**
Other income	5	134,560	930,509
Foreign exchange gain	5	110,859	773,436
Loss on disposal of assets		(15,417)	(1,244)
Accounting and audit expenses		(146,407)	(216,765)
Consulting and directors' fees		(343,999)	(355,729)
Tenement expenses		(175,882)	(125,387)
Administrative expenses		(680,952)	(484,330)
Employee salaries and other benefits expenses	5	(489,025)	(673,203)
Borrowing costs	5	(787,625)	(574,591)
Fair value movement on embedded derivative	5	–	(14,889)
Listing expenses	5	–	(462,352)
Loss on settlement of financial instrument	5	–	(280,428)
Impairment expense	5	–	(11,020,948)
Loss before income tax		**(2,371,146)**	**(12,496,439)**
Income tax (expense)/benefit	4	(1,710,948)	1,710,948
Loss after tax attributable to equity holders of the Company		**(4,082,094)**	**(10,785,491)**
Other comprehensive income		–	–
Total comprehensive loss for the financial year attributable to equity holders of the Company		**(4,082,094)**	**(10,785,491)**
Basic and diluted loss per share (cents per share)	21	(1.0)	(2.8)

Statement of
FINANCIAL POSITION

As at 30 June 2016

	Notes	2016 $	2015 $
CURRENT ASSETS			
Cash and cash equivalents	19	5,389,663	3,856,137
Other receivables	9	2,147,645	1,839,040
Other current assets	10	23,247	31,163
TOTAL CURRENT ASSETS		**7,560,555**	**5,726,340**
NON CURRENT ASSETS			
Other Receivables	9	-	986,212
Exploration and evaluation expenditure	6	-	-
Mine development	7	3,088,018	392,602
Property, plant & equipment	8	13,635,758	14,309,402
Deferred tax assets	4	-	1,710,948
TOTAL NON CURRENT ASSETS		**16,723,776**	**17,399,164**
TOTAL ASSETS		**24,284,331**	**23,125,504**
CURRENT LIABILITIES			
Trade and other payables	11	3,585,753	860,770
Employee benefit liabilities	12	37,605	32,716
Interest bearing loans and borrowings	13	1,032,188	42,352
TOTAL CURRENT LIABILITIES		**4,655,546**	**935,838**
NON CURRENT LIABILITIES			
Trade and other payables	11	669,511	2,783,948
Provision for rehabilitation	15	1,078,987	1,417,521
Interest bearing loans and borrowings	13	34,507	1,009,333
TOTAL NON CURRENT LIABILITIES		**1,783,005**	**5,210,802**
TOTAL LIABILITIES		**6,438,551**	**6,146,640**
NET ASSETS		**17,845,780**	**16,978,864**
EQUITY			
Issued capital	16	38,960,275	34,011,265
Reserves	17	2,463,505	2,463,505
Accumulated losses	18	(23,578,000)	(19,495,906)
TOTAL EQUITY		**17,845,780**	**16,978,864**

The accompanying notes form part of these financial statements

Statement of
CHANGES IN EQUITY
For the financial year ended 30 June 2016

	Issued Capital $	Parent Equity Contribution Reserves $	Share-based payment reserve $	Share-based payment reserve to third parties $	Accumulated Losses $	Total $
Balance as at 1 July 2014	20,157,971	1,104,980	676,683	2,536,065	(8,710,415)	15,765,284
Loss for the financial year	–	–	–	–	(10,785,491)	(10,785,491)
Total comprehensive loss for the financial year	–	–	–	–	(10,785,491)	(10,785,491)
Equity Transactions:						
Parent equity contributions:						
– Share based payment	–	–	–	20,494	–	20,494
– Interest free loan	–	681,842	–	–	–	681,842
Share based payment reserve	–	–	–	–	–	–
Issue of 18,115,943 shares	3,566,680	–	–	–	–	3,566,680
Transfer of Share Based Payment Reserve to Shares	–	–	–	(2,556,559)	–	(2,556,559)
Issue of 13,122,261 shares	2,556,559	–	–	–	–	2,556,559
Issue of 43,479,000 shares	8,568,759	–	–	–	–	8,568,759
Transaction costs on share issued	(838,704)	–	–	–	–	(838,704)
Balance as at 30 June 2015	**34,011,265**	**1,786,822**	**676,683**	**–**	**(19,495,906)**	**16,978,864**

Statement of
CHANGES IN EQUITY
For the financial year ended 30 June 2016

	Issued Capital $	Parent Equity Contribution Reserves $	Share-based payment reserve $	Accumulated Losses $	Total $
Balance as at 1 July 2015	34,011,265	1,786,822	676,683	(19,495,906)	16,978,864
Loss for the financial year	-	-	-	(4,082,094)	(4,082,094)
Total comprehensive loss for the financial year	**-**	**-**	**-**	**(4,082,094)**	**(4,082,094)**
Equity Transactions:					
Issue of 83,500,000 shares	4,980,614	-	-	-	4,980,614
Issue of 3,333,333 shares	198,827	-	-	-	198,827
Transaction costs on share issued	(230,431)	-	-	-	(230,431)
Balance as at 30 June 2016	**38,960,275**	**1,786,822**	**676,683**	**(23,578,000)**	**17,845,780**

Statement of CASH FLOWS

For the financial year ended 30 June 2016

	Notes	2016 $	2015 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		22,742	9,482
Interest paid		(30,601)	(28,738)
Research and development tax rebate on operating expenditure		919,326	–
Payments to suppliers and employees		(1,754,135)	(3,454,615)
NET CASH FLOWS USED IN OPERATING ACTIVITIES	19	**(842,668)**	**(3,473,871)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the Sale of Assets		–	48,744
Payment of Security Deposit		–	(924,865)
Proceeds from sale of tantalum		37,631	–
Research and development tax rebate on capital expenditure		784,086	–
Mine development expenditure		(3,054,449)	(818,602)
Purchase and refurbishment of plant & equipment		(423,707)	(4,631,424)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(2,656,439)**	**(6,326,147)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issues	16	4,980,614	8,568,759
Payments for share issue costs		(31,603)	(328,217)
Payment of finance lease principal		(16,241)	(14,024)
Payment of insurance premium loan principal		(70,448)	(79,855)
Loan drawdowns		59,952	1,049,784
NET CASH FLOWS FROM FINANCING ACTIVITIES		**4,921,774**	**9,196,447**
Net increase/(decrease) in cash and cash equivalents		1,422,667	(603,571)
Cash and cash equivalents at beginning of financial year		3,856,137	3,686,272
Net foreign exchange difference on cash balances		110,859	773,436
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	19	**5,389,663**	**3,856,137**

The accompanying notes form part of these financial statements

Notes to
FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The financial report of Alliance Mineral Assets Limited ("Alliance Mineral Assets Limited" or the "Company") for the financial year ended 30 June 2016 was authorised for issue in accordance with a resolution of the directors on 27 September 2016.

Alliance Mineral Assets Limited is a public company limited by shares incorporated in Australia and listed on SGX-ST. The Company is principally engaged in the business of developing and exploiting Tantalum Mineral Resources in Australia. During the financial year, the principal activity was refurbishing the Bald Hill Plant, developing the Bald Hill Mine Site & supporting infrastructure and Boulder processing facility. The Company's registered office and principal place of business is at Lakeside Corporate Building, Unit 6, 24 Parkland Road, Osborne Park WA 6017, Western Australia.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and International Financial Reporting Standards as issued by the International Accounting Standards Board. The financial report has also been prepared on a historical cost basis, with the exception of the conversion right of the convertible loan which is carried at fair value in accordance with the accounting policies below. The presentation and functional currency is Australian dollars.

The Company is a for-profit entity for the purpose of preparing financial statements.

(b) Statement of Compliance

The financial report complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

(c) Critical Accounting Estimates and Judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Notes to FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Critical Accounting Estimates and Judgements (Continued)

Capitalised exploration and evaluation

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made. Refer to Note 6.

Determination of mineral resources

The Company estimates its mineral resources in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC code'). The information on mineral resources was prepared by or under the supervision of Competent Persons as defined in the JORC code.

There are numerous uncertainties inherent in estimating mineral resources and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in mineral resources may impact the recoverability and useful lives of the exploration and evaluation, mine development and property, plant and equipment assets. Refer to Note 6 for exploration and evaluation, Note 7 for mine development and Note 8 for property, plant and equipment.

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees or third parties by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black and Scholes model, using the assumptions detailed in note 29.

Recognition of deferred tax asset

The Company recognises deferred tax assets on the basis that it is considered probable that there will be sufficient future taxable profits available against which the unused tax losses can be utilised in the foreseeable future. Refer to note 4.

Notes to
FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Critical Accounting Estimates and Judgements (Continued)

Rehabilitation provision

The Company records the present value of the estimated cost of restoring operating locations in the period in which the obligation arises, which is typically at acquisition or disturbance to the environment. The nature of the restoration activities includes the removal of facilities, abandonment of mine sites and rehabilitation of the affected areas. In most instances this arises many years in the future. The application of this policy necessarily requires judgmental estimates and assumptions regarding the date of abandonment, environmental legislation, the engineering methodology adopted, technologies to be used, expected future inflation rates and the asset specific discount rates used to determine the present value of these cash flows. Refer to Note 15.

Commencement of project development

The Company has a policy of recognising acquired exploration and evaluation as an asset at cost. Otherwise exploration and evaluation expenditure is expensed as incurred. Once the Board of Directors has made a positive decision to develop a project a portion of the carrying amount of acquired exploration and evaluation is transferred to the mine development asset. Judgment is required in determining the amount to be transferred, including consideration of the assets originally acquired, the resource or reserve existing at the time of transfer and the remaining potential of the tenure not classified as a resource or reserve. $3,088,018 (2015: $392,602) is carried in mine development assets at 30 June 2016, refer to Note 7.

Impairment of property, plant and equipment and mine development

The Company assesses each asset or cash generating unit (CGU) in each reporting period to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs of disposal (FVLCD) and value in use (VIU). The FVLCD assessment is based on a market comparison approach using available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. In the current year, the directors have made an estimate of FVLCD and have concluded that no impairment is required and that there is no reversal required for previously recognised impairment expenses. Refer Note 7 and 8 for the carrying values of property, plant and equipment and mine development.

A value in use model was used in the prior year to determine the recoverable amount which resulted in an impairment expense of $11,020,948. The VIU assessments require the use of estimates and assumptions such as long-term commodity prices (considering current and historical prices, price trends and related factors), discount rates, operating costs, future capital requirements, closure and rehabilitation costs, exploration potential, reserves and operating performance (which includes production and sales volumes). These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets and/or CGUs. In such circumstances, some or all of the carrying amount of the assets/ CGUs may be further impaired or the impairment charge reduced with the impact recognised in profit or loss.

Notes to FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) New accounting standards and interpretations in the current financial year

The accounting policies adopted are consistent with those of the previous financial year. From 1 July 2015, the Company has adopted all the standards and interpretations mandatory for annual periods beginning on or after 1 July 2015. The adoption of these standards and interpretations did not have any effect on the statements of financial position or performance of the Company. The Company has not elected to early adopt any new standards or amendments.

(e) New accounting standards and interpretations issued but not yet effective

The following standards and interpretations have been issued by the AASB but are not yet effective for the financial year ended 30 June 2016.

Reference	Title	Summary	Application date of standard	Application date for Company
AASB 9/ IFRS 9	*Financial Instruments*	AASB 9 (IFRS 9) (December 2015) is a new Principal standard which replaces IFRS 39. This new Principal version supersedes AASB 9 (IFRS 9) issued in December 2009 (as amended) and AASB 9 (IFRS 9) (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. AASB 9 (IFRS 9) is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. The own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments.	1 January 2018	1 July 2018

Notes to
FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) New accounting standards and interpretations issued but not yet effective (Continued)

Reference	Title	Summary	Application date of standard	Application date for Company
		AASB 9 (IFRS 9) includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of IFRS 39. The main changes are described below. *Financial assets* a. Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.		

Notes to
FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) New accounting standards and interpretations issued but not yet effective (Continued)

Reference	Title	Summary	Application date of standard	Application date for Company
		c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. *Financial liabilities* Changes introduced by AASB 9 (IFRS 9) in respect of financial liabilities are limited to the measurement of liabilities designated at fair value through profit or loss (FVPL) using the fair value option. Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: – The change attributable to changes in credit risk are presented in other comprehensive income (OCI) – The remaining change is presented in profit or loss		

Notes to
FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) New accounting standards and interpretations issued but not yet effective (Continued)

Reference	Title	Summary	Application date of standard	Application date for Company
		AASB 9 (IFRS 9) also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains or losses attributable to changes in the entity's own credit risk would be recognised in OCI. These amounts recognised in OCI are not recycled to profit or loss if the liability is ever repurchased at a discount. **Impairment** The final version of AASB 9 (IFRS 9) introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.		

Notes to FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) New accounting standards and interpretations issued but not yet effective (Continued)

Reference	Title	Summary	Application date of standard	Application date for Company
		Hedge accounting Amendments to AASB 9 (IFRS 9) (December 2009 & 2010 editions and AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures. Consequential amendments were also made to other standards as a result of AASB 9 (IFRS 9), introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E. AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9 in Dec 2014. AASB 2014-8 limits the application of the existing versions of AASB 9 (AASB 9 (December 2009) and AASB 9 (December 2010)) from 1 February 2015 and applies to annual reporting periods beginning on after 1 January 2015.		

Notes to FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) New accounting standards and interpretations issued but not yet effective (Continued)

Reference	Title	Summary	Application date of standard	Application date for Company
AASB 2015-4 (Amendments to IAS 16 and IAS 38)	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)	IFRS 16 and IFRS 38 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.	1 January 2016	1 July 2016

Notes to FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) New accounting standards and interpretations issued but not yet effective (Continued)

Reference	Title	Summary	Application date of standard	Application date for Company
AASB 15/ IFRS 15	Revenue from Contracts with Customers	In May 2015, the IASB issued IFRS 15 *Revenue from Contracts with Customers*, which replaces IFRS 11 *Construction Contracts*, IFRS 18 *Revenue* and related Interpretations (IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfers of Assets from Customers* and SIC-31 *Revenue-Barter Transactions Involving Advertising Services*). The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps: (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price	1 January 2018	1 July 2018

Notes to FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) New accounting standards and interpretations issued but not yet effective (Continued)

Reference	Title	Summary	Application date of standard	Application date for Company
		(d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation Early application of this standard is permitted. AASB 2015-8 amended the AASB 15 effective date so it is now effective for annual reporting periods commencing on or after 1 January 2018. Early application is permitted. AASB 2014-5 incorporates the consequential amendments to a number Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15 amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence and provides further practical expedients on transition to AASB 15.		

Notes to
FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) New accounting standards and interpretations issued but not yet effective (Continued)

Reference	Title	Summary	Application date of standard	Application date for Company
AASB 2015-9 (Amendments to IAS 27)	Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements	AASB 2015-9 (Amendments to IAS 27) amends IAS 27 *Separate Financial Statements*, and consequentially amends AASB 1 *First-time Adoption of Australian Accounting Standards* and AASB 128 *Investments in Associates and Joint Ventures*, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. AASB 2015-9 (Amendments to IAS 27) also makes editorial corrections to AASB 127. AASB 2015-9 applies to annual reporting periods beginning on or after 1 January 2016. Early adoption permitted.	1 January 2016	1 July 2016

Notes to
FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) New accounting standards and interpretations issued but not yet effective (Continued)

Reference	Title	Summary	Application date of standard	Application date for Company
AASB 2015-1 (Amendments to IFRS 5, IFRS 7, IAS 19)	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2015 Cycle	The subjects of the principal amendments to the Standards are set out below: IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*: • Changes in methods of disposal – where an entity reclassifies an asset (or disposal group) directly from being held for distribution to being held for sale (or vice versa), an entity shall not follow the guidance in paragraphs 27-29 to account for this change. IFRS 7 Financial Instruments: Disclosures: • Servicing contracts – clarifies how an entity should apply the guidance in paragraph 42C of AASB 7 to a servicing contract to decide whether a servicing contract is 'continuing involvement' for the purposes of applying the disclosure requirements in paragraphs 42E-42H of IFRS 7.	1 January 2016	1 July 2016

Notes to
FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) New accounting standards and interpretations issued but not yet effective (Continued)

Reference	Title	Summary	Application date of standard	Application date for Company
		• Applicability of the amendments to IFRS 7 to condensed interim financial statements – clarify that the additional disclosure required by the amendments to AASB 7 *Disclosure-Offsetting Financial Assets and Financial Liabilities* is not specifically required for all interim periods. However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with IAS 34 *Interim Financial Reporting* when its inclusion would be required by the requirements of IAS 34. IAS 19 Employee Benefits: • Discount rate: regional market issue – clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability. Further it clarifies that the depth of the market for high quality corporate bonds should be assessed at the currency level.		

Notes to
FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) New accounting standards and interpretations issued but not yet effective (Continued)

Reference	Title	Summary	Application date of standard	Application date for Company
AASB 2016-2 (Amendments to IAS 1)	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	The Standard makes amendments to IAS 1 *Presentation of Financial Statements* arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.	1 January 2016	1 July 2016

Notes to
FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) New accounting standards and interpretations issued but not yet effective (Continued)

Reference	Title	Summary	Application date of standard	Application date for Company
AASB 16 (IFRS 16)	Leases	The key features of AASB 16 (IFRS 16) are as follows: **Lessee accounting** Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities. Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. AASB 16 (IFRS 16) contains disclosure requirements for lessees.	1 January 2019	1 July 2019

Notes to
FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) New accounting standards and interpretations issued but not yet effective (Continued)

Reference	Title	Summary	Application date of standard	Application date for Company
		Lessor accounting AASB 16 (IFRS 16) substantially carries forward the lessor accounting requirements in AASB 117 (IAS 17). Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. AASB 16 (IFRS 16) also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk. AASB 16 (IFRS 16) supersedes: (a) AASB 117 (IAS 17) Leases (b) Interpretation 4 Determining whether an Arrangement contains a Lease (c) SIC-15 Operating Leases-Incentives (d) SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided the new revenue standard, AASB 15 (IFRS 15) Revenue from Contracts with Customers, has been applied, or is applied at the same date as AASB 16 (IFRS 16).		

Notes to
FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) New accounting standards and interpretations issued but not yet effective (Continued)

Reference	Title	Summary	Application date of standard	Application date for Company
AASB 2016-1 (Amendment to IAS 12)	Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112] (IAS 12)	This Standard amends AASB 112 (IAS 12) Income Taxes (July 2004) and AASB 112 (IAS 12) Income Taxes (August 2015) to clarify the requirements on recognition of deferred tax assets for unrealised losses on debt instruments measured at fair value.	1 January 2017	1 July 2017
AASB 2016-2 (Amendment to IAS 7)	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107 (IAS 7)	This Standard amends AASB 107 (IAS 7) Statement of Cash Flows (August 2015) to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.	1 January 2017	1 July 2017

Notes to
FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) New accounting standards and interpretations issued but not yet effective (Continued)

Reference	Title	Summary	Application date of standard	Application date for Company
IFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions [Amendments to IFRS 2]	This standard amends to IFRS 2 *Share-based Payment*, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: – The effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments – Share-based payment transactions with a net settlement feature for withholding tax obligations – A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled	1 January 2018	1 July 2018

The Company will evaluate the impact of the above on its financial statements. The Company has not elected to early adopt any new Standards or Interpretations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Impairment of non-financial assets other than goodwill

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(g) Exploration expenditure

Exploration and evaluation expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation.

Exploration and evaluation expenditure for each area of interest is expensed as incurred.

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition, as determined by the requirements of AASB 6 Exploration for and evaluation of mineral resources.

Notes to
FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Exploration expenditure (Continued)

Carried forward expenditure on areas of interest where tenure is no longer current is written off. Furthermore, the directors regularly review the carrying value of exploration and evaluation expenditure if impairment indicators are present and make write downs if the values are not expected to be recoverable.

When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off.

Expenditure is not carried forward in respect of any area of interest/mineral resource unless the Company's rights of tenure to that area of interest are current.

(h) Mine Development Expenditure

From the date that the commercial viability of extracting a mineral resource is demonstrable expenditure on that area of interest is capitalised as development expenditure. At the same time an appropriate portion of the carrying amount of exploration and evaluation is reclassified to development expenditure.

Development expenditure ceases to be capitalised once a commercial level of production is achieved and the asset is amortised over the assessed useful life from that date.

(i) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost and, where applicable, any accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss during the financial period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Once an asset is installed and commissioned it will be depreciated over its useful life.

Notes to
FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Trade and Other Receivables

Trade receivables, which generally have 30 – 90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Company in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Company. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(k) Cash and Cash Equivalents

Cash and short term deposits in the statement of financial position include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown as current liabilities in the statement of financial position. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as described above.

(l) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Notes to FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Provisions (Continued)

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money, and where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(m) Provision for rehabilitation

The provision for rehabilitation represents the cost of restoring site damage following initial disturbance. Increases in the provision are capitalised to the associated assets to the extent that the future benefits will arise. Costs incurred that relate to an existing condition caused by past operations and do not have a future economic benefit are expensed.

Gross rehabilitation costs are estimated at the present value of the expenditures expected to settle the obligation, using estimated cash flows based on current prices. The estimates are discounted at a pre-tax rate that reflects current market assessments of the time value of money and where appropriate the risk specific to the liability. The unwinding of the discount is recorded as an accretion charge within finance costs.

(n) Income Tax

Deferred income tax is provided for on all temporary differences at balance date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

No deferred income tax will be recognised from the initial recognition of goodwill or of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Notes to FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Income Tax (Continued)

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance date and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law. The carrying amount of deferred tax assets is reviewed at each balance date and only recognised to the extent that sufficient future assessable income is expected to be obtained. Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

(o) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(p) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue is capable of being reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(q) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Notes to
FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than dividends, by the weighted average number of ordinary shares, adjusted for any bonus elements.

Diluted earnings per share

Diluted earnings per share is calculated as net profit attributable to members of the Company, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; and
- divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus elements.

Where there has been a share split the number of shares used in calculating both basic and diluted earnings per share are adjusted on a retrospective basis.

(s) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (“ATO”). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which is receivable from or payable to the ATO, are disclosed as operating cash flows.

Notes to
FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Trade and other payables

Liabilities for trade creditors and other amounts are measured at amortised cost, which is the fair value of the consideration to be paid in the future for goods and services received that are unpaid, whether or not billed to the Company.

(u) Share based payment transactions

The Company provides benefits to individuals acting as, and providing services similar to employees (including Directors) of the Company in the form of share based payment transactions, whereby individuals render services in exchange for shares or rights over shares ('equity settled transactions').

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using the Black Scholes formula taking into account the terms and conditions upon which the instruments were granted, as discussed in note 29.

In valuing equity settled transactions, no account is taken of any performance conditions, other than conditions linked to the value of the shares of Alliance Mineral Assets Limited ('market conditions').

The cost of the equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of the market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised at the beginning and end of the period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

Where an equity settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the award is recognised immediately. However if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

Notes to
FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Share based payment transactions (Continued)

The cost of equity-settled transactions with non-employees is measured by reference to the fair value of goods and services received unless this cannot be measured reliably, in which case the cost is measured by reference to the fair value of the equity instruments granted.

Where the equity settled award is provided by the parent entity and the Company does not compensate the parent for that award, the expense is recognised as an equity contribution by the parent.

The dilutive effect, if any, of outstanding options is reflected in the computation of loss per share (see note 21).

(v) Interest bearing loans and borrowings

Loans and borrowings other than financial instruments issued by the Company are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, all interest bearing loans and borrowings, other than liabilities held for trading, are subsequently measured at amortised cost using the effective interest method.

(w) Fair value measurement

The Company measures financial instruments, such as derivatives, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes to FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Fair value measurement (Continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(x) Foreign currencies

Transactions in foreign currencies are recorded in the Company's functional currency (Australian Dollars) at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. All exchange differences on monetary items are included in determining profit or loss. Non-monetary items are recorded in the applicable functional currency using the exchange rate at the date of the transaction.

(y) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(z) Employee entitlements

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date. Liabilities arising in respect of wages and salaries, annual leave and other benefits due to be settled within twelve months of the reporting date are measured at rates which are expected to be paid when the liability is settled.

All other employee entitlement liabilities are measured at the present value of estimated payments to be made in respect of services rendered up to reporting date.

Contributions for pensions and other post-employment benefits to defined contribution plans are recognised in comprehensive income as incurred during the period in which employees render the related service.

Notes to
FINANCIAL STATEMENTS

3. SEGMENT INFORMATION

For management purposes, the Company is organised into one operating segment, which involves development of the mineral assets in Australia. All of the Company's activities are interrelated, and discrete financial information is reported to the Board of Directors (Chief Operating Decision Makers) as a single segment.

Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole. All of the Company's non-current assets reside in Australia, with the exception of the security term deposit of $1,027,226 (2015: $986,212) which was held in Singapore.

4. INCOME TAX

(a) Income tax benefit/(expense)

	2016 $	2015 $
Major component of tax expense for the financial year:		
Current tax	–	–
Deferred tax	(1,710,948)	1,710,948
	(1,710,948)	1,710,948

(b) Numerical reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory income tax rate

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Company's applicable tax rate is as follows:

	2016 $	2015 $
Loss before tax	(2,371,146)	(12,496,439)
Tax at the company rate of 30% (2015: 30%)	(711,344)	(3,748,932)
Non-deductible expenses	227,107	163,756
Non-assessable income	(40,368)	(275,798)
Income tax benefit not bought to account	1,214,030	3,171,549
Deferred tax asset not recognised previously now recognised	–	(1,021,523)
De-recognition of deferred tax asset previously recognised	1,021,523	–
Income tax benefit	1,710,948	(1,710,948)

Notes to
FINANCIAL STATEMENTS

4. INCOME TAX (CONTINUED)

(c) Deferred tax

The following deferred tax balances have not been bought to account:

	2016 $	2015 $
Liabilities		
Temporary differences	(3,004)	(164,196)
Offset by deferred tax assets	3,004	164,196
	–	–
Assets		
Total losses available to offset against future taxable income was	1,775,849	1,271,179
Temporary differences	1,211,898	1,645,055
Deferred tax assets offset against deferred tax liabilities	(3,004)	(164,196)
Deferred tax assets not brought to account as realisation is not regarded as probable	(2,984,743)	(1,041,090)
Deferred Tax asset	–	1,710,948

(d) Unused tax losses

	2016 $	2015 $
Potential tax benefit not recognised	5,919,496	–
Potential tax benefit not recognised at 30%	1,775,849	–

The benefit for tax losses will only be obtained if:

(i) the Company derives future assessable income in Australia of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised, and

(ii) the Company continues to comply with the conditions for deductibility imposed by tax legislation in Australia, and

(iii) no changes in tax legislation in Australia, adversely affect the Company in realising the benefit from the deductions for the losses.

A deferred tax asset has been de-recognised as at 30 June 2016 for $1,710,948 (30 June 2015: $1,710,948 recognised) as it is not considered probable that there will be sufficient future taxable profits available against which the unused tax losses can be utilised in the foreseeable future.

Notes to FINANCIAL STATEMENTS

5. OTHER INCOME AND EXPENDITURES

	2016 $	2015 $
Research and Development incentives	134,560	919,328
Others	–	11,181
Other income	134,560	930,509
Gain on foreign exchange	110,859	773,436
Employee salaries and other benefits expenses includes:		
Salaries and wages	426,260	586,007
Superannuation	42,523	55,596
Payroll tax and worker compensations	20,242	31,600
Total employee benefits expense	489,025	673,203
Borrowing costs comprise:		
Interest payable on cash advance	–	483
Interest payable on secured loan	22,924	10,520
Interest payable on convertible loans	–	8,761
Interest payable on Vehicle Finance	3,372	3,846
Interest payable on Insurance Premium Funding	4,305	5,129
Accretion of discount on Living Waters Mining loan	757,024	545,852
	787,625	574,591
Fair value movement on embedded derivative[(i)]	–	14,889
Listing expenses[(ii)]	–	462,352
Other expenses:		
Loss on settlement of financial instrument[(iii)]	–	280,428

(i) The fair value movement on derivatives of A$Nil (2015: A$14,889) relates to the fair value movements of the convertible loan due to the Australian Accounting Standard ("AASB") 139 financial instruments: Recognition and Measurement, which requires the embedded derivative components of the convertible loan to be revalued to fair value at each reporting period with gains or losses being recognised in profit and loss.

(ii) Listing expenses of A$Nil in FY2016 (FY2015: A$462,352) relates mainly to professional fees incurred in relation to the listing of the Company on the Catalist of SGX-ST ("Listing").

(iii) The loss on settlement of financial instrument of A$280,428 in 2015 relates to the loss on the convertible notes due to the decision to early convert the loan in July 2014 by a third party.

	2016 $	2015 $
Impairment expenses		
Impairment expense – exploration and evaluation assets (note 6)	–	427,407
Impairment expense – mine development assets (note 7)	–	10,593,541
	–	11,020,948

Notes to
FINANCIAL STATEMENTS

5. OTHER INCOME AND EXPENDITURES (CONTINUED)

In accordance with the Company's accounting policies and processes, the Company performs its impairment testing annually at 30 June. Non-financial assets are reviewed at each reporting period to determine whether there is an indication of impairment. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made. The Company operates as one CGU.

The Company carried out recoverable amount assessments for all of its cash generating units ("CGUs"), and has determined that that the recoverable amount of the mine development assets and property, plant and equipment for the Bald Hill Tantalum Project is approximately the same as its' carrying value as at 30 June 2016. During the financial year ended 30 June 2015, impairment of $427,407 of exploration and evaluation assets and $10,593,541 of mine development assets was recognised.

6. EXPLORATION AND EVALUATION EXPENDITURE

	2016 $	2015 $
At beginning of the financial year	–	427,407
Impairment expense during the financial year (refer to note 5)	–	(427,407)
Total exploration and evaluation	–	–

7. MINE DEVELOPMENT

	2016 $	2015 $
At beginning of the financial year	392,602	9,037,188
Additions	3,033,950	1,948,955
Reduction in rehabilitation provision	(338,534)	–
Impairment expense during the financial year (refer to note 5)	–	(10,593,541)
Total mine development	3,088,018	392,602

Included in the additions for 2015 is an $817,521 movement in the restoration liability.

Notes to
FINANCIAL STATEMENTS

8. PROPERTY, PLANT AND EQUIPMENT

	2016 $	2015 $
Assets under construction		
At cost	70,045	212,020
Buildings		
At cost	2,966,353	2,962,827
Less: Accumulated depreciation	(325,182)	(134,753)
	2,641,171	2,828,074
Furniture and fittings		
At cost	97,263	97,263
Less: Accumulated depreciation	(24,096)	(9,200)
	73,167	88,063
Office equipment		
At cost	183,628	164,800
Less: Accumulated depreciation	(59,547)	(20,407)
	124,081	144,393
Plant and equipment		
At cost	11,516,457	11,123,906
Less: Accumulated depreciation	(958,783)	(205,365)
	10,557,674	10,918,541
Motor vehicles		
At cost	257,470	131,694
Less: Accumulated depreciation	(87,850)	(13,383)
	169,620	118,311
Total Property, plant & equipment	13,635,758	14,309,402

Reconciliation of movement in property, plant and equipment:

	Assets under construction	Buildings	Furniture and fittings	Office equipment	Plant & equipment	Motor vehicles	Total
Balance at 1 July 2015	212,020	2,828,074	88,063	144,393	10,918,541	118,311	14,309,402
Additions	423,707	–	–	–	–	–	423,707
Disposals	–	–	–	–	(15,417)	–	(15,417)
Transfers	(565,682)	3,528	–	18,828	470,431	72,895	–
Depreciation expense	–	(190,431)	(14,896)	(39,140)	(815,881)	(21,586)	(1,081,934)
Closing balance	70,045	2,641,171	73,167	124,081	10,557,674	169,620	13,635,758

Included above are assets with a cost of $105,287 (2015: $106,287) and accumulated depreciation of $22,547 (2015: $12,151) which are secured pursuant to a finance lease arrangements.

Notes to FINANCIAL STATEMENTS

9. OTHER RECEIVABLES

	2016	2015
	$	$
Current		
GST Receivable(i)	38,620	125,748
Other Receivables(i)	1,081,799	1,713,292
Security term deposit(ii)	1,027,226	–
	2,147,645	1,839,040
Non-current		
Security term deposit(ii)	–	986,212

(i) GST and other receivables are non-interest bearing. Due to their short term nature, the carrying value of GST and other receivables is assumed to approximate their fair value. Other receivables mainly relate to the estimated Research and Development incentive claims for 2016.

(ii) The security term deposit relates to a S$1,030,000 term deposit with a Singaporean bank used as a security for the Company's S$1.0 million bank loan. The term deposit earns an interest rate of 1% with fair value approximately the same as its carrying value.

10. OTHER CURRENT ASSETS

	2016	2015
	$	$
Prepayment	23,247	31,163
	23,247	31,163

11. TRADE AND OTHER PAYABLES

	2016	2015
	$	$
Current		
Trade and other payables(i)	59,432	276,672
Accruals	404,860	334,098
Due to controlling entity, Living Waters Mining (Australia) Pty Ltd(ii)	3,121,461	250,000
	3,585,753	860,770
Non-current		
Due to controlling entity, Living Waters Mining (Australia) Pty Ltd(ii)	669,511	2,783,948

(i) Trade and other payables and accruals are non-interest bearing and payable on demand. Due to their short term nature, the carrying value of trade and other payables and accruals is assumed to approximate their fair value.

(ii) The balance owing to Living Waters Mining (Australia) Pty Ltd ("LWM") is represented by the balance due under the agreement to purchase the Bald Hill Tantalum Project. The balance is interest free and was previously payable on demand. Pursuant to a Supplemental Deed dated 18 June 2014 between LWM and the Company, LWM agreed, confirmed and undertook to the Company that LWM shall not be paid the outstanding Cash Component (or any part thereof) for a period of 18 months commencing from the date of the Listing ("Minimum Non-Payment Period"); and LWM has agreed not to demand repayment unless the Company has adequate funds.

Notes to
FINANCIAL STATEMENTS

11. TRADE AND OTHER PAYABLES (CONTINUED)

(ii) (Continued)

As at 30 June 2015 a deed of variation was entered into with LWM to extend the loan until June 2017 and make instalment payments commencing January 2016 subject to the Company having adequate funds. Key details of the amendment include:–

- Repayment of the loan shall only be made to Living Waters after January 2016
- The monthly repayment is subject to AMA having positive cash flow and such positive cash flow not less than twice the amount to be paid by AMA for the preceding calendar month. Free Cash Flow means the difference between the closing cash balance and the opening cash balance as reported in the monthly financial accounts of AMA for the preceding calendar month
- The monthly instalments as stipulated in the revised loan agreement defines the amount of each instalment to be paid as "the greater of AUD 50,000 or 50% of the Free Cash Flow for the Preceding Calendar Month"
- No instalment shall be aggregated with any unpaid Instalment for any given calendar month.

At 30 June 2015, the Company expected the repayment would commence at a rate of $50,000 per month starting February 2016. As a result, the Company recognised a current liability in relation to the loan of $250,000 and this would increase in accordance to the loan repayment schedule as the company ramps up production. The remaining amount discounted to its fair value is carried as non-current. The future payments have been discounted to fair value at balance date using a discount rate of 17.25%. Refer to note 24 for further details.

Due to the cash received from the R&D claims and the capital raising in June 2016; $2,777,065 became due and payable to Living Waters Mining at 30 June 2016 in accordance with the terms of the revised loan agreement in addition to an amount of $344,396 which is expected to be payable in the next 12 months.

Subsequent to the balance date, an agreement was made between the company and Living Waters that the repayment of the amount owing of $2,777,065 is made in 24 equal monthly instalments of $115,711 commencing in July 2016 and that the Company is not in default of the supplemental deed.

12. EMPLOYEE BENEFIT LIABILITIES

	2016 $	2015 $
Current		
Annual Leave	37,605	29,365
Workers Compensation	–	3,351
	37,605	32,716

13. INTEREST BEARING LOANS AND BORROWINGS

	2016 $	2015 $
Current		
Finance lease liabilities(i)	17,186	16,088
Insurance Premium Funding	17,695	26,264
Secured Loan(ii)	997,307	–
	1,032,188	42,352
Non-Current		
Finance lease liabilities(i)	34,507	51,845
Secured Loan(ii)	–	957,488
	34,507	1,009,333

(i) The carrying amount of the finance lease liability approximates fair value.

(ii) The secured loan incurs interest of 2.32% and due to be repaid on 3 October 2016. The facility is secured by a term deposit of $1,027,226 (refer to note 9).

There are no other financing facilities available to the Group as at 30 June 2016.

Notes to
FINANCIAL STATEMENTS

14. FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The fair value of a financial asset and financial liability is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the balance sheet date.

Other than the financial liabilities set out below all of the Company's financial assets and financial liabilities are measure at amortised cost, which approximates fair value.

(a) Living Waters Mining (LWM) loan

On inception, the LWM loan was recognised at fair value by discounting the future cash payments using a discount rate of 17.25% (Level 2 fair value). As the discount rate applied on the entering of the Deed of Variation remains unchanged, the carrying amount of the loan approximates fair value at the balance sheet date.

15. PROVISION FOR REHABILITATION

	2016 $	2015 $
At beginning of the financial year	1,417,521	600,000
Increase/(decrease) during the financial year	(338,534)	817,521
Total provision for rehabilitation	1,078,987	1,417,521

The provision for rehabilitation work relate to the Bald Hill Tantalum project. The timing of settlement of this obligation cannot be established with any certainty. The Company has commenced mining the project and many of the old pits identified for rehabilitation work will be subject to new mining. In calculating the provision for rehabilitation an inflation rate of 1.6% (2015: 2.33%) and discount rate of 2.12% (2015: 2.98%) have been used by the Company. The provision has been reviewed and decreased in line with rehabilitation work completed during the financial year.

16. ISSUED CAPITAL

(a) Issued and paid up capital

	2016 $	2015 $
Ordinary shares fully paid	38,960,275	34,011,265

16. ISSUED CAPITAL (CONTINUED)

(b) Movements in ordinary shares

	2016		2015	
	Number of shares	$	Number of shares	$
Opening balance	393,930,427	34,011,265	319,213,223	20,157,971
Placement	83,500,000	4,980,614	–	–
Placement commission	3,333,333	198,827	–	–
Shares issued for Convertible Loans	–	–	18,115,943	3,566,680
Shares issued for PPCF & Lionbridge	–	–	13,122,261	2,556,559
Shares issued for Listing	–	–	43,479,000	8,568,759
Transaction costs on share issues	–	(230,431)	–	(838,704)
Closing balance	**480,763,760**	**38,960,275**	**393,930,427**	**34,011,265**

(c) Ordinary shares

The Company does not have authorised capital nor par value in respect of its issued capital. Ordinary shares have the right to receive dividends as declared and, in the event of a winding up of the Company, to participate in the proceeds from sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or proxy, at a meeting of the Company.

(d) Capital risk management

The Company's capital comprises share capital and reserves less accumulated losses. As at 30 June 2016, the Company has net assets of A$17,845,780. The Company manages its capital to ensure its ability to continue as a going concern and to optimise returns to its shareholders. Refer to note 25 for information on the Company's financial risk management policies.

17. RESERVES

	2016	2015
	$	$
Parent equity contributed reserve(i)	1,786,822	1,786,822
Share based payments reserve(ii)	676,683	676,683
	2,463,505	2,463,505

(i) The parent equity contributed reserve comprises benefits provided to the Company by the parent entity, for which no compensation or reimbursement is paid or payable by the Company. During the prior financial year the controlling shareholder provided the Company with the benefit of an interest free loan of $681,842. No transfers occurred during the financial year;

(ii) Share based payments reserve is the value of equity benefits provided to employees, directors and consultants by the Company as part of their remuneration. No shares or options were issued to employees during the current financial year.

Notes to FINANCIAL STATEMENTS

18. ACCUMULATED LOSSES

	2016 $	2015 $
Movements in accumulated losses were as follows:		
Opening balance	19,495,906	8,710,415
Loss for the financial year	4,082,094	10,785,491
Closing balance	23,578,000	19,495,906

19. CASH AND CASH EQUIVALENTS

Reconciliation of operating loss after tax to net cash flows from operations

	2016 $	2015 $
Loss after tax	(4,082,094)	(10,785,491)
Add/(less) non-cash items:		
Non-cash borrowing costs	757,024	545,852
Loss/(gain) on repayment of secured loan	–	280,428
Depreciation	11,885	33,175
Foreign exchange gain	(110,859)	(773,436)
Fair value movement on derivatives	–	14,889
Impairment expense	–	11,020,948
Changes in assets and liabilities:		
Trade and other payables	192,822	(874,291)
Deferred tax asset	1,710,948	(1,710,948)
Trade and other receivables	677,606	(1,224,997)
Net cash flow used in operating activities	(842,668)	(3,473,871)

Reconciliation of cash

	2016 $	2015 $
Cash balance comprises:		
Cash at bank	5,389,663	3,856,137

20. SUBSEQUENT EVENTS

Subsequent to balance date, an agreement was made between the company and LWM that the repayment of the amount owing of $2,777,065 is made in 24 equal monthly instalments of $115,711 commencing in July 2016 and that the Company is not in default of the supplemental deed.

On 15 September 2016, the Company obtained approval from shareholders at an extraordinary general meeting for the Proposed Transaction with Lithco.

No other matters or circumstances have arisen subsequent to the balance date which would significantly affect the operations of the Company, its operating results or its state of affair in the subsequent financial years.

Notes to
FINANCIAL STATEMENTS

21. LOSS PER SHARE

	2016 $	2015 $
Loss used in calculating basic and diluted loss per share	(4,082,094)	(10,785,491)
Weighted average number of ordinary shares used in calculating basic and diluted loss per share:	393,930,427	390,221,048

There were no options outstanding at 30 June 2016 and 30 June 2015. Therefore, at 30 June 2016 and 30 June 2015, the basic loss per share is equal to the diluted loss per share.

22. AUDITOR'S REMUNERATION

	2016 $	2015 $
The auditor of Alliance Mineral Assets Limited is Ernst & Young Australia:		
Amounts paid or payable to Ernst & Young (Australia) for:		
– audit or review of the financial report	45,000	45,000
– other services	165,000	206,753
	210,000	251,753
Amounts paid or payable to Ernst & Young LLP (Singapore) for:		
– audit or review of the financial report	5,000	5,000
	5,000	5,000

23. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Details of Key Management Personnel

Ms. Pauline Gately (Non-Executive Chairman)
Ms. Suen Sze Man (Executive Director)
Mr. Mahtani Bhagwandas (Non-Executive Director)
Mr. Ong Kian Guan (Non-Executive Director)
Mr. Tjandra Pramoko (CEO)
Mr. Paul Robson (Chief Financial Officer, appointed 16 April 2015, resigned 19 February 2016)
Ms. Fiona Leaw Mun Ni (Company Secretary)
Ms. Isabelle Kwok (Former Financial Controller, resigned 19 March 2015)
Mr. Jonathan Wightman (Former Chief Operating Officer, resigned 16 April 2015)

(b) Compensation of Key Management Personnel

	2016 $	2015 $
Included in consulting and directors' fees:		
• Directors fees	98,627	90,870
• Salary, Wages & other benefits	204,681	204,681
Included in Employee salaries and other benefits expenses		
• Salaries & Wages	376,866	439,077
• Superannuation and other entitlements	35,802	40,989
Total Key Management Personnel remuneration	715,976	775,617

Notes to FINANCIAL STATEMENTS

23. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

(b) Compensation of Key Management Personnel (Continued)

The compensation of key management personnel was within the following bands:

	2016	2015
Directors		
Pauline Gately	Band A	Band A
Suen Sze Man	Band A	Band A
Mahtani Bhagwandas	Band A	Band A
Ong Kian Guan	Band A	Band A
Executive officers		
Tjandra Pramoko	Band A	Band A
Fiona Leaw Mun Ni	Band A	Band A
Isabelle Kwok (resigned on 19 March 2015)	N/A	Band A
Jonathan Wightman (resigned on 16 April 2015)	N/A	Band A
Paul Robson (appointed on 16 April 2015, resigned 19 February 2016)	Band A	Band A

Band A compensation (including share based payments) is between S$0 and S$250,000 per annum

(c) Shareholdings and option holdings of key management personnel

Shareholdings

The number of shares in the company held during the financial year held by each key management personnel of Alliance Mineral Assets Limited, including their personally related parties, is set out below.

30 June 2015 Key Management Personnel	Balance at the beginning of the financial year	Granted as remuneration during the financial year	Other changes during the financial year	Balance at the end of the financial year
Pauline Gately	326,081	-	-	326,081
Tjandra Pramoko *	196,187,950	-	-	196,187,950
Suen Sze Man *	196,187,950	-	-	196,187,950
Mahtani Bhagwandas	-	-	-	-
Ong Kian Guan	-	-	-	-
Paul Robson (appointed 16 April 2015, resigned 19 February 2016)	-	-	-	-
Fiona Leaw Mun Ni	163,051	-	-	163,051

Notes to FINANCIAL STATEMENTS

23. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

(c) Shareholdings and option holdings of key management personnel (Continued)

Shareholdings (Continued)

30 June 2015 Key Management Personnel	Balance at the beginning of the financial year	Granted as remuneration during the financial year	Other changes during the financial year	Balance at the end of the financial year
Pauline Gately	326,081	–	–	326,081
Tjandra Pramoko *	196,187,950	–	–	196,187,950
Suen Sze Man *	196,187,950	–	–	196,187,950
Mahtani Bhagwandas	–	–	–	–
Ong Kian Guan	–	–	–	–
Paul Robson (appointed on 16 April 2015, resigned on 19 February 2016)	–	–	–	–
Fiona Leaw Mun Ni	163,051	–	–	163,051
Isabelle Kwok (resigned 19 March 2015)	–	–	–	–
Jonathan Wightman (resigned 16 April 2015)	326,082	–	(326,082)	–

* The interests of Tjandra Pramoko and Suen Sze Man arise from their interest in LWM, the controlling shareholder of the Company.

(d) Other transactions with key management personnel

Transactions between our Company and any of our Interested Persons (namely, our Directors, Controlling Shareholder of our Company, or the Associates of such persons) are generally known as Interested Person Transactions.

Notes to
FINANCIAL STATEMENTS

24. RELATED PARTY DISCLOSURES

Payables owing to LWM from the Sale of Business Agreement:

Sale of Business Agreement

Pursuant to the Sale of Business Agreement dated 20 December 2010, our Company acquired the Project Assets and the exploration and mining business carried out on the Bald Hill Project site from LWM for a consideration comprising the allotment and issuance of 31,999,999 Shares of our Company at an issue price of A$0.50 per Share and A$4,000,000 ("Cash Component"), which was based on a willing-buyer willing-seller basis. Our Directors are of the view that the foregoing acquisition was not on an arm's length basis as it was undertaken for the purpose of having the Project Assets and the Bald Hill Project acquired by our Company for the purposes of the Listing.

The entire Cash Component of A$4.0 million under the Sale of Business Agreement dated 20 December 2010 remained outstanding to LWM during the Relevant Period. Subsequently, pursuant to a Supplemental Deed dated 18 June 2015 between LWM and our Company, LWM agreed, confirmed and undertook to our Company that:

(a) LWM shall not be paid the outstanding Cash Component (or any part thereof) for a period of 18 months commencing from the date of the Listing ("Minimum Non-Payment Period");

(b) the Cash Component has been, and will remain and continue to be, interest-free and unsecured; and

(c) payment of the Cash Component by our Company to LWM shall only be made by our Company to LWM:

  (i) after the date of expiry of the Minimum Non-Payment Period;

  (ii) subject to the commencement of production and sales by our Company of Tantalite concentrate and positive cash flow based on the quarterly financial statements of our Company for the financial quarter preceding the date on which payment is approved to be made; and

  (iii) with the approval in writing by the Audit Committee and the Directors (excluding Directors who are interested in such payment), after taking into consideration, without limitation, the general financial and business conditions, results of operations, earnings, capital expenditure, cash flow requirements and development plans of our Company at the time of the proposed payment.

Notes to
FINANCIAL STATEMENTS

24. RELATED PARTY DISCLOSURES (CONTINUED)

Payables owing to LWM from the Sale of Business Agreement: (Continued)

Sale of Business Agreement (Continued)

As at 30 June 2015 a deed of variation was entered into with LWM to extend the loan until June 2017 and make instalment payments commencing January 2016 subject to the Company having adequate funds. Key details of the amendment include:-

- Repayment of the loan shall only be made to LWM after January 2016
- The monthly repayment is subject to AMA having positive cash flow and such positive cash flow not less than twice the amount to be paid by AMA for the preceding calendar month. Free Cash Flow means the difference between the closing cash balance and the opening cash balance as reported in the monthly financial accounts of AMA for the preceding calendar month
- The monthly instalments as stipulated in the revised loan agreement defines the amount of each instalment to be paid as "the greater of AUD 50,000 or 50% of the Free Cash Flow for the Preceding Calendar Month"
- No instalment shall be aggregated with any unpaid Instalment for any given calendar month.

At 30 June 2015, the Company expected the repayment would commence at a rate of $50,000 per month starting February 2016. As a result, the Company recognised a current liability in relation to the loan of $250,000 and this would increase in accordance to the loan repayment schedule as the company ramps up production.

Due to the cash received from the R&D claims and the capital raising in June 2016; $2,777,065 became due and payable to LWM at 30 June 2016 in accordance with the terms of the revised loan agreement in addition to an amount of $344,396 which is expected to be payable in the next 12 months.

Subsequent to the balance date, an agreement was made between the company and LWM that the repayment of the amount owing of $2,777,065 is made in 24 equal monthly instalments of $115,711 commencing in July 2016 and that the Company is not in default of the supplemental deed.

The amounts recognised in the statement of financial position at the end of the current financial year and prior financial year were as follows:

	2016 A$	2015 A$
Current Amount due to LWM	3,121,461	250,000
Non-Current Amount due to LWM	669,511	2,783,948

Refer to Note 11 for further details.

For Director and key management personnel related party transactions please refer to Note 23 "Key management personnel disclosures".

There were no other related party disclosures for the financial year ended 30 June 2016.

Notes to
FINANCIAL STATEMENTS

25. FINANCIAL RISK MANAGEMENT

Exposure to interest rate risk, liquidity risk and foreign exchange movements arises in the normal course of the Company's business. The Company does not hold or issue derivative financial instruments, other than those embedded in loan arrangements.

The Company uses different methods as discussed below to manage risks that arise from these financial instruments. The objective is to support the delivery of the financial targets while protecting future financial security.

(a) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash facilities to meet the operating requirements of the business. The responsibility for liquidity risk management rests with the Board of Directors.

Alternatives for sourcing our future capital needs include the cash position and financial support with related parties. These alternatives are evaluated to determine the optimal mix of capital resources for our capital needs.

Maturity analysis for financial liabilities

Financial liabilities of the Company comprise trade and other payables and interest bearing loans and borrowings. As at 30 June 2016 all financial liabilities, other than those due under loans as disclosed in note 13 and to related parties in note 11, are contractually matured within 60 days. The related party loan from LWM is payable as at 30 June 2016 was payable with undiscounted cash flows as below.

	2016	2015
	$	$
Within 6 months	3,121,461	–
6 to 12 months	–	250,000
12 to 24 months	878,539	3,750,000
Total	4,000,000	4,000,000

Notes to FINANCIAL STATEMENTS

25. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

The Company's exposure to market risk for changes to interest rate risk relates primarily to its earnings on cash and term deposits and its payments on the loan. Cash on hand held during the majority of the financial year was minimal and hence the Company's exposure to interest rate risk is immaterial. Accordingly there was no sensitivity to earnings arising from changes in interest rates.

	2016	2015
	$	$
Cash and cash equivalents	5,389,663	3,856,137

The loans and finance lease are subject to fixed interest rates.

(c) Foreign exchange risk

The Company's functional currency is Australian dollars (AUD). At balance date the Company held Singapore dollar denominated cash balances and one loan secured by a security deposit. The loan and security negate any foreign currency risk and the cash held in the bank account is the only amount at risk to currency fluctuations.

	2016	2015
	S$	S$
Cash and cash equivalents denominated in Singapore dollars	5,303,839	3,113,620
Receivables equivalents denominated in Singapore dollars	1,030,000	1,030,000
Loans equivalents denominated in Singapore dollars	(1,000,000)	(1,000,000)
Net exposure in Singapore dollars	5,333,839	3,143,620

The following table summarises the sensitivity of financial instruments held at balance date to movements in the Singapore dollar exchange rate. These are based on reasonably possible changes, over a financial year, using the observed range of actual historical rates for the preceding financial year period.

Judgments of reasonable possible movements	Impact on profit/equity Pre-tax gain/(loss)	
	2016 S$	2015 S$
10% strengthening of Singapore $ against AUD (2015: 10%)	534,816	314,362
10% weakening of Singapore $ against AUD (2015: 10%)	(534,816)	(314,362)

Notes to
FINANCIAL STATEMENTS

26. CONTINGENT LIABILITIES

Certain tenements held by the Company are subject to a royalty equal to 2.5% of the sale of all finished processed material of tantalum and tin and 5% of the sale of all finished processed materials other than tantalum and tin mined and extracted from those tenements. There is currently no intention to mine material from the tenements that are subject to the royalty. The Company's resource estimate arises from tenements that are not subject to this royalty.

27. COMMITMENTS FOR EXPENDITURE

At 30 June 2016 the Company has commitments of A$2,770,210 (2015: A$3,097,719) relating to exploration expenditure incurred in prospecting the licensed area of the company's tenements.

Exploration commitments:

	2016	**2015**
	$	**$**
Within one year	527,288	507,987
After one year but not more than five years	1,169,265	1,416,506
Longer than five years	1,073,657	1,173,226
	2,770,210	3,097,719

28. DIVIDENDS

No dividend was paid or declared by the Company in the period since the end of the financial year, and up to the date of this report. The Directors' do not recommend that any amount be paid by way of a dividend for the financial year ended 30 June 2016 (2015: Nil).

The balance of the franking account is Nil at 30 June 2016 (2015: Nil).

Notes to
FINANCIAL STATEMENTS

29. SHARE BASED PAYMENT PLAN

(a) Recognised share based payment transactions

Share based payment transactions recognised as operating expenses in the statement of comprehensive income during the financial years were as follows:

	2016 $	2015 $
Success fees paid in shares (included in listing expenses)	–	17,549
	–	17,549

The fair value at grant date of the shares issued in the prior year was determined with reference to the pricing of the public offering pursuant to the offer document dated 16 July 2014, being S$0.23 and amortised over the services period.

During the financial year, the company also issued 3,333,333 shares as commission for capital raising activities (refer to note 16). These shares were valued at a total amount of $198,827, being the fair value of the services provided.

(b) Share based payment to Director’s and employees

No options were granted during the financial years ended 30 June 2016 and 30 June 2015.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Alliance Mineral Assets Limited, I state that in the opinion of the directors:

(a) the financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the financial position of the Company as at 30 June 2016 and of its performance, for the period ended on that date; and

(ii) complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(c) the financial statements and notes thereto comply with International Financial Reporting Standards issued by the International Accounting Standard Board, as disclosed in Note 2(b).

On behalf of the board

Simone Suen
Director
27 September 2016

Statistics of SHAREHOLDINGS

As at 22 September 2016

Issued and fully paid-up capital	:	A\$39,005,150 (S\$39,005,150)[1]
Number of shares	:	480,763,760
Class of shares	:	Ordinary shares fully paid
Voting rights	:	One vote per share
Number of treasury shares held	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	2	0.28	133	0.00
100 – 1,000	13	1.83	5,262	0.00
1,001 – 10,000	95	13.40	725,496	0.15
10,001 – 1,000,000	561	79.13	72,536,768	15.09
1,000,001 AND ABOVE	38	5.36	407,496,101	84.76
TOTAL	**709**	**100.00**	**480,763,760**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	RAFFLES NOMINEES (PTE) LIMITED	225,778,367	46.96
2	OCBC SECURITIES PRIVATE LIMITED	20,306,900	4.22
3	UBS NOMINEES PTY LTD ATF TRIBECA GLOBAL NATURAL RESOURCES FUND	17,000,000	3.54
4	DBS NOMINEES (PRIVATE) LIMITED	11,882,000	2.47
5	DBSN SERVICES PTE. LTD.	10,600,000	2.20
6	CITIBANK NOMINEES SINGAPORE PTE LTD	10,350,000	2.15
7	CHONG GEORGE	8,831,400	1.84
8	MERRIWEE PTY LTD ATF MERRIWEE SUPER FUND	8,000,000	1.66
9	TALMETAL PTY LTD	8,000,000	1.66
10	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	7,993,000	1.66
11	VSTL INVESTMENT LTD	6,460,000	1.34
12	NOMURA SINGAPORE LIMITED	5,700,000	1.19
13	CIMB SECURITIES (SINGAPORE) PTE. LTD.	5,300,071	1.10
14	STF INVESTMENTS LTD	5,208,600	1.08
15	PHILLIP SECURITIES PTE LTD	4,281,900	0.89
16	UOB KAY HIAN PRIVATE LIMITED	4,171,000	0.87
17	TAN WAH SIANG	3,800,000	0.79
18	NG HAN MENG	3,640,274	0.76
19	MAYBANK KIM ENG SECURITIES PTE. LTD.	3,521,000	0.73
20	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	3,481,000	0.72
	TOTAL	**374,305,512**	**77.83**

Note:

[1] The amount of the issued and fully paid-up capital of the Company is calculated based on an exchange rate of A\$1 : S\$1.

Statistics of SHAREHOLDINGS

As at 22 September 2016

Based on information available to the Company as at 22 September 2016, 37% of the issued ordinary shares ("Shares") of the Company is held by the public and therefore Rule 723 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited is complied with.

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest		Total Interest	
Substantial Shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Living Waters Mining Australia Pty Ltd[2]	196,187,950	40.81	–	–	196,187,950	40.81
Suen Sze Man[1][2]	–	–	196,187,950	40.81	196,187,950	40.81
Tjandra Adi Pramoko[1][2]	–	–	196,187,950	40.81	196,187,950	40.81
Credit Suisse Securities (Europe) Limited[3]	28,729,117	5.98	–	–	28,729,117	5.98
Credit Suisse Investment Holdings (UK)[3]	–	–	28,729,117	5.98	28,729,117	5.98
Credit Suisse Investment (UK)[3]	–	–	28,729,117	5.98	28,729,117	5.98
Credit Suisse AG[3]	–	–	28,729,117	5.98	28,729,117	5.98
Credit Suisse Group AG[3]	–	–	28,729,117	5.98	28,729,117	5.98
Regal Funds Management Pty Limited[4]	–	–	25,784,617	5.36	25,784,617	5.36
Tribeca Investment Partners Pty Ltd[5]	–	–	25,340,000	5.27	25,340,000	5.27
Ng Han Meng[6]	15,682,653	3.98	4,651,300	1.18	20,333,953	5.16
Wang Shing Horng[6]	4,651,300	1.18	15,682,653	3.98	20,333,953	5.16

Notes:

(1) Tjandra Pramoko and Suen Sze Man are husband and wife.

(2) Tjandra Pramoko and Suen Sze Man are deemed to be interested in the Shares of the Company held by Living Waters Mining (Australia) Pty Ltd by virtue of Section 4 of the Securities and Futures Act as they collectively hold, directly and beneficially, 100% of the shares in Living Waters Mining (Australia) Pty Ltd.

(3) Credit Suisse Securities (Europe) Limited holds 28,729,117 Shares of the Company. Credit Suisse Investment Holdings (UK), Credit Suisse Investment (UK), Credit Suisse AG and Credit Suisse Group AG (the "Companies") are deemed to be interested in the Shares of the Company held by Credit Suisse Securities (Europe) Limited as Credit Suisse Securities (Europe) Limited is the indirect subsidiary of the Companies.

(4) Atlantic Absolute Return Fund and Zambezi Absolute Return Fund hold an aggregate of 25,784,617 Shares of the Company. Regal Funds Management Pty Limited ("Regal Funds") is deemed to be interested in the Shares of the Company held by Atlantic Absolute Return Fund and Zambezi Absolute Return Fund as Regal Funds Management Pty Ltd is the trustee of the Atlantic Absolute Return Fund and the investment sub-adviser of the Zambezi Absolute Return Fund.

(5) Tribeca Global Natural Resources Fund and Tribeca Global Total Return Fund hold an aggregate of 25,340,000 Shares of the Company. Tribeca Investment Partners Pty Ltd ("Tribeca Investment") is deemed to be interested in the Shares of the Company held by Tribeca Global Natural Resources Fund and Tribeca Global Total Return Fund as Tribeca Investment is the investment manager of Tribeca Global Natural Resources Fund and Tribeca Global Total Return Fund.

(6) Mr Ng Han Meng and Ms Wang Shing Horng are husband and wife. Information on interests in Shares of the Company reflected herein is based on the latest notification form for substantial shareholders in respect of interests in securities dated 3 December 2015 received by the Company before the known dilutive effect of the allotment and issuance of 83,500,000 placement shares and 3,333,333 commission shares in the capital of the Company on 27 June 2016. The Company has not received any further notification from Mr Ng Han Meng and/or Ms Wang Shing Horng of any change in interest further to 3 December 2015.

Notice of
ANNUAL GENERAL MEETING

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.
Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+618) 9388 8826.

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 2.00 p.m. (Singapore time) on Wednesday 26 October 2016.

Safra Mount Faber Club
Level 2, Crystal Room 1
2 Telok Blangah Way
Singapore 098803

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting of the Company affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, please attend the Annual General Meeting of the Company on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return:

(a) **by post or by hand to the Company's office at:**

Unit 6, 24 Parkland Road, Osborne Park 6017, Western Australia;

or

by post or by hand to the Company's share registrar's office at:

Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01 Singapore Land Tower 048623; or

(b) **by email to admin@alliancemineralassets.com.au,**

so that it is received not later than 2.00 p.m. (Singapore time) on 24 October 2016.

Notice of ANNUAL GENERAL MEETING

IMPORTANT NOTES:

(i) Depositors shall use the Proxy form entitled “Annual General Meeting – Depositor Proxy Form”.

(ii) Proxy Forms received later than this time will be invalid.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

(a) each Shareholder (including each Depositor who has Shares of the Company entered against their name in the Depository Register held by the CDP) has a right to appoint a proxy;

(b) the proxy need not be a Shareholder of the Company; and

(c) a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member’s votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

(d) Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

  (i) if proxy holders vote, they must cast all directed proxies as directed; and

  (ii) any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

(a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and

(b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and

(c) if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (i.e. as directed); and

(d) if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Notice of
ANNUAL GENERAL MEETING

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

(a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and

(b) the appointed proxy is not the chair of the meeting; and

(c) at the meeting, a poll is duly demanded on the resolution; and

(d) either of the following applies:

   (i) the proxy is not recorded as attending the meeting; or

   (ii) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Notice of
ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Company will be held at 2.00 p.m. (Singapore time) on Wednesday 26 October 2016 at Safra Mount Faber Club, Level 2, Crystal Room 1, 2 Telok Blangah Way Singapore 098803.

The Explanatory Statement to this Notice of Annual General Meeting provides additional information on matters to be considered at the Annual General Meeting of the Company.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting of the Company are those who are registered Shareholders of the Company (or Depositors who have Shares of the Company entered against their name in the Depository Register held by the CDP) as at 2.00 p.m. (Singapore time) on Monday, 24 October 2016.

A Depositor shall not be entitled to attend and vote at the Annual General Meeting unless they are shown to have Shares of the Company entered against their name in the Depository Register as at 2.00 p.m. (Singapore time) on 24 October 2016, as certified by CDP to the Company.

All shareholders entitled to vote on an item of business at the AGM will do so by way of poll (as required under Rule 730A(2) of the Listing Manual Section B: Rules of Catalist (the “Catalist Rules”) of the Singapore Exchange Securities Trading Limited (“SGX-ST”)).

Notice of ANNUAL GENERAL MEETING

AGENDA

ORDINARY BUSINESS

RESOLUTION 1 – FINANCIAL STATEMENTS AND REPORTS

To receive and consider the financial statements of the Company for the financial year ended 30 June 2016 together with the director's declaration, the director's report, and the auditor's report.

RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MS PAULINE GATELY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an Ordinary Resolution:

"THAT, for the purpose of clause 12.3 of the Company's Constitution and for all other purposes, Ms Pauline Gately, a Director, retires by rotation, and being eligible, is re-elected as a Director."

Ms Pauline Gately will, upon re-election as a Director of the Company, remain as Chairman of the Board of Directors and Remuneration Committee, a member of the Nominating and Audit Committee, and she will be considered independent for the purpose of Rule 704(7) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited.

RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR MAHTANI BHAGWANDAS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an Ordinary Resolution:

"THAT, for the purpose of clause 12.3 of the Company's Constitution and for all other purposes, Mr Mahtani Bhagwandas, a Director, retires by rotation, and being eligible, is re-elected as a Director."

Mr Mahtani Bhagwandas will, upon re-election as a Director of the Company, remain as Chairman of the Nominating Committee, a member of the Audit Committee and Remuneration Committee, and he will be considered independent for the purpose of Rule 704 (7) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited.

RESOLUTION 4 – APPROVAL OF DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDING 30 JUNE 2017

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an Ordinary Resolution:

"THAT, for the purposes of clauses 12.9 and 12.10 of the Company's Constitution and for all other purposes, Shareholders approve the payment of non-Executive Directors' fees of A$30,000 to Pauline Gately, S$40,000 to Joshua Ong Kian Guan and S$30,000 to Mahtani Bhagwandas respectively, for the financial year ending 30 June 2017 to be paid in accordance with the terms and conditions set out in the Explanatory Statement."

Notice of
ANNUAL GENERAL MEETING

AGENDA (CONTINUED)

Voting Prohibition Statement

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

(a) the proxy is either:

 (i) a member of the Key Management Personnel; or

 (ii) a Closely Related Party of such a member; and

(b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

(a) the proxy is the Chair; and

(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

RESOLUTION 5 – AUTHORITY TO DIRECTORS TO ISSUE AND ALLOT SHARES

To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"THAT pursuant to Rule 806 of the Listing Manual Section B: Rules of Catalist (the "Catalist Rules") of Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors be authorised and empowered to:

(a) (i) allot and issue shares in the capital of the Company ("Shares") whether by way of rights, bonus or otherwise; and/or

 (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as our Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

PROVIDED THAT:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued to in pursuance of the Instruments made or granted pursuant to this Resolution) shall not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below, of which the aggregate number of Shares to be issued other than on a *pro rata* basis to the existing shareholders of the Company (including Shares to be issued in pursuance to the Instruments made or granted pursuant to this Resolution) shall not exceed fifty percent (50%) of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below;

Notice of ANNUAL GENERAL MEETING

AGENDA (CONTINUED)

(2) subject to such manner of calculation as may be prescribed by SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares) at the time of the passing of this Resolution, after adjusting for:

(A) new Shares arising from the conversion or exercise of any convertible securities;

(B) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution; and

(C) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Directors shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) unless revoked or varied by the Company in general meeting, such authority shall continue in full force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law or by the Constitution of the Company to be held, whichever is earlier, except that our Directors shall be authorised to allot and issue new Shares pursuant to convertible securities notwithstanding that such authority has ceased."

RESOLUTION 6 – AUTHORITY TO DIRECTORS TO ISSUE AND GRANT OPTIONS PURSUANT TO THE ESOS

To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"That, authority be and is hereby given to the Directors of the Company to offer and grant options ("Options") in accordance with the provision of the Alliance Employee Share Option Scheme ("ESOS") and to allot and issue from time to time such number of Shares as may be required to be allotted and issued and pursuant to the ESOS, when added to the number of Shares issued and issuable in respect of all Options granted under the ESOS, and any other share option schemes of the Company, shall not exceed fifteen percent (15%) of the total number of issued Shares (excluding treasury shares) on the day preceding the date of the relevant grant of an Option."

To transact any other ordinary business which may be properly transacted at the AGM.

By order of the Board

LEAW MUN NI
COMPANY SECRETARY

4 OCTOBER 2016

Notice of
ANNUAL GENERAL MEETING

AGENDA (CONTINUED)

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders (including Depositors who hold Shares in the Company through CDP) in connection with the business to be conducted at the Annual General Meeting of the Company to be held at 2.00 p.m. (Singapore time) on Wednesday, 26 October 2016 at Safra Mount Faber Club, Level 2, Crystal Room 1, 2 Telok Blangah Way Singapore 098803.

1. **Resolution 1 – Financial Statements And Reports**

   In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the financial statements of the Company for the financial year ended 30 June 2016 together with the director's declaration, the director's report and the auditor's report.

2. **Resolutions 2 and 3 – Re-election of Director – Ms Pauline Gately and Mr Mahtani Bhagwandas**

   Clause 12.3 of the Constitution provides that:

   (a) At the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election;

   (b) The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots;

   (c) A Director who retires by rotation under clause 12.3 of the Constitution is eligible for re-election; and

   (d) In determining the number of Directors to retire, no account is to be taken of:

      (i) a Director who only holds office until the next annual general meeting pursuant to clause 12.5 of the Constitution; and/or

      (ii) a Managing Director,

      each of whom are exempt from retirement by rotation. However, if more than one Managing Director has been appointed by the Directors, only one of them (nominated by the Directors) is entitled to be excluded from any determination of the number of Directors to retire and/or retirement by rotation.

      The Company currently has four (4) Directors and accordingly two (2) must retire at the forthcoming Annual General Meeting of the Company.

Notice of ANNUAL GENERAL MEETING

AGENDA (CONTINUED)

Ms Pauline Gately and Mr Mahtani Bhagwandas retires by rotation and seeks re-election.

Mr Pauline Gately will, upon re-election as a Director of the Company, remain as Chairman of the Board of Directors and Remuneration Committee, a member of the Audit Committee and Nominating Committee, and she will be considered independent for the purpose of Rule 704(7) of the Catalist Rules of the SGX-ST.

Mr Mahtani Bhagwandas will, upon re-election as a Director of the Company, remain as Chairman of the Nominating Committee, a member of the Remuneration Committee and Audit Committee, and he will be considered independent for the purpose of Rule 704(7) of the Catalist Rules of the SGX-ST.

3. **Resolution 4 – Approval of Directors' Fees for the Financial Year Ending 30 June 2017**

Clauses 12.9 and 12.10 of the Constitution requires that the total aggregate fixed sum per annum to be paid to the Directors (excluding salaries of executive Directors) from time to time will not exceed the sum of S$100,000 or as determined by the Shareholders in general meeting and the total aggregate fixed sum will be divided between the Directors as the Directors shall determine and, in default of agreement between them, then in equal shares.

Resolution 4 seeks the approval of Shareholders for the payment of Directors' fees of:

(a) S$30,000 to Mr Mahtani Bhagwandas,

(b) S$40,000 to Mr Ong Kian Guan; and

(c) A$30,000 to Ms Pauline Gately,

for the financial year ending 30 June 2017, payable quarterly in arrears.

4. **Resolution 5 – Authority to Directors to Issue and Allot Shares**

Resolution 5, if passed, will empower the Directors of the Company to issue Shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into Shares, and to issue Shares in pursuance of such instruments, up to a number not exceeding in aggregate 100% of the total number of issued Shares (excluding treasury shares), of which up to 50% may be issued other than on a *pro rata* basis to Shareholders. For the purpose of determining the aggregate number of Shares that may be issued, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time that Resolution 5 is passed, after adjusting for (a) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Resolution 5 is passed, and (b) any subsequent bonus issue or consolidation or subdivision of Shares.

Notice of
ANNUAL GENERAL MEETING

AGENDA (CONTINUED)

5. **Resolution 6 – Authority to Directors to Issue and Grant Options pursuant to the ESOS**

   Resolution 6, if passed, will empower the Directors to allot and issues Shares pursuant to the exercise of Options granted or to be granted under the ESOS and such other share-based incentive scheme up to a number not exceeding, in total, fifteen per cent (15%) of the total number of issued Shares (excluding treasury shares) on the day preceding that date of the relevant grant.

ENQUIRIES

Shareholders may contact the Company Secretary at (+61 8) 9388 8826 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

$ means Australian dollars.

Annual General Meeting means the meeting convened by the Notice of Meeting.

ASIC means the Australian Securities and Investments Commission.

Board means the current board of directors of the Company.

Closely Related Party of a member of the Key Management Personnel means:

(a) a spouse or child of the member;

(b) a child of the member's spouse;

(c) a dependent of the member or the member's spouse;

(d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;

(e) a company the member controls; or

(f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Alliance Mineral Assets Limited (ACN 147 393 735).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

CDP means the Central Depository (Pte) Limited.

Depositor, Depository Agent and Depository Register shall have the respective meanings ascribed to them in Section 130A of the Companies Act.

Directors mean the current directors of the Company.

ESOS means the Alliance Mineral Assets Employee Share Option Scheme.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

GLOSSARY

Notice of Meeting or Notice of Annual General Meeting means this notice of annual general meeting including the Explanatory Statement.

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice of Meeting or any one of them, as the context requires.

S$ means Singapore dollars.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means persons who are registered holders of Shares in the Register of Members of the Company except where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the Depositors in the Depository Register maintained by CDP and into whose securities accounts those Share are credited.

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PROXY FORM – STRICTLY FOR SCRIPHOLDER ONLY

ALLIANCE MINERAL ASSETS LIMITED
ACN 147 393 735

ANNUAL GENERAL MEETING

I/We: ______________________

of: ______________________

being a Shareholder entitled to attend and vote at the Annual General Meeting, hereby appoint:

Name: ______________________

Name of proxy

OR ☐ the Chair of the Annual General Meeting as my/our proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the Annual General Meeting to be held at 2.00 p.m. (Singapore time) on Wednesday 26 October 2016 at Safra Mount Faber Club, Level 2, Crystal Room 1, 2 Telok Blangah Way Singapore 098803 and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS
Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 4 (except where I/we have indicated a different voting intention below) even though Resolution 4 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES
The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an appropriate announcement will be made immediately disclosing the reasons for the change.

Voting on Business of the Annual General Meeting

	FOR[1]	**AGAINST**[1]	**ABSTAIN**[2]
Resolution 1 – Financial Statements And Reports	☐	☐	☐
Resolution 2 – Re-election of Director – Pauline Gately	☐	☐	☐
Resolution 3 – Re-election of Director – Mahtani Bhagwandas	☐	☐	☐
Resolution 4 – Directors' Fees for the financial year ending 30 June 2017	☐	☐	☐
Resolution 5 – Authority to Directors to issue and allot shares	☐	☐	☐
Resolution 6 – Authority to Directors to issue and grant options pursuant to the ESOS	☐	☐	☐

Notes:
1. If you wish to exercise all your votes "For" or "Against", please "√ " within the box provided. Alternatively, please indicate the number of votes as appropriate.
2. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: ______________________ %

Signature of Shareholder(s):

____

Individual or Shareholder 1	**Shareholder 2**	**Shareholder 3**
Sole Director/Company Secretary	Director	Director/Company Secretary

Date: ______________________

Contact name: ______________________ **Contact ph (daytime):** ______________________

E-mail address: ______________________ **Consent for contact by e-mail in relation to this Proxy Form:** **YES** ☐ **NO** ☐

ALLIANCE MINERAL ASSETS LIMITED
ACN 147 393 735
Instructions for Completing Proxy Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at an Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.

2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.

3. **(Signing Instructions):**

   - **(Individual):** Where the holding is in one name, the member must sign.
   - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
   - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
   - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.

4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.

5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return:

   (a) By post or by hand to the Company's office at Unit 6, 24 Parkland Road, Osborne Park 6017 Western Australia or the Company's share registrar's office at Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01 Singapore Land Tower 048623; or

   (b) by email to admin@alliancemineralassets.com.au

so that it is received not later than 2.00 p.m. (Singapore time) on 24 October 2016.

Important notes:

(i) Depositors shall use the Proxy form entitled "Annual General Meeting – Depositor Proxy Form".

(ii) Proxy forms received later than this time will be invalid.

DISCLAIMER

ALLIANCE MINERAL
ASSETS LIMITED

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