

MERGER CIRCULAR

DATED 20 AUGUST 2018

IMPORTANT. YOUR IMMEDIATE ATTENTION IS REQUIRED. PLEASE READ CAREFULLY.

PROPOSED RESOLUTIONS

- (1) Proposed Acquisition of 100% of the issued and paid-up share capital of Tawana Resources NL through the implementation of the Proposed Scheme, as a major transaction under Chapter 10 of the Catalist Rules, and the Proposed Issuance and Allotment of up to an aggregate of 656,458,437 new Alliance Shares in connection with the Proposed Scheme
- (2) Proposed increase to Non-Executive Director Fees in connection with the expanded Merged Group Board
- (3) Proposed Amendments to the Constitution in connection with the Proposed Dual Listing



**ALLIANCE MINERAL
ASSETS LIMITED**

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



Singapore Financial Adviser



Australia Financial Adviser

IMPORTANT DATES AND TIMES

Last date and time for lodgment of Proxy Form

19 September 2018 at 2:00 p.m. (Singapore time)

Date and time of Alliance EGM

21 September 2018 at 2:00 p.m. (Singapore time)

Place of Alliance EGM

The SAF Warrant Office and Specialist Club
Carnation Room 1 & 2, Level 3
48 Boon Lay Way
Singapore 609961



YOUR VOTE COUNTS

Please vote in person or by proxy

IF YOU ARE IN DOUBT ABOUT THE CONTENTS OF THIS CIRCULAR OR THE ACTION THAT YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your ordinary shares of Alliance through the Central Depository (Pte) Limited ("CDP"), you need not forward this Circular to the purchaser or transferee as CDP will arrange for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your shares which are not deposited with CDP, you should forward this Circular together with the Notice of Extraordinary General Meeting and the enclosed Proxy Form immediately to the purchaser or the transferee or to the stockbroker, bank or agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

This Circular has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this Circular. The Sponsor has not drawn on any specific technical expertise in its review of this Circular, save for paragraph 4 of this Circular and the Independent Qualified Person's Report set out as Appendix A to this Circular.

This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made, or reports contained in this Circular.

The contact person for the Sponsor is Ms. Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).

Terms appearing on the cover of this Circular bear the same meanings as defined in this Circular.

1 WHAT IS THE TRANSACTION?

- Merger of equals between Alliance and Tawana by way of a Tawana scheme of arrangement (“**Proposed Scheme**”)
- Alliance proposes to acquire all of the shares in Tawana for the consideration of 1.1 Alliance Shares per Tawana Share. Alliance will be the surviving entity and will seek a ASX listing so that Alliance will be dual listed on the SGX-ST and the ASX following implementation of the Proposed Scheme
- Post implementation of the Proposed Scheme, Alliance Shareholders will own approximately 50.1% of the Merged Group and Tawana Shareholders will own approximately 49.9% of the Merged Group
- Post implementation of the Proposed Scheme, Alliance will own 100% of the Bald Hill Project which is currently 50% owned by Alliance and 50% owned by Tawana

2 WHY IS SHAREHOLDER APPROVAL REQUIRED?

- Alliance is seeking shareholders’ approval for the Proposed Scheme as a major transaction under Chapter 10 of the Catalist Rules and associated matters important to implement the Proposed Scheme

3 WHAT ARE THE BENEFITS OF THE PROPOSED SCHEME?

- A** The Proposed Scheme consolidates and simplifies the ownership structure of Alliance's flagship Bald Hill Project, which streamlines the project's development and operations
- B** The Merged Group will bring together Alliance's and Tawana's personnel to create a highly credentialed and experienced board and management team
- C** The Merged Group will be a much larger company, providing it with greater capacity and flexibility to pursue the development of the Bald Hill Project and capitalise on opportunities as market demand dictates
- D** The Merged Group will have access to both the Singapore and Australian capital markets through its listing on the Catalist of the SGX-ST and the proposed ASX listing. This is expected to result in:
- Enhanced access to debt and equity capital markets;
 - Increased coverage from equity research analysts;
 - Increased interest from institutional investors;
 - Access to a wider shareholder base; and
 - Potential to become listed on the Main Board of the SGX-ST.

It is important for Alliance Shareholders to consider the prospects of the Merged Group (taking into consideration the Merged Group's intentions) and read the Circular in full before deciding on how to vote for, *inter alia*, the Proposed Scheme at the Alliance EGM.

4 WHAT DOES THE ALLIANCE BOARD RECOMMEND?

YOUR VOTE IS IMPORTANT

Your Alliance Directors believe that Proposed Scheme is in the best interests of Alliance Shareholders and, save where they are required to abstain, recommend that Alliance Shareholders **VOTE IN FAVOUR OF ALL RESOLUTIONS** at the Alliance EGM.

- **Ordinary Resolution 1 – APPROVE** the Proposed Scheme as a major transaction under Chapter 10 of the Catalist Rules and the proposed issuance and allotment of up to an aggregate of 656,458,437 Alliance Shares in connection with the Proposed Scheme
- **Ordinary Resolution 2 – APPROVE** the proposed increase to non-executive director fees in connection with the expanded Merged Group Board[#]
- **Special Resolution 1 – APPROVE** the proposed amendments to the Constitution for the Merged Group to be dual listed on the Catalist of the SGX-ST and the ASX

**APPROVAL OF ORDINARY RESOLUTION 1 IS REQUIRED
to ensure that the Proposed Scheme is implemented**

**APPROVAL OF ORDINARY RESOLUTION 2 AND SPECIAL RESOLUTION 1 ARE
IMPORTANT to enable the Proposed Scheme to be implemented**

**Your Alliance Directors who are also Alliance Shareholders intend to
VOTE IN FAVOUR of ORDINARY RESOLUTION 1 AND
SPECIAL RESOLUTION 1 at the Alliance EGM**

[#] Under section 250BD of the Corporations Act, a vote on Ordinary Resolution 2 must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member. Please refer to the "Voting Exclusion Statement" in the Notice of EGM for further details.

As Alliance Directors are deemed to be Key Management Personnel, all Alliance Directors and/or their Closely Related Parties shall therefore abstain from voting in respect of their holdings of Alliance Shares (if any) at the Alliance EGM on Ordinary Resolution 2.

5 INDICATIVE TIMETABLE

EVENT	INDICATIVE DATE
Latest time and date for receipt of proxy forms for the Alliance EGM	2:00 p.m. (Singapore Time) on 19 September 2018
Time and date of the Alliance EGM to vote on the Proposed Resolutions	2:00 p.m. (Singapore Time) on 21 September 2018
Tawana Shareholders' meeting to vote on the Proposed Scheme	1:00 p.m. (Perth Time) on 26 September 2018
Second Court Hearing for approval of the Proposed Scheme	2 October 2018
Court order is lodged with ASIC and the Proposed Scheme takes effect	3 October 2018
Last day of trading in Tawana Shares on the ASX	3 October 2018
Suspension of Tawana Shares from trading on the ASX	Close of trading on 3 October 2018
Scheme Record Date for determining entitlement of Tawana Shareholders to receive the Scheme Consideration	5:00 p.m. (Perth Time) on 10 October 2018
Scheme Implementation Date and issue of the Scheme Consideration	17 October 2018
Date on which shares of the Merged Group trade on the SGX-ST and on the ASX on a normal settlement basis	18 October 2018

The above timetable is indicative only and assumes, amongst others, that approval of Alliance Shareholders and Tawana Shareholders are obtained for the Proposed Scheme. It remains subject to modifications, depending on, amongst others, regulatory processes.

6 WHAT IF I CANNOT ATTEND THE ALLIANCE EGM?

If you are unable to attend in person, you may appoint a proxy to attend and vote at the Alliance EGM on your behalf.

STEP 1: LOCATE THE PROXY FORM

The Proxy Form has been inserted as loose sheets in this Circular.

STEP 2: COMPLETE THE PROXY FORM

For **CDP Depositors**, please use the proxy form entitled “Extraordinary General Meeting – Depositor Proxy Form”

ALLIANCE MINERAL ASSETS LIMITED
(Company Registration Number: ACN 147 983 755)
(Incorporated in Australia on 6 December 2010)

EXTRAORDINARY GENERAL MEETING – DEPOSITOR PROXY FORM

We, the Central Depository (Pte) Limited, being a Member of **ALLIANCE MINERAL ASSETS LIMITED** (the “Company”), pursuant to a proxy form lodged or to be lodged by us with the Company (the “CDP Proxy Form”), have appointed, or will be appointing the person or persons whose name and particulars are set out in Part I below (the “Depositor(s)”, in respect of such number of shares (the “Depositor(s) Shares”) set out against his/her/its name in the Depository Register maintained by CDP as at 2.00 p.m. on 18 September 2018 (the “Cut Off Date”), as our proxy to vote for us on our behalf at the Extraordinary General Meeting of the Company to be held at The SAF Warrant Office and Specialist Club, Carnation Room 1 & 2, Level 3, 48 Boon Lay Way, Singapore 609961 on Friday, 21 September 2018 at 2.00 p.m. (Singapore time), and at any adjournment thereof (the “Extraordinary General Meeting”).

I.

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OR, in the event the Company receives this Depositor Proxy Form which is:
(i) duly completed and signed/executed by the said Depositor(s); and
(ii) submitted by the requisite time and date, and to the requisite office as indicated below,
we hereby appoint the person and persons (“Appointee(s)”) whose details are given in Part II(a) and (b), provided that such details have been verified in Part V by the affixing of the seal or signature of or on behalf of the persons named in Part I, and on the basis that such person or persons are authorised to vote in respect of the proportion of the shareholding referred to in Part II or if no proportions are so reflected, in respect of the whole of the said shareholding.

II.

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings %
(a) and/or (delete as appropriate)			
(b)			

The Appointee(s) is/are hereby directed to vote for, against or abstain on the resolutions to be proposed at the Extraordinary General Meeting as indicated hereunder. If no specific direction as to voting is given, the Appointee(s) may vote or abstain from voting at his/her/they, as he/she/they will on any other matter arising at the Extraordinary General Meeting or at any adjournment thereof. We further hereby authorise and direct the Company to accept this Depositor Proxy Form(s) in substitution for the CDP Proxy Form in respect of the Depositor(s) Shares and the CDP Proxy Form, to the extent it relates to the appointment of the said Depositor(s) as our proxy in respect of the Depositor(s) shares, shall be of no force or effect whatsoever.


*Delete accordingly.

III.

No.	Ordinary Resolutions relating to:	For	Against	Abstain
1.	The Proposed Acquisition of 100% of the issued and paid-up share capital of Tawana Resources NL through the implementation of the Proposed Scheme, as a major transaction under Chapter 10 of the Catalyst Rules, and the proposed issuance and allotment of up to an aggregate of 656,458,437 new Alliance Shares in connection with the Proposed Scheme			
2.	The Proposed Increase to Non-Executive Director Fees to a Maximum of A\$800,000 for each financial year in connection with the Expanded Merged Group Board			


No.	Special Resolution relating to:	For	Against	Abstain
1.	The Proposed Amendments to the Constitution in connection with the Proposed Dual Listing			

Dated this _____ day of _____ 2018

IV. The Central Depository (Pte) Limited

Signature of Director

TO BE COMPLETED BY DEPOSITOR(S) IF HE/SHE/IT WISHES TO NOMINATE A PROXY/PROXIES UNDER PART II

V.

For Individuals: Signature of Direct Account Holder	For Corporations: Signature of Director Signature of Director/Secretary
	 Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF CAREFULLY BEFORE COMPLETING THIS DEPOSITOR PROXY FORM

a Details of appointee(s).


Name	Address	NRIC/ Passport Number	Proportion of Shareholdings %
and/or (delete as appropriate)			

b Indicate how your appointee(s) should vote.

No.	Ordinary Resolutions relating to:	For	Against	Abstain
1.	The Proposed Acquisition of 100% of the issued and paid-up share capital of Tawana Resources NL through the implementation of the Proposed Scheme, as a major transaction under Chapter 10 of the Catalyst Rules, and the proposed issuance and allotment of up to an aggregate of 656,458,437 new Alliance Shares in connection with the Proposed Scheme			
2.	The Proposed Increase to Non-Executive Director Fees to a Maximum of A\$800,000 for each financial year in connection with the Expanded Merged Group Board			

No.	Special Resolution relating to:	For	Against	Abstain
1.	The Proposed Amendments to the Constitution in connection with the Proposed Dual Listing			

c Sign off on the space provided.

For Individuals: Signature of Direct Account Holder	For Corporations: Signature of Director Signature of Director/Secretary
	 Common Seal

For **Scripholders**, please use the proxy form entitled “Proxy Form – Strictly for Scripholder only”

PROXY FORM – STRICTLY FOR SCRIPHOLDER ONLY

ALLIANCE MINERAL ASSETS LIMITED
(Company Registration Number: ACN 147 393 736)
 (Incorporated in Australia on 6 December 2010)

EXTRAORDINARY GENERAL MEETING

I/We* _____ (Name), NRIC/Passport number* _____ of _____ (address) being a shareholder/shareholders* of Alliance Mineral Assets Limited (the "Company"), hereby appoint: _____

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

Name of proxy/proxies as written above
 OR the Chairperson of the Extraordinary General Meeting ("EGM") as my/our proxy,
 or failing the person/body corporate named, or if no person/body corporate is named, the Chairperson of the EGM as my/our proxy/proxies* to attend and to vote for me/us* on my/our* behalf and, if necessary, to demand a poll at the EGM of the Company to be held at 2:00 p.m. (Singapore time) on 21 September 2018 at The SAF Warrant Office and Specialist Club, Camarion Room 1 & 2, Level 3, 48 Boon Lay Way, Singapore 609961 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for, against or abstain on the resolutions proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

AUTHORITY FOR CHAIRPERSON TO VOTE ALL UNDIRECTED PROXIES ON ALL RESOLUTIONS
 The Chairperson intends to vote all undirected proxies in favour of all Resolutions. In exceptional circumstances, the Chairperson 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. All Resolutions put to the vote at the EGM shall be decided by way of poll.

If the Chairperson is your proxy or is appointed your proxy by default, unless you indicate otherwise by completing the "for", "against" or "abstain" box in relation to a Resolution, you will be expressly authorising the Chairperson to vote in accordance with the Chairperson's voting intentions on that Resolution.

Voting on Business of the EGM

AS ORDINARY RESOLUTIONS	No. Of Votes For	No. Of Votes Against	Abstain
Resolution 1: The Proposed Acquisition of 100% of the issued and paid-up share capital of Tawana Resources NL through the implementation of the Proposed Scheme, as a major transaction under Chapter 10 of the Catalyst Rules, and the proposed issuance and allotment of up to an aggregate of 656,458,437 new Alliance Shares in connection with the Proposed Scheme			
Resolution 2: The Proposed Increase to Non-Executive Director Fees to a Maximum of A\$800,000 for each financial year in connection with the Expanded Merged Group Board			

AS SPECIAL RESOLUTION	No. Of Votes For	No. Of Votes Against	Abstain
Resolution 1: The Proposed Amendments to the Constitution in connection with the Proposed Dual Listing			

Notes:
 1. If you wish to exercise all your votes "for" or "against" (as applicable), 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.

Dated this _____ day of _____, 2018

Total number of Shares in	Number of Shares
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s)/
 Common Seal of Corporate Shareholder
*Delete where inapplicable

a Fill in your name and particulars.

I/We* _____ (Name), NRIC/Passport number* _____ of _____ (address) being a shareholder/shareholders* of Alliance Mineral Assets Limited (the "Company"), hereby appoint: _____

b You may fill in details of your appointed proxy or leave this section blank.

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

c Indicate your vote.

AS ORDINARY RESOLUTIONS	No. Of Votes For	No. Of Votes Against	Abstain
Resolution 1: The Proposed Acquisition of 100% of the issued and paid-up share capital of Tawana Resources NL through the implementation of the Proposed Scheme, as a major transaction under Chapter 10 of the Catalyst Rules, and the proposed issuance and allotment of up to an aggregate of 656,458,437 new Alliance Shares in connection with the Proposed Scheme			
Resolution 2: The Proposed Increase to Non-Executive Director Fees to a Maximum of A\$800,000 for each financial year in connection with the Expanded Merged Group Board			

AS SPECIAL RESOLUTION	No. Of Votes For	No. Of Votes Against	Abstain
Resolution 1: The Proposed Amendments to the Constitution in connection with the Proposed Dual Listing			

d Sign off on the space provided and insert the date.

Dated this _____ day of _____, 2018

Signature of Shareholder(s)/
 Common Seal of Corporate Shareholder

e Indicate the number of Alliance Shares you hold.

Total number of Shares in	Number of Shares
(a) CDP Register	
(b) Register of Members	

STEP 3: RETURN THE COMPLETED PROXY FORM

Return the completed Proxy Form in the enclosed pre-addressed envelope so that it arrives at Lakeside Corporate Building Unit 6, 24 Parkland Road, Osborne Park, WA6017, Australia, or the Company's share registrar's office at Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, NOT LATER THAN 19 September 2018 at 2:00 p.m. (Singapore time).

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CORPORATE INFORMATION

Alliance Board	Pauline Gately (Executive Chairperson) Chan Hung Chiu Eddy (Non-Executive Director) Mahtani Bhagwandas (Independent Director) Ong Kian Guan (Independent Director) Shaun Menezes (Finance Director)
Company Secretaries	Fiona Leaw Mun Ni Shaun Menezes
Registered Office	Lakeside Corporate Building Unit 6, 24 Parkland Road Osborne Park, WA 6017, Australia
Share Registrar	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
Auditor	Ernst & Young The Ernst & Young Building 11 Mounts Bay Road Perth WA 6000, Australia
Singapore Financial Adviser to the Company	PrimePartners Corporate Finance Pte. Ltd. 16 Collyer Quay #10-00 Income at Raffles Singapore 049318
Australia Financial Adviser to the Company	Sternship Advisers Pty. Ltd. 1202 Hay Street West Perth WA 6005, Australia
Singapore Legal Adviser to the Company	Rajah and Tann Singapore LLP 9 Battery Road #25-01 Straits Trading Building Singapore 049910
Australia Legal Adviser to the Company	DLA Piper Australia Level 31, Central Park 152-158 St Georges Terrace Perth WA 6000, Australia

SUMMARY OF OUTCOMES OF ALLIANCE SHAREHOLDERS' APPROVALS

The Proposed Scheme is subject to a number of conditions, including approvals from Alliance Shareholders, Tawana Shareholders and the Court for the Proposed Scheme, and will only become effective when these conditions have been satisfied (or, where applicable, waived). The conditions to the Proposed Scheme must be satisfied (or, where applicable, waived) by 8:00 a.m. on the Second Court Date, failing which either Alliance or Tawana may terminate the Scheme Implementation Agreement if the parties fail to agree on an alternative means of completing the Proposed Scheme within 5 Business Days.

THE PROPOSED RESOLUTIONS

The Alliance Directors are convening the Alliance EGM to be held at 2:00 p.m. on 21 September 2018 to seek Alliance Shareholders' approval for the following resolutions:

- (A) the proposed acquisition by Alliance of 100% of the issued and paid-up share capital of Tawana through the implementation of the Proposed Scheme, as a major transaction under Chapter 10 of the Catalist Rules and the Proposed Issuance and Allotment of up to an aggregate of 656,458,437 new Alliance Shares in connection with the Proposed Scheme (**ORDINARY RESOLUTION 1**);
- (B) the proposed increase to non-executive director fees in connection with the expanded Merged Group Board (**ORDINARY RESOLUTION 2**); and
- (C) the Proposed Amendments to the Constitution in connection with the Proposed Dual Listing (**SPECIAL RESOLUTION 1**).

CONDITIONALITY OF THE PROPOSED RESOLUTIONS

Alliance Shareholders are to note that the passing of Ordinary Resolution 2 and/or Special Resolution 1 is conditional on the passing of Ordinary Resolution 1. This means that if Ordinary Resolution 1 is not approved by Alliance Shareholders at the Alliance EGM, Ordinary Resolution 2 and/or Special Resolution 1 will not pass.

Alliance Shareholders should note that if Special Resolution 1 is not approved by Alliance Shareholders, the **Proposed Scheme is unlikely to proceed** as the proposed amendments to the Constitution pursuant to Special Resolution 1 are required to enable the condition precedent relating to the admission of Alliance to the official list of the ASX to be satisfied.

Alliance Shareholders should also note that if Ordinary Resolution 2 is not approved, the **Proposed Scheme may not proceed** as the proposed increase to non-executive director fees is required to enable the expanded Merged Group Board to be constituted as contemplated by the Scheme Implementation Agreement.

SUMMARY OF OUTCOMES OF ALLIANCE SHAREHOLDERS' APPROVALS

For Alliance Shareholders' ease of reference, a summary is presented below on the approvals being sought from Alliance Shareholders, potential outcomes and impact of these outcomes:

Scenario	Voting on Resolutions		Impact
A	Ordinary Resolution 1	✓	<p>The Proposed Scheme will be implemented and Alliance will be dual primary listed on the Catalist of the SGX-ST and the ASX¹.</p> <p>The Bald Hill Project will be wholly-owned and controlled by Alliance. Alliance will benefit from the various expertise and experiences of the expanded Merged Group Board and will incur additional expenses associated with the additional number of non-executive directors.</p>
	Ordinary Resolution 2	✓	
	Special Resolution 1	✓	
B	Ordinary Resolution 1	✓	<p>The Proposed Scheme may not proceed.</p> <p>Alliance will have to discuss with the new Directors of the Merged Group Board whether they will agree to become Directors for no directors' fees.</p> <p>If the new Directors do not agree to join the Merged Group for no directors' fees, the benefit of the experienced Merged Group Board will not be realised. There is also a risk that the Proposed Scheme may not proceed if Tawana Shareholders and/or the Court do not approve the Proposed Scheme as the composition of the Merged Group Board will be different to the terms of the Proposed Scheme currently proposed.</p>
	Ordinary Resolution 2	×	
	Special Resolution 1	✓	
C	Ordinary Resolution 1	✓	<p>The Proposed Scheme is unlikely to proceed.</p> <p>The Proposed Amendments to the Constitution pursuant to Special Resolution 1 are required to enable the condition precedent relating to the admission of Alliance to the official list of the ASX to be satisfied.</p> <p>Unless the condition precedent relating to Alliance's admission to the official list of the ASX is waived by Alliance and Tawana, the Proposed Scheme will not proceed. Tawana does not intend on waiving this condition.</p>
	Ordinary Resolution 2	✓	
	Special Resolution 1	×	
D	Ordinary Resolution 1	×	<p>Alliance will continue in its current form, meaning that it will continue to be primary listed only on the Catalist of the SGX-ST, its ownership and interest in the Bald Hill Project will remain at 50% and its Constitution and board of directors will remain the same as at the date of the Alliance EGM.</p>
	Ordinary Resolution 2 <i>and/or</i> Special Resolution 1	✓	

¹ Subject to the receipt of necessary regulatory approvals.

DEFINITIONS

For the purpose of this Circular, the following definitions apply throughout, unless the context otherwise requires:

A\$ and cents	Australian dollars and cents respectively, the lawful currency of the Commonwealth of Australia.
A\$0.50 Tawana Options	Tawana Options with an exercise price of A\$0.50 and an expiry date of 6 April 2021.
AAS	Australian Accounting Standards.
AASB	Australian Accounting Standards Board.
Alliance or AMAL or Company	Alliance Mineral Assets Limited.
Alliance Board	The board of Alliance Directors as at the date of this Circular.
Alliance Competing Transaction	<p>Any proposal, agreement, arrangement, reorganisation or transaction which, if entered into or completed, would mean a person (other than Tawana or its Related Bodies Corporate), either alone or together with its associates, would:</p> <ul style="list-style-type: none">i. directly or indirectly, acquire an interest or Relevant Interest in, become the holder of, or otherwise acquire or have a legal, beneficial or economic interest in:<ul style="list-style-type: none">a. 50% or more of the Alliance Shares; orb. all, or a substantial or material part, of Alliance's business or assets;ii. acquire control of Alliance, within the meaning of section 50AA of the Corporations Act; oriii. otherwise directly or indirectly acquire, merge with, or acquire a significant shareholding or economic interest in Alliance or Alliance's business or assets, <p>whether by way of takeover bid, scheme of arrangement, shareholder approved acquisition, capital reduction or buy-back, sale or purchase of assets, sale or purchase of shares, joint venture, reverse takeover, dual-listed company structure or other synthetic merger or other transaction or arrangement.</p>
Alliance Directors	The directors of Alliance as at the date of this Circular.
Alliance EGM	The extraordinary general meeting of Alliance to be held on Friday, 21 September 2018 at 2:00 p.m. (Singapore time), notice of which is given in the Notice of EGM.
Alliance Group	Alliance and its subsidiary.
Alliance Material Adverse Change	Has the meaning given to the term on pages 3 and 4 of the Scheme Implementation Agreement.

DEFINITIONS

Alliance Options	Certain options which have been granted to the Lenders pursuant to the Loan Facility which are exercisable into an aggregate of 15,600,000 new Alliance Shares and 11,400,000 existing options granted to Canaccord which are exercisable into 11,400,000 new Alliance Shares.
Alliance Placements	The Alliance Underwritten Placements I and II and the Burwill 2018 Placement, collectively.
Alliance Prescribed Event	Has the meaning given to the term on page 4 of the Scheme Implementation Agreement.
Alliance Representations and Warranties	The representations and warranties given by Alliance as set out in Schedule 7 of the Scheme Implementation Agreement.
Alliance Share(s)	Issued and fully paid-up ordinary share(s) in the capital of Alliance.
Alliance Shareholder(s)	The registered holder(s) of the Alliance Shares in the register of members of the Company.
Alliance Superior Proposal	<p>A bona fide Alliance Competing Transaction that the Alliance Board, acting reasonably and in good faith, and after taking advice from its legal advisers and financial advisers, determines:</p> <ul style="list-style-type: none">i. is reasonably capable of being completed taking into account all aspects of the Alliance Competing Transaction and timing considerations, conditions precedent and the identity of the proponent; andii. would, if completed substantially in accordance with its terms, be more favourable to Alliance Shareholders (as a whole) than the Proposed Scheme, taking into account all terms and conditions of the Alliance Competing Transaction (including consideration, conditionality, funding, certainty and timing).
Alliance Underwritten Placement I	The fully underwritten placement of 76,522,804 new Alliance Shares to sophisticated and institutional investors in Australia and Hong Kong which raised gross proceeds of A\$25 million (approximately S\$25.2 million) and completed on 2 May 2018.
Alliance Underwritten Placement II	The fully underwritten placement of an aggregate 10,875,115 new Alliance Shares, where 3,275,115 new Alliance Shares were placed out to Tribeca and 7,600,000 new Alliance Shares were subscribed for by Canaccord as underwriter, which raised gross proceeds of A\$3.7 million (approximately S\$3.7 million) and completed on 24 July 2018.
AMC	AMC Consultants Pty Ltd.
ASIC	The Australian Securities and Investments Commission.
ASX	ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange, as appropriate.

DEFINITIONS

ASX Listing Rules	The listing rules of the ASX.
Bald Hill Joint Venture	The unincorporated joint venture in respect of the Bald Hill Project established under the Bald Hill Joint Venture Agreement and accounted for as a joint operation under AAS.
Bald Hill Joint Venture Agreement	The agreement between the Company and Lithco dated 18 April 2017, which governs the ongoing activities, funding and management of the Bald Hill Project.
Bald Hill Project	The Bald Hill Lithium and Tantalum Project in Western Australia.
BDO or Independent Expert	BDO Corporate Finance (WA) Pty Ltd.
Burwill	Burwill Holdings Limited.
Burwill 2017 Placement	The placement of 74,810,228 new Alliance Shares to Burwill completed in November 2017.
Burwill 2018 Placement	The non-underwritten placement of 13,000,000 new Alliance Shares to Burwill which raised gross proceeds of A\$4.2 million (approximately S\$4.3 million) and completed on 4 July 2018.
Business Day	A business day as defined in the ASX Listing Rules.
Canaccord	Canaccord Genuity (Australia) Limited.
Catalist	The sponsor-supervised listing platform of the SGX-ST.
Catalist Rules	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time.
CDP	The Central Depository (Pte) Limited.
Circular or Merger Circular	This merger circular to Alliance Shareholders.
Closely Related Party	Of a member of the Key Management Personnel means: <ul style="list-style-type: none">i. spouse or a child of the member;ii. a child of the member's spouse;iii. a dependent of the member of the member's spouse;iv. 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;v. a company the member controls; orvi. a person prescribed by the <i>Corporations Regulations 2001</i> (Cth) for the purposes of the definition of "closely related party" in the Corporations Act

DEFINITIONS

Compensation Shares Issuance	The issuance and allotment of an aggregate of 3,500,000 new Alliance Shares to certain directors and executives of Alliance on 4 July 2018.
Competing Transaction	An Alliance Competing Transaction or a Tawana Competing Transaction, as the case may be.
Conditions Precedent	The conditions precedent described in paragraph 2.3.2 of this Circular.
Constitution	The constitution of the Company, as may be amended or modified from time to time.
Control	Has the meaning given in section 50AA of the Corporations Act.
Corporations Act	The <i>Corporations Act 2001</i> (Cth) of Australia, as amended or modified from time to time.
Court	The Federal Court of Australia.
Cowan Lithium	Cowan Lithium Limited.
Cowan Lithium Demerger	Has the meaning ascribed to it in paragraph 3.2 of this Circular.
Deed Poll	The deed poll pursuant to which the Company covenants in favour of Scheme Participants to perform its obligations in relation to the Proposed Scheme.
Directors	The directors of Alliance from time to time.
Effective	When used in relation to the Proposed Scheme, means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Proposed Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.
Effective Date	The date on which the Proposed Scheme becomes Effective.
End Date	31 December 2018 or such other date as is agreed in writing by Alliance and Tawana.
Excluded Shareholders	Alliance and any Related Body Corporate (if any) of Alliance.
Exclusivity Period	The period from and including 5 April 2018 to the earliest of: i. the termination of the Scheme Implementation Agreement in accordance with its terms; ii. the Effective Date; and iii. the End Date.
FY	Financial year ended or ending 30 June.

DEFINITIONS

Implied Value	Has the meaning ascribed to it in paragraph 2.3.1.6 of this Circular.
Independent Expert's Report	The report prepared by the Independent Expert dated 2 August 2018.
Independent Practitioner	Ernst & Young Transaction Advisory Services Limited, the independent practitioner in respect of the Reasonable Assurance Report on the Compilation of Unaudited Pro-Forma Historical Financial Information of the Merged Group, set out as Appendix D to this Circular
Independent Qualified Person's Report	The independent qualified person's report prepared by CSA Global Pty Ltd dated 9 August 2018, set out as Appendix A to this Circular.
Independent Valuation Report	The independent valuation report prepared by SRK dated 13 August 2018, set out as Appendix B to this Circular.
Independent Valuer or SRK	SRK Consulting (Australasia) Pty Ltd.
Ineligible Shareholder	A Tawana Shareholder whose address shown in the Tawana share register is in a jurisdiction outside Australia, New Zealand, Hong Kong and Singapore in which Alliance determines, acting reasonably, does not permit the issue of the SGX-ST or the ASX listed Alliance Shares to that Tawana Shareholder either unconditionally or after compliance with terms that Alliance reasonably regards as acceptable and practical.
JSE	JSE Limited or the financial market operated by it known as the Johannesburg Stock Exchange, as appropriate.
Key Management Personnel	Has the 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 the 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.
Latest Practicable Date	13 August 2018 being the latest practicable date prior to the printing of this Circular.
Last Trading Day	Has the meaning ascribed to it in paragraph 2.3.1.6 of this Circular.
Lenders	The consortium of lenders to the Loan Facility.
Lithco	Lithco No. 2 Pty Ltd, a wholly-owned subsidiary of Tawana.
Loan Facility	The A\$13 million loan facility from a consortium of lenders to Alliance as announced by Alliance on 29 March 2018.
LPS	Loss per Alliance Share.
Market Day	A day on which the SGX-ST is open for trading in securities.

DEFINITIONS

Merged Group	Alliance and its subsidiaries following implementation of the Proposed Transaction (when the Tawana Group will become a wholly-owned subsidiary of Alliance).
Merged Group Board	Has the meaning ascribed to it in paragraph 6.1 of this Circular.
New Constitution	Has the meaning ascribed to it in paragraph 10.6 of this Circular.
Nominal Alliance Shares Issuance	Has the meaning ascribed to it in paragraph 10.1 of this Circular.
Notice of EGM	The notice of the Alliance EGM as set out on pages N-1 to N-4 of this Circular.
NTA	Net tangible assets.
Proposed Amendments to the Constitution	Means the proposed amendments to the Constitution, as set out in Appendix G and summarised in paragraph 10.6 of this Circular.
Proposed Dual Listing	Has the meaning ascribed to it in paragraph 10.1 of this Circular.
Proposed Increase to Non-Executive Director Fees	Has the meaning ascribed to it in paragraph 9 of this Circular.
Proposed Issuance and Allotment	Has the meaning ascribed to it in paragraph 2.3.1.2 of this Circular.
Proposed Resolutions	Has the meaning ascribed to it in paragraph 1.1 of this Circular.
Proposed Scheme	Has the meaning ascribed to it in paragraph 2.1 of this Circular.
Proposed Transaction	The Proposed Scheme and other transactions contemplated by the Scheme Implementation Agreement, including the Proposed Dual Listing.
Prospectus	Has the meaning ascribed to it in paragraph 10.3 of this Circular.
Regal Funds	Regal Funds Management Pty Ltd.
Regulatory Authority	Includes: <ul style="list-style-type: none">i. a government or governmental, semi-governmental, administrative, fiscal or judicial entity or authority;ii. a minister, department, office, commission, delegate, instrumentality, tribunal, agency, board, authority or organisation of any government; andiii. any regulatory organisation established under statute; and in particular, the ASX, ASIC, SGX-ST and SIC.
Related Body Corporate	Has the meaning given to that term in section 9 of the Corporations Act.
Relevant Interest	Has the meaning ascribed to it in the Corporations Act.

DEFINITIONS

Requisite Majority(ies)	In relation to the Scheme Resolution, a resolution passed by: <ul style="list-style-type: none">i. unless the Court orders otherwise, a majority in number (more than 50%) of Tawana Shareholders (other than Excluded Shareholders) who are present and voting, either in person or by proxy, attorney or in the case of a corporation its duly appointed corporate representative; andii. passed by at least 75% of the votes cast on the resolution.
Scheme Consideration	Has the meaning ascribed to it in paragraph 2.3.1 of this Circular.
Scheme Implementation Agreement	The Scheme Implementation Agreement dated 5 April 2018 and amended on 6 July 2018 between Alliance and Tawana. A copy of the Scheme Implementation Agreement incorporating amendments as at 6 July 2018 was announced by Alliance on the SGXNet (www.sgx.com) on 9 July 2018.
Scheme Implementation Date	The fifth Business Day following the Scheme Record Date or such other date as Alliance and Tawana may agree in writing.
Scheme Meeting	Means the meeting of Tawana Shareholders convened by the Court in relation to the Proposed Scheme pursuant to section 411(1) of the Corporations Act and includes an adjournment of that meeting.
Scheme Participant	A person registered as a Tawana Shareholder at 5:00 p.m. on the Scheme Record Date, other than an Excluded Shareholder.
Scheme Record Date	The fifth Business Day following the Effective Date or such other date as Alliance and Tawana may agree in writing.
Scheme Resolution	The resolution to be proposed to the Tawana Shareholders at the Scheme Meeting to approve the Proposed Scheme.
Second Court Date	The first day on which an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Proposed Scheme is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned or appealed application is heard. The Second Court Date is currently expected to be 2 October 2018.
SFA	The Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time.
SGX-ST or SGX	Singapore Exchange Securities Trading Limited.
SIC	The Securities Industry Council of Singapore.
Sponsor	PrimePartners Corporate Finance Pte. Ltd.
Swap Ratio	Has the meaning ascribed to it in paragraph 2.3.1.1 of this Circular.
Tawana	Tawana Resources NL, a company listed on the ASX.
Tawana Board	The board of Tawana Directors as at the date of this Circular.

DEFINITIONS

Tawana Competing Transaction	<p>Any proposal, agreement, arrangement, reorganisation or transaction which, if entered into or completed, would mean a person (other than Alliance or its Related Bodies Corporate), either alone or together with its associates, would:</p> <ol style="list-style-type: none">i. directly or indirectly, acquire an interest or Relevant Interest in, become the holder of, or otherwise acquire or have a legal, beneficial or economic interest in:<ul style="list-style-type: none">– 50% or more of the Tawana Shares; or– all, or a substantial or material part, of the Tawana Group's business or assets;ii. acquire control of Tawana or any of its material subsidiaries, within the meaning of section 50AA of the Corporations Act; oriii. otherwise directly or indirectly acquire, merge with, or acquire a significant shareholding or economic interest in Tawana or the Tawana Group's business or assets, <p>whether by way of takeover bid, scheme of arrangement, shareholder approved acquisition, capital reduction or buy-back, sale or purchase of assets, sale or purchase of shares, joint venture, reverse takeover, dual-listed company structure or other synthetic merger or other transaction or arrangement, provided always that the Tawana Restructuring shall not be a Tawana Competing Transaction.</p>
Tawana Conditional Placement	<p>The non-underwritten placement of 12,195,122 new Tawana Shares to Tribeca which raised gross proceeds of A\$4.9 million (approximately S\$4.9 million) and completed on 6 July 2018.</p>
Tawana Directors	<p>The directors of Tawana as at the date of this Circular.</p>
Tawana Group	<p>Tawana and its subsidiaries.</p>
Tawana Historical Financial Information	<p>Has the meaning ascribed to it in paragraph 3.5 of this Circular.</p>
Tawana Material Adverse Change	<p>Has the meaning given to the term on page 14 of the Scheme Implementation Agreement.</p>
Tawana Option	<p>An option issued by Tawana in respect of Tawana Shares, whether vested or unvested.</p>
Tawana Option Cancellation Deeds	<p>Has the meaning ascribed to it in paragraph 2.1 of this Circular.</p>
Tawana Optionholder	<p>The holder of a Tawana Option.</p>
Tawana Placements	<p>The Tawana Underwritten Placement and the Tawana Conditional Placement, collectively.</p>
Tawana Prescribed Event	<p>Has the meaning given to the term on pages 14 and 15 of the Scheme Implementation Agreement.</p>

DEFINITIONS

Tawana Representations and Warranties	The representations and warranties given by Tawana as set out in Schedule 6 of the Scheme Implementation Agreement.
Tawana Restructuring	Has the meaning ascribed to it in paragraph 3.2 of this Circular.
Tawana Share(s)	Issued and fully paid-up ordinary share(s) in the capital of Tawana.
Tawana Shareholder(s)	The registered holder(s) of Tawana Shares in the register of members of Tawana.
Tawana Superior Proposal	<p>A bona fide Tawana Competing Transaction that the Tawana Board, acting reasonably and in good faith, and after taking advice from its legal advisers and financial advisers, determines:</p> <ul style="list-style-type: none">i. is reasonably capable of being completed taking into account all aspects of the Tawana Competing Transaction and timing considerations, conditions precedent and the identity of the proponent; andii. would, if completed substantially in accordance with its terms, be more favourable to Tawana Shareholders (as a whole) than the Proposed Scheme, taking into account all terms and conditions of the Tawana Competing Transaction (including consideration, conditionality, funding, certainty and timing).
Tawana Underwritten Placement	The fully underwritten placement of 48,780,488 new Tawana Shares to sophisticated and institutional investors which raised gross proceeds of A\$20.0 million (approximately S\$20.2 million) and completed on 17 April 2018.
Tawana's Unaudited Pro-Forma Historical Financial Information	Tawana's financial position as at 31 December 2017, as if the Cowan Lithium Demerger had taken place on 31 December 2017 and Tawana's financial performance for the six months ended 31 December 2017 and the year ended 31 December 2017, as if the Cowan Lithium Demerger had taken place on 1 July 2017 and 1 January 2017 respectively.
Treasurer	Means the Treasurer of the Commonwealth of Australia.
Tribeca	Tribeca Investment Partners Pty Ltd.
Unaudited Pro-Forma Historical Financial Information of the Merged Group	The unaudited pro-forma financial information of the Merged Group which comprises the Unaudited Pro-Forma Historical Consolidated Statement of Comprehensive Income and the Unaudited Pro-Forma Historical Consolidated Statement of Cash Flows for the year ended 31 December 2017, the Unaudited Pro Forma Historical Consolidated Statements of Financial Position as at 31 December 2017 and as at 30 April 2018 and related notes, set out as Appendix D of this Circular.
VWAP	Volume weighted average price.
Weier	Weier Antriebe und Energietechnik GmbH.

DEFINITIONS

ZAR	South African Rand, the lawful currency of the Republic of South Africa.
S\$ and cents	Singapore dollars and cents respectively, the lawful currency of Singapore.
% or per cent	Per centum or percentage.

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA or any statutory modification thereof, as the case may be.

The expressions “**associate**”, “**subsidiary**”, “**controlling shareholder**” and “**Substantial Shareholder**” shall have the meaning ascribed to them respectively in the Catalist Rules.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons, where applicable, shall include corporations.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any term defined under the Corporations Act, the ASX Listing Rules, SFA or Catalist Rules or any statutory or regulatory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Corporations Act, the ASX Listing Rules, SFA or Catalist Rules or such statutory or regulatory modification thereof, as the case may be, unless otherwise provided.

Any discrepancies in the figures included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

The exchange rate of S\$1 to A\$0.99 is applied throughout for purposes of conversion in this Circular, with the exception of the historical financial information.

LETTER TO SHAREHOLDERS

ALLIANCE MINERAL ASSETS LIMITED

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

Directors

Pauline Gately (Executive Chairperson)
Chan Hung Chiu Eddy (Non-Executive Director)
Mahtani Bhagwandas (Independent Director)
Ong Kian Guan (Independent Director)
Shaun Menezes (Finance Director)

Registered Office

Lakeside Corporate Building
Unit 6, 24 Parkland Road,
Osborne Park, WA 6017,
Australia

Date: 20 August 2018

To: **The Shareholders of Alliance Mineral Assets Limited**

Dear Sir/Madam

1. INTRODUCTION

1.1 EGM

The Alliance Board is convening the EGM to be held on 21 September 2018 to seek the approval of Alliance Shareholders for the following resolutions:

- (i) the proposed acquisition by Alliance of 100% of the issued and paid-up share capital of Tawana through the implementation of the Proposed Scheme, as a major transaction under Chapter 10 of the Catalist Rules, and the proposed issuance and allotment of up to an aggregate of 656,458,437 new Alliance Shares in connection with the Proposed Scheme (Ordinary Resolution 1);
- (ii) the proposed increase to non-executive director fees in connection with the expanded Merged Group Board (Ordinary Resolution 2); and
- (iii) the Proposed Amendments to the Constitution in connection with the Proposed Dual Listing (Special Resolution 1),

(collectively, the “**Proposed Resolutions**”).

1.2 Circular

The purpose of this Circular is to provide Alliance Shareholders with relevant information relating to the Proposed Scheme, the Proposed Increase to Non-Executive Director Fees in connection with the expanded Merged Group Board and the Proposed Amendments to the Constitution in connection with the Proposed Dual Listing, and to seek Alliance Shareholders’ approval for the Proposed Resolutions at the EGM, the notice of which is set out on pages N-1 to N-4 of this Circular.

The SGX-ST and the Sponsor take no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.

LETTER TO SHAREHOLDERS

1.3 **Conditionality of Ordinary Resolution 2 and Special Resolution 1 on Ordinary Resolution 1**

Alliance Shareholders are to note that the passing of Ordinary Resolution 2 and/or Special Resolution 1 is conditional upon the passing of Ordinary Resolution 1. This means that if Ordinary Resolution 1 is not approved by Alliance Shareholders at the Alliance EGM, Ordinary Resolution 2 and/or Special Resolution 1 will not pass.

Alliance Shareholders should also read the Section “Summary of Outcomes of Alliance Shareholders’ Approvals” and Paragraph 15.4 of this Circular before deciding on how to vote on the Proposed Resolutions at the Alliance EGM.

2. **THE PROPOSED SCHEME**

2.1 **Introduction**

Alliance and Tawana had on 5 April 2018 entered into (and subsequently amended on 6 July 2018) a Scheme Implementation Agreement, under which Tawana has agreed to pursue a members’ scheme of arrangement under Part 5.1 of the Corporations Act pursuant to which, if implemented, Alliance will acquire all of the Tawana Shares for the consideration of 1.1 new Alliance Shares per Tawana Share (“**Proposed Scheme**”).

Following implementation of the Proposed Scheme, Tawana will become a wholly-owned subsidiary of Alliance. Alliance Shareholders will own approximately 50.1% of the Merged Group and Tawana Shareholders will own approximately 49.9% of the Merged Group as new Alliance Shareholders.

The Proposed Scheme extends to any Tawana Shares that are issued prior to the Scheme Record Date as a result of the exercise of any Tawana Options and to Tawana Shares issued as part of the Tawana Placements. In addition, Tawana Optionholders have entered into option holder deeds under which conditional on the Proposed Scheme becoming Effective, each Tawana Optionholder agrees that their Tawana Options will be cancelled automatically on the Scheme Implementation Date in exchange for new Alliance Shares, to the extent those options are not exercised into Tawana Shares prior to the Scheme Record Date (“**Tawana Option Cancellation Deeds**”). As at the Latest Practicable Date, there are 18,693,880 outstanding Tawana Options which are exercisable into an aggregate 18,693,880 Tawana Shares at exercise prices of between A\$0.06 to A\$0.50 per Tawana Option.

Further details on the Tawana Option Cancellation Deeds are set out in Paragraph 2.3.6 of this Circular.

2.2 **Rationale for the Proposed Scheme**

The Proposed Scheme represents an opportunity for a simplified single ownership structure and operational management of the Bald Hill Project to create a mid-tier producer of high-demand lithium concentrate. The creation of the Merged Group is expected to deliver a number of benefits to both companies, including but not limited to the following:

(i) **Single Ownership Structure**

Upon implementation of the Proposed Scheme, the Bald Hill Project will be owned by Alliance and a wholly-owned subsidiary of Alliance (i.e. controlled by a single

LETTER TO SHAREHOLDERS

entity). The Merged Group will consider collapsing the Bald Hill Joint Venture. The Merged Group will be able to streamline development of the Bald Hill Project without the structures and processes imposed by the Bald Hill Joint Venture Agreement. This will position the Merged Group as a more meaningful supplier of quality lithium concentrate to satisfy growing demand for energy storage applications including long life lithium-ion batteries for electric vehicles and consumer electronics.

(ii) Experienced Merged Group Board and Management Team

The Merged Group will bring together Alliance and Tawana personnel to create a highly credentialed and experienced board and management team.

(iii) Enhanced scale

The Merged Group will have an enhanced scale, with a derived and indicative market capitalisation of approximately A\$425¹ million, providing it with greater capacity and flexibility to pursue the development of the Bald Hill Project and capitalise on opportunities as market demand dictates.

(iv) Diversified shareholder base and enhanced profile

The Merged Group will have access to both the Singapore and Australian capital markets through its listing on the ASX and the Catalist, which is expected to result in:

- a. enhanced access to debt and equity capital markets;
- b. increased coverage from equity research analysts;
- c. increased interest from institutional investors;
- d. access to a wider shareholder base; and
- e. potential to become listed on the Main Board of the SGX-ST.

2.3 Principal Terms of the Scheme Implementation Agreement

2.3.1 Scheme Consideration

If the Proposed Scheme is implemented, Tawana Shareholders (other than Excluded Shareholders and Ineligible Shareholders) will receive 1.1 new Alliance Shares per Tawana Share held on the Scheme Record Date (“**Scheme Consideration**”).

Each Tawana Shareholder may elect to have their new Alliance Shares quoted on the ASX (subject to the approval of the ASX for the admission of Alliance to the official list of the ASX) or the Catalist.

¹ Derived based on the sum of the market capitalisations of Alliance and Tawana as at the Latest Practicable Date and for illustration purposes only.

LETTER TO SHAREHOLDERS

2.3.1.1 Swap Ratio

The swap ratio of 1.1 new Alliance Shares for every 1 Tawana Share (“**Swap Ratio**”) is based on amongst others things, the Proposed Scheme being a merger of equals and is intended to reflect an approximately 50:50 ownership of the Merged Group by the shareholders of Alliance and Tawana, the historical share prices and financials of Alliance and Tawana, the Alliance Placements, the Tawana Placements, the Alliance Options and the Tawana Options.

2.3.1.2 Scheme Consideration

As at the Latest Practicable Date, there are 578,086,517 Tawana Shares and 18,693,880 Tawana Options on issue which are exercisable into an aggregate 18,693,880 Tawana Shares at exercise prices of between A\$0.06 to A\$0.50 per Tawana Option.

Based on the terms of the Scheme Implementation Agreement, the number of new Alliance Shares which may be issued and allotted to Tawana Shareholders as the Scheme Consideration is as follows:

- (i) up to 656,458,437 new Alliance Shares, assuming all Tawana Options are exercised prior to the Scheme Record Date; or
- (ii) up to 646,001,944 new Alliance Shares, assuming no Tawana Options are exercised prior to the Scheme Record Date, and instead are cancelled in accordance with the Tawana Option Cancellation Deeds.

Each Tawana Optionholder has entered into the Tawana Option Cancellation Deeds under which conditional on the Proposed Scheme becoming Effective, the Tawana Optionholder agrees that their Tawana Options will be cancelled automatically on the Scheme Implementation Date in exchange for new Alliance Shares, to the extent those options are not exercised into Tawana Shares prior to the Scheme Record Date. Assuming that no Tawana Options are exercised prior to the Scheme Record Date, up to 10,106,775 new Alliance Shares may be issued and allotted to Tawana Optionholders as consideration to acquire their Tawana Options pursuant to the Tawana Option Cancellation Deeds. Further details on the Tawana Option Cancellation Deeds are set out in Paragraph 2.3.6 of this Circular.

Further details of the anticipated capital structure of the Merged Group following completion of the Proposed Scheme are set out in Paragraph 6.1 of this Circular.

The Scheme Consideration will be issued and allotted on the Scheme Implementation Date.

For the avoidance of doubt, the Proposed Scheme, together with the proposed issuance and allotment of up to 656,458,437 Scheme Consideration (“**Proposed Issuance and Allotment**”), is subject to the approval of Alliance Shareholders. The Proposed Issuance and Allotment of up to 656,458,437 Scheme Consideration will therefore not be made pursuant to Alliance’s general share issuance mandate.

LETTER TO SHAREHOLDERS

2.3.1.3 Listing and Quotation Notice

An application was made on 16 July 2018 by the Sponsor to the SGX-ST, for and on behalf of Alliance, for the listing of and quotation for the Scheme Consideration and the Nominal Alliance Shares (details of which are set out in Paragraph 10.5 of this Circular). Alliance had on 10 August 2018 received the listing and quotation notice from the SGX-ST for the listing of and quotation for the Scheme Consideration and the Nominal Alliance Shares, subject to the following conditions:

- (i) Compliance with the SGX-ST's listing requirements;
- (ii) Alliance Shareholders' approval to be obtained for the Proposed Scheme and Proposed Dual Listing;
- (iii) A written undertaking from the Company that it will comply with Catalist Rules 704(30) and 1204(22) in relation to the use of proceeds from the Nominal Alliance Shares Issuance and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;
- (iv) A written undertaking from the Company that it will comply with Catalist Rule 803 in relation to the Nominal Alliance Shares Issuance;
- (v) A written undertaking from the Company that it will not issue the Nominal Alliance Shares to persons prohibited under Catalist Rule 812(1);
- (vi) A written undertaking from the Sponsor that it will ensure that the Company will comply with Catalist Rules 803 and 812(1) in relation to the Nominal Alliance Shares Issuance;
- (vii) The issue price of the Nominal Alliance Shares shall not be more than 10% discount to the VWAP as required under Catalist Rule 811(1);
- (viii) The Nominal Alliance Shares to be allotted before the upcoming annual general meeting to be held by the Company, failing which the Nominal Alliance Shares Issuance will be subject to the Company obtaining a fresh share issue mandate from its shareholders before its upcoming annual general meeting.

The Company and the Sponsor had on 13 August 2018 provided to the SGX-ST their respective undertakings set out in Paragraphs 2.3.1.3(iii), (iv), (v) and (vi) above.

The Company had sought approval for, and received the listing and quotation notice from the SGX-ST in respect of, the additional listing of up to 656,458,437 Scheme Consideration. Additional Scheme Consideration may be required to be issued based on the number of Tawana Shares on the Scheme Record Date (which is expected to be 10 October 2018) for the sole purpose of rounding up of fractional Scheme Consideration entitlements to the nearest whole number ("**Additional Scheme Consideration**"). If such number of Additional Scheme Consideration would cause the Company to issue more than the maximum number of 656,458,437 Scheme Consideration already approved for listing on the Catalist by the SGX-ST, a separate application to the SGX-ST will be made by the Sponsor on behalf of the Company for the listing of and quotation for such Additional Scheme Consideration in due course. The number of Additional Scheme Consideration, if any, is envisaged to be nominal and not more than 10,000 new Alliance Shares.

LETTER TO SHAREHOLDERS

2.3.1.4 Ranking of the Scheme Consideration

From the date of issuance and allotment, the ASX-listed (or, if so elected, SGX-listed) Scheme Consideration will be fully paid and free from any encumbrances, and will rank equally in all respects with the existing Alliance Shares, save that they will not rank for any dividends, rights, distributions, allotments and other entitlements the record date of which falls before the issuance and allotment of the Scheme Consideration.

2.3.1.5 Historical Share Price Information

Information on the historical transacted prices of Alliance Shares on the SGX-ST is set out below:

Period	VWAP per Alliance Share (S\$)
On the Last Trading Day (as defined below)	0.354
For the one-month period up to and including the Last Trading Day	0.375
For the three-month period up to and including the Last Trading Day	0.401
For the six-month period up to and including the Last Trading Day	0.382
For the 12-month period up to and including the Last Trading Day	0.345

2.3.1.6 Implied Value and Implied Swap Ratio

Based on the closing price of S\$0.340 per Alliance Share on 4 April 2018 (“**Last Trading Day**”), being the full Market Day preceding the date of the Scheme Implementation Agreement, the consideration for each Tawana Share (which is to be satisfied by the allotment and issuance of 1.1 new Alliance Shares) would have an implied value of S\$0.374 (or approximately A\$0.370) (“**Implied Value**”), representing the following premium/(discount) over the historical transacted prices of Tawana Shares on the ASX.

Period	VWAP per Tawana Share (A\$)	Premium/ (Discount) of Implied Value over VWAP per Tawana Share (%)
On the Last Trading Day	0.460	(19.6%)
For the one-month period up to and including the Last Trading Day	0.456	(18.9%)

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Period	VWAP per Tawana Share (A\$)	Premium/ (Discount) of Implied Value over VWAP per Tawana Share (%)
For the three-month period up to and including the Last Trading Day	0.478	(22.6%)
For the six-month period up to and including the Last Trading Day	0.423	(12.5%)
For the 12-month period up to and including the Last Trading Day	0.374	(1.1%)

The table below further sets out the implied value of each Tawana Share multiplied by the Swap Ratio of 1.1, and the analysis of the implied swap ratio based on the VWAP of Alliance Shares and VWAP of Tawana Shares for the one-month, three-month, six-month and 12-month periods up to and including the Last Trading Day:

Basis	VWAP per Tawana Share (S\$ equivalent)	VWAP per Alliance Share (S\$)	Implied Value of Tawana Share ⁽¹⁾ (S\$)	Implied Swap Ratio	Premium/ (Discount) of Swap Ratio over Implied Swap Ratio ⁽²⁾
VWAP on the Last Trading Day	0.465	0.354	0.389	1.31	(16.0%)
VWAP for the one-month period up to and including the Last Trading Day	0.461	0.375	0.413	1.23	(10.6%)
VWAP for the three-month period up to and including the Last Trading Day	0.483	0.401	0.441	1.20	(8.3%)
VWAP for the six-month period up to and including the Last Trading Day	0.427	0.382	0.420	1.12	(1.8%)
VWAP for the 12-month period up to and including the Last Trading Day	0.378	0.345	0.380	1.10 ⁽³⁾	— ⁽³⁾

Notes:

- (1) Implied value of Tawana Share is calculated as the Alliance Share price for that corresponding period multiplied by the Swap Ratio of 1.1.
- (2) Implied premium or discount is calculated as the Swap Ratio of 1.1 over the corresponding implied swap ratio for each respective period.
- (3) The premium of the Swap Ratio over the Implied Swap Ratio is 0.4% if calculated using the Implied Swap Ratio of 1.0956 instead of 1.10 as presented in the table after rounding to two decimal places for the calculation.

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2.3.2 Conditions Precedent

The implementation of the Proposed Scheme is subject to the following key conditions precedent (“**Conditions Precedent**”):

(i) Approvals or restraints

Before 8:00 a.m. on the Second Court Date:

- a. ASIC issues or provides such consents, approvals, modifications or exemptions, or does such other acts which the parties agree are reasonably necessary or desirable to implement the Proposed Transaction;
- b. the ASX issues or provides such consents, approvals, waivers or does such other acts which the parties agree are reasonably necessary to implement the Proposed Transaction;
- c. SGX-ST has issued or provided such consents, approvals or waivers or has done such other acts which the parties agree are reasonably necessary or desirable to implement the Proposed Transaction including:
 - (1) approval of the SGX-ST¹ for the despatch of this Circular and the Proposed Transaction; and
 - (2) approval of the issuance of the listing and quotation notice approving, amongst others, the listing and quotation of the Scheme Consideration on the official list of the Catalist;
- d. either:
 - (1) the Treasurer (or his delegate) has provided notice that there are no objections to the Proposed Transaction either unconditionally or with conditions reasonably acceptable to Alliance; or
 - (2) following notice of the Proposed Transaction having been given by Alliance to the Treasurer under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) of Australia, the Treasurer has ceased to be empowered to make any order because of lapse of time;
- e. all other approvals of a Regulatory Authority, which Alliance and Tawana agree are necessary to implement the Proposed Scheme, have been granted obtained and not withdrawn, cancelled, revoked or varied in a manner materially adverse to the parties;
- f. no court of competent jurisdiction has issued or taken steps to issue an order, temporary restraining order, preliminary or permanent injunction, preliminary or permanent decision, notice of objection, decree or ruling or taken any action enjoining, restraining or otherwise imposing a legal restraint or prohibition preventing the Proposed Transaction and no such order, decree, ruling, other action or refusal is in effect.

¹ As the Company is listed on the Catalist, the approval for the despatch of this Circular is granted by the Sponsor.

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(ii) Scheme Approval

Tawana Shareholders have approved the Proposed Scheme at the Scheme Meeting by the Requisite Majorities in accordance with the Corporations Act.

(iii) Court approval

The Court approves the Proposed Scheme in accordance with section 411(4)(b) of the Corporations Act.

(iv) Independent Expert

The Independent Expert has issued an Independent Expert's Report which concludes that the Proposed Scheme is in the best interests of the Scheme Participants, and the Independent Expert has not withdrawn or adversely modified that conclusion by 8:00 a.m. on the Second Court Date.

(v) No Tawana Prescribed Event

No Tawana Prescribed Event has occurred between (and including) the date of the Scheme Implementation Agreement and 8:00 a.m. on the Second Court Date.

(vi) No Alliance Prescribed Event

No Alliance Prescribed Event has occurred between (and including) the date of the Scheme Implementation Agreement and 8:00 a.m. on the Second Court Date.

(vii) No Tawana Material Adverse Change

No Tawana Material Adverse Change has occurred between the date of the Scheme Implementation Agreement and 8:00 a.m. on the Second Court Date.

(viii) No Alliance Material Adverse Change

No Alliance Material Adverse Change has occurred between the date of the Scheme Implementation Agreement and 8:00 a.m. on the Second Court Date.

(ix) Tawana Representations and Warranties

Each of Tawana's representations and warranties set out in schedule 6 of the Scheme Implementation Agreement is true and correct in all material respects as at the date of execution of the Scheme Implementation Agreement and until 5:00 p.m on the Business Day immediately prior to the Second Court Date.

(x) Alliance Representations and Warranties

Each of AMAL's representations and warranties set out in schedule 7 of the Scheme Implementation Agreement is true and correct in all material respects as at the date of execution of the Scheme Implementation Agreement and until 5:00 p.m on the Business Day immediately prior to the Second Court Date.

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(xi) The ASX Quotation

The ASX has, before 8:00 a.m. on the Second Court Date, given approval for the admission of Alliance to the official list of the ASX and for the official quotation of the Alliance Shares, subject to any conditions which the ASX may reasonably require, including implementation of the Proposed Scheme.

(xii) No termination

The Scheme Implementation Agreement has not been terminated in accordance with clause 20 of the Scheme Implementation Agreement.

(xiii) Alliance Shareholder approval

Alliance Shareholders approve the Proposed Scheme by the requisite majorities in accordance with all applicable laws.

As at the Latest Practicable Date, the Conditions Precedent to the Proposed Transaction set out in Paragraphs 2.3.2(i)(c)(2) and 2.3.2(i)(d) above have been fulfilled.

2.3.3 Exclusivity

Each of Alliance and Tawana has agreed to various exclusivity arrangements during the Exclusivity Period.

(i) No shop

Each of Alliance and Tawana has agreed that during the Exclusivity Period neither it nor any of its Related Bodies Corporate or representatives, directly or indirectly, solicits, invites, encourages or initiates any enquiries, negotiations or discussions (or communicate any intention to do any of these things) in relation to, or which may reasonably be expected to encourage or lead to the making of any offer, proposal or expression of interest from any person in relation to a Competing Transaction.

(ii) No talk

Each of Alliance and Tawana has agreed that during the Exclusivity Period neither it nor any of its Related Bodies Corporate or representatives will participate in or continue any discussions or negotiations or participate in negotiations or discussions with any person in relation to, or which may reasonably be expected to lead to the making of an actual, proposed or potential Competing Transaction, even if that Competing Transaction was not directly or indirectly solicited, invited, encouraged or initiated by it.

Each of Alliance and Tawana has agreed that neither it nor any of its Related Bodies Corporate or representatives will provide any non-public information (including due diligence information) to a third party.

The no talk restriction does not apply if the Alliance Board or Tawana Board (as applicable) has determined, in good faith and acting reasonably, after receiving written advice from its external legal advisers, that failing to respond to such a Competing Transaction would be reasonably likely to constitute a breach of their fiduciary or statutory obligations.

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(iii) No due diligence

Each of Alliance and Tawana has agreed that during the Exclusivity Period neither it nor any of its Related Bodies Corporate or representatives makes available to any other person, or permits any other person to receive, other than the other party and the other party's representatives (in the course of due diligence investigations or otherwise) any non-public information relating to the party or any of its Related Bodies Corporate in connection with such person formulating, developing or finalising a Competing Transaction.

The no due diligence restriction does not apply if the Alliance Board or Tawana Board (as applicable) has determined, in good faith and acting reasonably, after receiving written advice from its external legal advisers, that failing to undertake such action would be reasonably likely to constitute a breach of their fiduciary or statutory obligations.

(iv) Notice of Competing Transaction

Each of Alliance and Tawana has agreed that during the Exclusivity Period it must promptly (and in any event no later than 5 Business Days following the relevant event) inform the other if it or any of its Related Bodies Corporate or representatives receives or becomes aware of any approach or proposal with respect to any actual, proposed or potential Competing Transaction or provision of any information relating to the other party or any of its Related Bodies Corporate to any person in connection with or for the purpose of an actual, proposed or potential Competing Transaction, and must fairly disclose to the other all material details of the Competing Transaction, including details of the proponent and the terms and conditions of the actual, proposed or potential Competing Transaction.

2.3.4 Termination Events

- (i) Alliance may terminate the Scheme Implementation Agreement at any time prior to 8:00 a.m. on the Second Court Date if:
- a. the Tawana Board or any Tawana Director changes or withdraws its recommendation that Scheme Participants vote in favour of the Proposed Scheme or otherwise makes a public statement indicating that it no longer supports the Proposed Transaction, or the Tawana Board or any Tawana Director recommends or supports a Tawana Competing Transaction;
 - b. any Tawana Director qualifies or withdraws their voting intention to vote the Tawana Shares in which they have a Relevant Interest in favour of the Scheme Resolution, in the absence of a Tawana Superior Proposal; or
 - c. at any time prior to the date of the Alliance EGM, a majority of the Alliance Board changes or withdraws their recommendation to Alliance Shareholders that they vote in favour of the Proposed Resolutions as a result of the Alliance Board determining there is an Alliance Superior Proposal.

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- (ii) Tawana may terminate the Scheme Implementation Agreement at any time prior to 8:00 a.m. on the Second Court Date if:
 - a. the Alliance Board or any Alliance Director changes or withdraws its recommendation to Alliance Shareholders that they vote in favour of the Proposed Resolutions or otherwise makes a public statement indicating that it no longer supports the Proposed Transaction, or the Alliance Board or any Alliance Director recommends or supports an Alliance Competing Transaction;
 - b. any Alliance Director qualifies or withdraws his or her voting intention to vote the Alliance Shares in which he or she has a Relevant Interest in favour of the Proposed Resolutions, in absence of an Alliance Superior Proposal; or
 - c. at any time prior to the Scheme Meeting, a majority of the Tawana Board changes or withdraws their recommendation to Scheme Participants that they vote in favour of the Scheme Resolution as a result of:
 - (1) the Independent Expert opining that the Proposed Scheme is not in the best interests of Tawana Shareholders; or
 - (2) the Tawana Board determining that there is a Tawana Superior Proposal.
- (iii) Either party may terminate the Scheme Implementation Agreement, at any time prior to 8:00 a.m. on the Second Court Date if the End Date has passed before the Proposed Scheme has become Effective, unless the Proposed Scheme has not become Effective due to a breach by such party of its obligations under the Scheme Implementation Agreement.
- (iv) Either party may terminate the Scheme Implementation Agreement at any time prior to 8:00 a.m. on the Second Court date if:
 - a. the other party is in material breach of clause 15 of the Scheme Implementation Agreement (being the exclusivity provisions described in Paragraph 2.3.3);
 - b. the other party is in material breach of the Scheme Implementation Agreement and the relevant circumstances continue to exist 10 Business Days (or any shorter period ending at 8:00 a.m. on the day before the Second Court Date) following notice of such breach, except where the breach relates to the other party failing to comply in all material respects with the Bald Hill Joint Venture Agreement;
 - c. the Scheme Resolution submitted to the Scheme Meeting is not approved by the Requisite Majorities;
 - d. the Court or other Regulatory Authority has issued a final and non-appealable order, decree or ruling or taken other action that permanently restrains or prohibits the Proposed Scheme;

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- e. there is a breach or non-fulfilment of a Condition Precedent which is not waived and there is failure to agree on an alternative means of completing the Proposed Transaction within 5 Business Days of that breach or non-fulfilment; or
- f. the Court refuses to make orders convening the Scheme Meeting or approving the Proposed Scheme, and:
 - (1) the parties either agree in writing not to appeal the Court's decision to the fullest extent possible;
 - (2) external legal counsel representing the terminating party in relation to the Proposed Scheme indicates in writing that, in their opinion, an appeal would likely have less than 50% prospect of success; or
 - (3) there is, in the bona fide view of the Tawana Board or the Alliance Board, a Tawana Superior Proposal or Alliance Superior Proposal (as applicable) which should be recommended in preference to the Proposed Scheme.

2.3.5 Break Fees

- (i) Alliance has agreed to pay Tawana A\$2 million by way of a break fee if the Proposed Scheme has not become Effective and:
 - a. an Alliance Competing Transaction is announced on or before the End Date and either:
 - (1) Alliance enters into a legally binding agreement to undertake the Alliance Competing Transaction; or
 - (2) at any time on or prior to 6 months after the end of the Exclusivity Period, the proponent of the Alliance Competing Transaction acquires Control of Alliance, or voting power or an economic interest in more than 50% of Alliance Shares, or acquires or obtains an economic interest in more than 50% (by value) of the assets (excluding cash), cash or business of Alliance;
 - b. on or before the End Date, any Alliance Director fails to recommend that Alliance Shareholders vote in favour of the Proposed Resolutions or support the Proposed Scheme, changes or withdraws his or her recommendation that Alliance Shareholders vote in favour of the Proposed Resolutions, publicly recommends or supports an Alliance Competing Transaction or otherwise makes a public statement indicating that he or she no longer supports the Proposed Transaction, except where Tawana is in material breach of the Scheme Implementation Agreement which breach continues to exist 10 Business Days (or any shorter period ending at 8:00 a.m. on the day before the Second Court Date) after the time such notice is given;

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- c. Tawana validly terminates the Scheme Implementation Agreement on that basis that:
 - (1) the Alliance Board or any of its members changes or withdraws its recommendation to Alliance Shareholders that they vote in favour of the Proposed Resolutions or otherwise makes a public statement indicating that it no longer supports the Proposed Transaction, or the Alliance Board or any Alliance Director recommends or supports an Alliance Competing Transaction;
 - (2) any Alliance Director qualifies or withdraws their voting intention to vote the Alliance Shares in which they have a Relevant Interest in favour of the Proposed Resolutions, in absence of an Alliance Superior Proposal;
 - (3) Alliance is in material breach of clause 15 of the Scheme Implementation Agreement (being the exclusivity provisions described in Paragraph 2.3.3);
 - (4) Alliance is in material breach of the Scheme Implementation Agreement and the relevant circumstances continue to exist 10 Business Days (or any shorter period ending at 8:00 a.m. on the day before the Second Court Date) following notice of such breach, except where the breach relates to Alliance failing to comply in all material respects with the Bald Hill Joint Venture Agreement; or
 - (5) an Alliance Prescribed Event has occurred prior to 8:00 a.m. on the Second Court Date and the parties are unable to agree within 5 Business Days of the event (or any shorter period ending at 5:00 p.m. on the day before the Second Court Date) as to how the Proposed Scheme will proceed;
 - d. Alliance validly terminates the Scheme Implementation Agreement on the basis that a majority of the Alliance Board changes or withdraws their recommendation to Alliance Shareholders to vote in favour of the Proposed Resolutions as a result of the Alliance Board determining there is an Alliance Superior Proposal; or
 - e. Alliance does not pay the Scheme Consideration in accordance with the terms and conditions of the Scheme Implementation Agreement, the Proposed Scheme and the Deed Poll.
- (ii) Tawana has agreed to pay Alliance A\$2 million by way of a break fee if the Proposed Scheme has not become Effective and:
- a. a Tawana Competing Transaction is announced on or before the End Date and either:
 - (1) Tawana enters into a legally binding agreement to undertake the Tawana Competing Transaction; or
 - (2) at any time on or prior to the date 6 months after the end of the Exclusivity Period, the proponent of the Tawana Competing Transaction acquires Control of Tawana, or voting power or an economic interest in more than 50% of Tawana Shares, more than 50% of the shares in any material subsidiary of Tawana, or acquires or obtains an economic interest in more than 50% (by value) of the assets (excluding cash), cash or business of the Tawana Group;

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- b. on or before the End Date, any Tawana Director fails to recommend that Tawana Shareholders vote in favour of the Proposed Scheme or support the Proposed Scheme, changes or withdraws his or her recommendation that Tawana Shareholders vote in favour of the Proposed Scheme, publicly recommends or supports a Tawana Competing Transaction or otherwise makes a public statement indicating that he or she no longer supports the Proposed Transaction, except as a result of the Independent Expert opining that the Proposed Scheme is not in the best interests of Tawana Shareholders or Tawana has given the appropriate termination notice to Alliance where Alliance is in material breach of the Scheme Implementation Agreement which breach continues to exist 10 Business Days (or any shorter period ending at 8:00 a.m. on the day before the Second Court Date) after the time such notice has been given;
- c. Alliance validly terminates the Scheme Implementation Agreement on that basis that:
 - (1) the Tawana Board or any of its members changes or withdraws its recommendation to the Scheme Participants that they vote in favour of the Proposed Scheme or otherwise makes a publicly statement indicating that it no longer supports the Proposed Transaction, or that the Tawana Board or any Tawana Director recommends or supports a Tawana Competing Transaction;
 - (2) any Tawana Director qualifies or withdraws their voting intention to vote the Tawana Shares in which they have a Relevant Interest in favour of the Scheme Resolution, in absence of a Tawana Superior Proposal;
 - (3) Tawana is in material breach of clause 15 of the Scheme Implementation Agreement (being the exclusivity provisions described in Paragraph 2.3.3);
 - (4) Tawana is in material breach of the Scheme Implementation Agreement and the relevant circumstances continue to exist 10 Business Days (or any shorter period ending at 8:00 a.m. on the day before the Second Court Date) following notice of such breach, except where the breach relates to Tawana failing to comply in all material respects with the Bald Hill Joint Venture Agreement; or
 - (5) a Tawana Prescribed Event has occurred prior to 8:00 a.m. on the Second Court Date and the parties are unable to agree within 5 Business Days of the event (or any shorter period ending at 5:00 p.m. on the day before the Second Court Date) as to how the Proposed Scheme will proceed; or
 - (6) Tawana validly terminates the Scheme Implementation Agreement where a majority of the Tawana Board changes or withdraws their recommendation to Scheme Participants that they vote in favour of the Proposed Scheme as a result of after the Tawana Board determining there is a Tawana Superior Proposal.

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2.3.6 Tawana Option Cancellation Deeds

In accordance with the Tawana Option Cancellation Deeds, each Tawana Optionholder has entered into private treaty arrangements under which the Tawana Optionholder has agreed that, conditional on the Proposed Scheme becoming Effective, their Tawana Options will be cancelled and Alliance will, outside of the Scheme Consideration, issue to these Tawana Optionholders:

- (i) in respect of the A\$0.50 Tawana Options, an aggregate of 354,196 new Alliance Shares, subject to any valid exercise of the relevant Tawana Options prior to the Scheme Record Date;
- (ii) in respect of all other Tawana Options, such number of new Alliance Shares as calculated in accordance with the formula below, in exchange for the cancellation of their Tawana Options (regardless of whether the requirements for exercise of the Tawana Options have been met), subject to any valid exercise of the relevant Tawana Options prior to the Scheme Record Date.

$$A = B \times \left(\frac{C - D}{C} \times E \right)$$

where:

- A is the number of new Alliance Shares to be issued and allotted to the Tawana Optionholder in respect of all of their Tawana Options;
- B is the number of Tawana Options held by the Tawana Optionholder;
- C means A\$0.4568, being the VWAP of Tawana Shares on the ASX for the 5 trading days immediately prior to (and excluding) the date of the Scheme Implementation Agreement;
- D means the exercise price of the Tawana Options; and
- E means the Swap Ratio, being 1.1.

These Tawana Optionholders will be issued the relevant number of new Alliance Shares on (or shortly after) the Scheme Implementation Date.

As at the Latest Practicable Date, there are 18,693,880 outstanding Tawana Options which are exercisable into an aggregate 18,693,880 Tawana Shares at exercise prices of between A\$0.06 to A\$0.50 per Tawana Option. The Proposed Scheme extends to any Tawana Shares that are issued prior to the Scheme Record Date as a result of the exercise of any Tawana Options.

If no Tawana Options are exercised prior to the Scheme Record Date, up to 10,106,775 new Alliance Shares may be issued and allotted to Tawana Optionholders as consideration to acquire their Tawana Options pursuant to the Tawana Option Cancellation Deeds.

The ASX has granted Tawana a waiver in respect of the ASX Listing Rule 6.23.2 to permit the cancellation of 18,693,880 Tawana Options for consideration and without obtaining the approval of Tawana Shareholders.

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2.3.7 Completion

Subject to satisfaction of the Conditions Precedent, the Proposed Scheme will complete on the Scheme Implementation Date (currently expected to be 17 October 2018), where:

- (i) all of the Tawana Shares held by Scheme Participants at 5:00 p.m. on the Scheme Record Date will be transferred to Alliance and, in exchange, each Scheme Participant (other than Ineligible Shareholders) will be issued the Scheme Consideration. The Scheme Record Date is currently expected to be 10 October 2018;
- (ii) Tawana will register all transfers of Tawana Shares to Alliance; and
- (iii) shortly thereafter, documents of title to the ASX-listed Alliance Shares and SGX-listed Alliance Shares will be sent to Scheme Participants (except Ineligible Shareholders) in respect of the Scheme Consideration to which the holder of Tawana Shares is entitled.

After the Proposed Scheme has been implemented, Tawana will apply for termination of the official quotation of Tawana Shares on the ASX and to have itself removed from the official list of the ASX. The shares of the Merged Group are expected to trade on a normal settlement basis on the ASX and the Catalist on 18 October 2018.

2.3.8 Tawana Ineligible Shareholders

Restrictions in certain jurisdictions may make it impractical or unlawful for Alliance Shares to be offered or issued under the Proposed Scheme to Tawana Shareholders in those jurisdictions.

Under the terms of the Proposed Scheme, any Tawana Shareholder whose address as shown in the Tawana register at 5:00 p.m. on the Scheme Record Date outside Australia, New Zealand, Hong Kong and Singapore will be regarded as an Ineligible Shareholder for the purposes of the Proposed Scheme, unless Alliance determines that it is lawful and not unduly onerous or impractical to issue Alliance Shares to a Scheme Participant with an address in those jurisdictions.

Ineligible Shareholders will not receive the ASX-listed Alliance Shares under the Proposed Scheme, nor will they be entitled to make an election to receive SGX-listed Alliance Shares as their Scheme Consideration. Instead, the Alliance Shares which would otherwise be required to be issued to that Ineligible Shareholder under the Proposed Scheme will be issued to the sale agent, to be held on trust for that Ineligible Shareholder. The sale agent will then sell on the ASX those Alliance Shares that would otherwise have been attributable to that Ineligible Shareholder and remit to that Ineligible Shareholder the net proceeds from the sale of the Alliance Shares which they would have otherwise received (after deducting any applicable brokerage, stamp duty and other selling costs, taxes and charges). The net proceeds will be paid to the Ineligible Shareholder in Australian dollars, unless the Ineligible Shareholder is based in South Africa, in which case the net proceeds will be paid in South African Rand (net of foreign currency exchange costs).

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2.3.9 Voting Agreements and Shareholder Intention Statements

As at the Latest Practicable Date:

- (a) Burwill, holding an aggregate of 93,388,728 Alliance Shares which constitute approximately 14.2% of the existing share capital of Alliance, have entered into binding voting agreement(s) with Tawana to vote 80,388,728 Alliance Shares (representing approximately 12.2% of the existing share capital of Alliance) in favour of the Proposed Scheme, in the absence of an Alliance Superior Proposal;
- (b) Alliance Shareholders (excluding those disclosed in Paragraph 2.3.9(a) above), holding an aggregate of 111,684,966 Alliance Shares which constitute approximately 16.9% of the existing share capital of Alliance, have also confirmed to Alliance their intention to vote in favour of the Proposed Scheme all of the Alliance Shares held by them at the Alliance EGM, in the absence of an Alliance Superior Proposal; and
- (c) Tawana Shareholders, holding an aggregate of 207,390,496 Tawana Shares constituting approximately 35.9% of the existing issued share capital of Tawana, have similarly confirmed to Tawana their intention to vote in favour of the Proposed Scheme, in the absence of a Tawana Superior Proposal.

3. INFORMATION ON TAWANA

The information on Tawana provided below was provided to Alliance by the representatives of Tawana. The Alliance Directors have not conducted an independent review or verification of the accuracy of the statements and information below.

3.1 Tawana's Business

Tawana is a public no liability company incorporated in Australia and registered in Australia under the Corporations Act. It was admitted to the official list of the ASX on 19 April 2001 (and subsequently to the JSE) and is primarily focused on the development and operation of the Bald Hill Project.

Tawana is a 'disclosing entity' for the purposes of the Corporations Act and is therefore subject to regular reporting obligations under the Corporations Act and the ASX Listing Rules.

As a result of the demerger of Cowan Lithium (further details of which are set out in Paragraph 3.2 of this Circular), the Bald Hill Project is Tawana's only project, other than its remaining 15% shareholding interest in Cowan Lithium.

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Bald Hill Project

Tawana's principal asset is its 50% interest in the Bald Hill Project through a 50/50 joint venture with Alliance.

The Bald Hill Project area is located 50 kilometres south east of Kambalda in the Eastern Goldfields in Western Australia. The project comprises four mining leases, one mining lease application, twelve exploration licences and eight prospecting licences totalling approximately 774km², in each case granted pursuant to the Mining Act 1978 (WA) ("**Mining Act**").



Figure 1: Map showing location of the Bald Hill Project.

Commissioning and ramp-up to commercial production of the Stage 1 Dense Media Separation circuit at the Bald Hill Project recently completed. In March 2018, the Bald Hill Project became Australia's first lithium producing mine since 2016 (excluding direct shipping ore).

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3.2 Tawana Restructuring

At an extraordinary general meeting held on 6 July 2018, Tawana Shareholders approved resolutions to give effect to the restructure of its assets (“**Tawana Restructuring**”) to focus on the Bald Hill Project and the demerger of Cowan Lithium (“**Cowan Lithium Demerger**”). As part of this restructuring, Tawana transferred to Cowan Lithium its:

- (a) 100% owned Cowan Lithium Project in Western Australia comprising exploration licences which Tawana holds through its wholly-owned subsidiary Mount Belches Pty Ltd;
- (b) 100% owned Yallari Lithium Project in Western Australia comprising exploration licences which Tawana holds through its wholly-owned subsidiary Mount Belches Pty Ltd;
- (c) 100% owned Mofe Creek Iron Ore Project in Liberia comprising mineral exploration licences which Tawana holds through its wholly-owned subsidiaries, Kenema-Man Holdings Liberia Pty Ltd and Tawana Liberia Inc; and
- (d) 26% interest in Rakana Consolidated Mines Pty Ltd which itself holds a 26% interest in the Avontuur Manganese Project in South Africa,

and paid Cowan Lithium A\$750,000 in consideration for Cowan Lithium issuing 61,266,465 shares to Tawana. The demerger was achieved through a capital reduction satisfied by way of a pro rata in-specie distribution of 85% of the fully paid ordinary shares in the capital of Cowan Lithium to Tawana Shareholders with Tawana retaining a 15% interest comprising 9,064,920 Cowan Lithium shares.

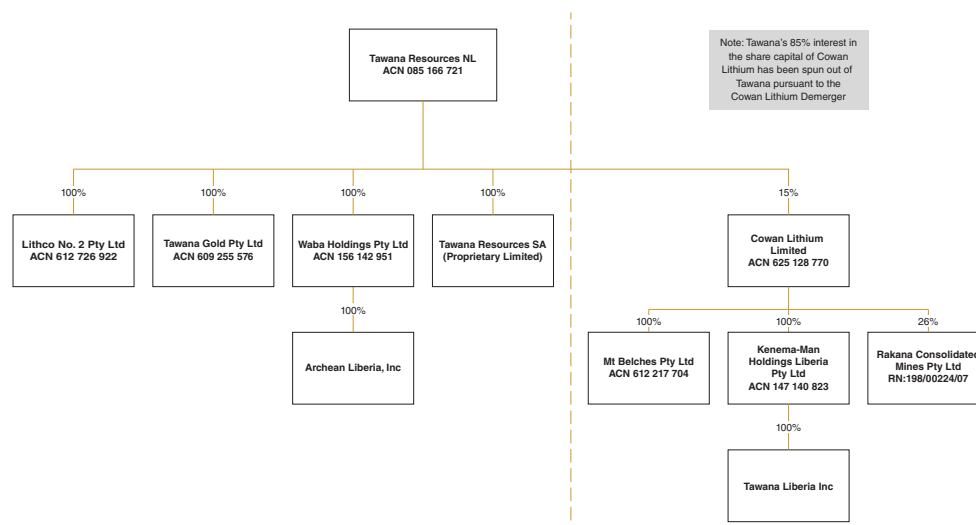
The record date of the capital reduction was 13 July 2018 and eligible Tawana Shareholders received 1 Cowan Lithium share for every 11.1 shares held in Tawana.

Following the completion of the Cowan Lithium Demerger, Tawana holds a 15% interest in the share capital of Cowan Lithium and has the right to maintain its proportionate interest in the future. In addition, for so long as Tawana holds at least a 10% interest in the share capital of Cowan Lithium, it has the right to appoint a nominee director to the board of Cowan Lithium.

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3.3 Corporate structure of Tawana

As at the Latest Practicable Date, the corporate structure of the Tawana Group is set out below.



Further details on the subsidiaries of Tawana are set out in the table below:

Name of subsidiary	Principal activity	Issued and paid-up share capital	Country of incorporation
Lithco No. 2 Pty Ltd	50% interest in the Bald Hill Project	A\$96.00	Australia
Tawana Gold Pty Ltd	Dormant	A\$2.00	Australia
Waba Holdings Pty Ltd	Dormant, holding company of Archean Liberia, Inc	A\$1.00	Australia
Archean Liberia, Inc	Dormant	USD\$100	Liberia
Tawana Resources SA (Proprietary) Limited	Dormant	ZAR100	South Africa

3.4 Capital Structure of Tawana

As at the Latest Practicable Date, there were 578,086,517 Tawana Shares and an aggregate of 18,693,880 Tawana Options on issue, as follows:

- 578,086,517 fully paid ordinary shares;
- 3,000,000 unlisted options exercisable at A\$0.06 on or before 30 June 2019;
- 3,000,000 unlisted options exercisable at A\$0.20 on or before 12 April 2020;
- 3,000,000 unlisted options exercisable at A\$0.25 on or before 12 April 2020;
- 3,000,000 unlisted options exercisable at A\$0.30 on or before 12 April 2020;
- 5,693,880 unlisted options exercisable at A\$0.30625 on or before 19 July 2020; and

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- 1,000,000 unlisted options exercisable at A\$0.50 on or before 6 April 2021.

Tawana Optionholders have entered into option holder deeds under which, conditional on the Proposed Scheme becoming Effective, each Tawana Optionholder agrees that their Tawana Options will be cancelled automatically on the Scheme Implementation Date in exchange for new Alliance Shares, to the extent those options are not exercised into Tawana Shares prior to the Scheme Record Date. Please refer to Paragraph 2.3.6 of this Circular for further details on the Tawana Options.

The ASX has granted Tawana a waiver in respect of the ASX Listing Rule 6.23.2 to permit the cancellation of 18,693,880 Tawana Options for consideration without obtaining the approval of Tawana Shareholders.

3.5 Tawana's Financial Information

The historical financial information of the Tawana Group for the past three financial years ended 31 December 2015, 31 December 2016 and 31 December 2017 and the historical financial position of the Tawana Group as at 30 April 2018 ("**Tawana Historical Financial Information**") is set out in Appendix C to this Circular and was provided to Alliance by representatives of Tawana. The Alliance Directors have not conducted an independent review or verification of the accuracy of the Tawana Historical Financial Information.

Alliance Shareholders should note that Ernst & Young in Australia issued:

- unqualified audit opinions on Tawana's financial statements for the financial years ended 31 December 2015, 31 December 2016 and 31 December 2017, which contained a material uncertainty paragraph related to going concern; and
- a modified review conclusion on Tawana's interim financial statements for the four months ended 30 April 2018 which contained a material uncertainty paragraph related to going concern. The modification was with respect to the financial statements not including the comparative financial information in respect of the preceding period as required under AASB 134 *Interim Financial Reporting*.

Please refer to Appendix C to this Circular under the "going concern" section for more details of Tawana's going concern basis of preparation. The full financial statements for Tawana for the financial years ended 31 December 2015, 31 December 2016 and 31 December 2017 and the four months ended 30 April 2018 were lodged with the ASX and are also available for reference on www.asx.com.au.

3.5.1 Financial Performance and Position of the Tawana Group Post Restructuring

3.5.1.1 Basis of Preparation

This section has been prepared to illustrate the impact of the Cowan Lithium Demerger on Tawana's financial position as at 31 December 2017, as if the Cowan Lithium Demerger had taken place on 31 December 2017 and its financial performance for the six months ended 31 December 2017 and the year ended 31 December 2017, as if the Cowan Lithium Demerger had taken place on 1 July 2017 and 1 January 2017 respectively (together known as "**Tawana's Unaudited Pro-Forma Historical Financial Information**").

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Details of the Cowan Lithium Demerger and accounting treatment are described under section 4 of Appendix D to this Circular. Following the completion of the Cowan Lithium Demerger, the Tawana Group comprises its 50% interest in the Bald Hill Project and its remaining 15% interest in Cowan Lithium ("**Tawana Group Post Restructuring**").

This section has not been audited or reviewed by Ernst & Young in Australia nor the Independent Practitioner and is for illustrative purposes only and should be read in conjunction with Appendix D to this Circular.

Tawana's Unaudited Pro-Forma Historical Financial Information, by its nature may not give a true picture of Tawana's actual or prospective financial position and financial performance and are not necessarily indicative of the results of the operations or related effects on the financial position that would have been attained had the Cowan Lithium Demerger occurred at an earlier date.

Tawana's Unaudited Pro-Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in AAS, which are consistent with International Financial Reporting Standards ("**IFRS**"), other than that it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of the Cowan Lithium Demerger as if it occurred from or on the dates described above.

Tawana's Unaudited Pro-Forma Historical Financial Information has been prepared based on the following historical financial information:

- (i) The audited financial statements of Tawana for the financial year ended 31 December 2017 prepared in accordance with AAS, on which an unqualified audit opinion was issued by Ernst & Young in Australia, which contained a material uncertainty paragraph related to going concern; and
- (ii) The unaudited management accounts of Tawana for the six months ended 31 December 2017 on the basis of information derived from the following financial reports:
 - unaudited interim financial statements of Tawana for the half-year ended 30 June 2017 prepared in accordance with AASB 134 Interim Financial Reporting ("**AASB 134**"); on which an unqualified review conclusion was issued by Ernst & Young in Australia, which contained a material uncertainty paragraph related to going concern; and
 - audited financial statements of Tawana for the financial year ended 31 December 2017 prepared in accordance with AAS, on which an unqualified audit opinion was issued by Ernst & Young in Australia, which contained a material uncertainty paragraph related to going concern.

The significant accounting policies adopted in the preparation of this section are consistent with those detailed in Appendix D to this Circular.

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3.5.1.2 Going Concern Basis

Tawana's Unaudited Pro-Forma Historical Financial Information has been prepared on a going concern basis which assumes the continuity of Tawana's normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

During the 12 months prior to the date of this Circular, Tawana has worked with Alliance to bring the Bald Hill Project into production, with the first spodumene (lithium) concentrate production announced on 14 March 2018. During the initial phase of the Bald Hill Project (being the next 6 to 12 months), Tawana will be exposed to a higher level of cash outflows due to pre-strip activities and repayment of the Burwill prepayment. Further, during the early stages of the Bald Hill Project and similar to other companies whose performance is dependent upon newly-constructed assets and start-up operations, Tawana will also be exposed to normal risks and uncertainties, such as the Bald Hill Project failing to perform as expected, having higher than expected operating costs, having lower than expected customer revenues, key additional infrastructure not coming on stream when required or within budget, potential equipment breakdown, failures and operational errors.

The Tawana Directors recognise that Tawana will need to raise additional funds via equity raisings or financing facilities to fund ongoing operating and capital expenditure (in particular, where actual cash flows differ from budgeted cash flows in light of the above-mentioned risks and uncertainties associated with newly-constructed assets and start-up operations) during the initial phase of the Bald Hill Project.

Subsequent to 30 April 2018, Tawana raised the following additional funds:

- on 6 July 2018, Tawana issued 12,195,000 Tawana Shares to raise approximately A\$4.9 million (before costs); and
- 11,653,060 Tawana Options were exercised at an average price of A\$0.158 per Tawana Option to raise approximately A\$1.8 million.

In addition, Tawana is currently negotiating the terms of a proposed A\$15 million debt facility, and progressing other financing arrangements with a view to reducing Tawana's exposure to cash flow risks during the initial phase of the Bald Hill Project.

The Tawana Directors are satisfied that they will be able to raise additional funds as required and, accordingly, it is appropriate to prepare Tawana's Unaudited Pro-Forma Historical Financial Information on a going concern basis.

In the event that Tawana is unable to obtain sufficient funding for ongoing operating and capital requirements, there is a material uncertainty whether it will continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in Tawana's Unaudited Pro-Forma Historical Financial Information.

Tawana's Unaudited Pro-Forma Historical Financial Information does not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that may be necessary should Tawana not be able to continue as a going concern.

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3.5.1.3 Tawana's Unaudited Pro-Forma Historical Financial Information

The below provides a summary of the unaudited pro-forma financial performance and financial position of the Tawana Group Post Restructuring:

A\$	6 months financial period ended 31 December 2017 (Pro-Forma)	Financial year ended 31 December 2017 (Pro-Forma)
Financial performance summary		
Revenue and other income	54,155	83,929
Share based payment expenses	(1,938,004) ⁽¹⁾	(4,331,079) ⁽¹⁾
Other expenses	(1,177,418)	(3,797,928)
Loss before income tax and impact of impairment losses and foreign exchange gain from Cowan Lithium Demerger	(3,061,267)	(8,045,078)
Foreign exchange gain from Cowan Lithium Demerger	1,490,521 ⁽²⁾	1,839,369 ⁽²⁾
Impairment loss of Cowan Lithium related assets	(3,559,279) ⁽³⁾	(1,231,454) ⁽³⁾
Loss before income tax	(5,130,025)	(7,437,163)
Income tax expense	–	–
Loss after tax	(5,130,025)	(7,437,163)
Other comprehensive loss		
Exchange differences on translation of foreign operations	(201,023)	(177,000)
Translation reserve realised on de-merger of Cowan Lithium	(1,490,521) ⁽²⁾	(1,839,369) ⁽²⁾
Total comprehensive loss	(6,821,569)	(9,453,532)
Financial position summary		
Total assets	64,547,056	64,547,056
Total shareholder's equity	41,952,139	41,952,139
Total liabilities	22,594,917	22,594,917
Cash and cash equivalents	15,625,096	15,625,096

Notes:

- (1) These share-based payments relate to non-cash incentives provided to directors, staff and advisors of the Tawana Group which allowed the Tawana Group to focus cash expenditure on project development and operational expenditure.
- (2) These relate to the recycling of the translation reserve realised on the Cowan Lithium Demerger. The balances relate to the Cowan Lithium related foreign translation reserve at 1 July 2017 and 1 January 2017. The actual recycling of the translation reserve occurred when the Cowan Lithium Demerger completed in July 2018.
- (3) This represents impairment expenses calculated using the latest fair value of the Cowan Lithium disposal group to be distributed of A\$4,225,000 and the net carrying value of Cowan Lithium's assets and liabilities at 1 July 2017 and 1 January 2017, as applicable. The actual impairment expenses were recognised in March 2018 when the Cowan Lithium Demerger was announced.

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3.6 Tawana's Directors and Substantial Shareholders

The Tawana Board, substantial shareholders of Tawana and their respective shareholding interests in Tawana as at the Latest Practicable Date are set out in the table below.

		Total (comprising direct and deemed) shareholding interest (%) in Tawana as at the Latest Practicable Date
Directors of Tawana	Designation	
Robert Benussi	Non-executive, Independent Chairman	0.7%
Mark Calderwood	Managing Director	3.7%
Robert Scott Vassie	Non-executive, Independent Director	0.2%
Mark Barlow Turner	Non-executive, Independent Director	0.2%
Vicki Wei Xie ⁽¹⁾	Non-executive Director	–
Substantial Shareholders of Tawana		
Weier ⁽¹⁾		13.2%
Tribeca Investment Partners Pty Ltd		11.2%
Meriwee Pty Ltd		5.4%

Note:

(1) Vickie Wei Xie sits on the Tawana Board as a nominee of Weier.

3.7 Further information on Tawana

As an ASX-listed company and a “disclosing entity” for the purposes of section 111AC(1) of the Corporations Act, Tawana is subject to regular reporting and disclosure obligations. Broadly these require it to announce price sensitive information to the ASX as soon as it becomes aware of the information, subject to exceptions for certain confidential information. Tawana’s most recent announcements and a copy of the Scheme Booklet issued to Tawana Shareholders are available from its website, www.tawana.com.au/category/asx-announcements or on the ASX website, www.asx.com.au.

4. INDEPENDENT QUALIFIED PERSON’S REPORT FOR THE BALD HILL PROJECT

Alliance had commissioned CSA Global Pty Ltd to provide an independent qualified person report on the updated mineral resource and ore reserve estimates at the Bald Hill Project, in accordance with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia, December 2012 (the “**JORC Code 2012**”) (“**Independent Qualified Person’s Report**”).

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A summary from the Independent Qualified Person's Report of the mineral resource and ore reserve estimates at the Bald Hill Project as at 30 April 2018 is shown below. There have been no material changes since the effective date of the Independent Qualified Person's Report.

Resource and Reserve Summary for Bald Hill outside mined pits as at 30 April 2018 (Resources are inclusive of Reserves).

JORC category	Mineral type	Gross attributable to licence			Net attributable to issuer			#Change from previous update (tonnes %)
		Tonnes (Mt)	Grade* Ta ₂ O ₅ (ppm)	Grade* Li ₂ O (%)	##Tonnes (Mt)	Grade* Ta ₂ O ₅ (ppm)	Grade* Li ₂ O (%)	
Reserves – Central (Tawana, 2017)								
Proved	Tantalum	0.0	0	0.00	0.0	0	0.00	No change
Probable	Tantalum	2.0	313	0.16	1.0	313	0.16	43%
	Subtotal	2.0	313	0.16	1.0	313	0.16	43%
Proved	Tantalum + Lithium	0.0	0	0	0.0	0	0.00	No change
Probable	Tantalum + Lithium	11.3	160	1.01	5.7	160	1.01	163%
	Subtotal	11.3	160	1.01	5.7	160	1.01	163%
TOTAL RESERVES		13.3	183	0.88	6.7	183	0.88	133%
Resources – Creekside (carried over from previous IQPR, by AMC 2014) and Central and Boreline (Tawana, June 2018)								
Measured	Tantalum	0.0	0		0.0	0		No change
Indicated	Tantalum	3.3	340		1.7	340		-14%
Inferred	Tantalum	1.4	340		0.7	340		-18%
Total		4.7	340		2.4	340		-15%
Resources – Central and Boreline (Tawana, June 2018)								
Measured	Tantalum + Lithium	0.0	0	0.00	0.0	0	0.00	No change
Indicated	Tantalum + Lithium	14.4	168	1.02	7.2	168	0.51	80%
Inferred	Tantalum + Lithium	12.1	123	0.90	6.1	126	0.46	11%
Total		26.5	149	0.96	13.3	149	0.49	40%

Notes:

The upgrade of some Inferred Resources from the previous estimate to Indicated has resulted in -ve% change in current gross Inferred Resources and +ve% change in Indicated. However, despite all the drilling since the previous resource estimate being infill drilling, the overall resource tonnes have increased, and grades dropped slightly because of the lower cut-off grade for the spodumene resources being reduced from 0.5% Li₂O to 0.3% Li₂O in line with the findings of the updated PFS in May 2018.

Since 24 October 2017, Tawana has earned 50% of the total resources and reserves including both their lithium and tantalum content. Previously Tawana had only earned 50% of the lithium content of the resources and reserves (the additional 0.3 Mt difference in the Indicated tonnage derives from Creekside, which is not included in the Tawana tabulation). The reduction of the attributable resource and reserve tonnages reflect this arrangement, not a reduction of the actual resources and reserves.

* AMC (2014) used 100 ppm Ta₂O₅ lower cut-off grade for Creekside, CSA Global used 200 ppm Ta₂O₅ and 0.3% Li₂O as their lower cut-off grade for all other deposits except Creekside.

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The Independent Qualified Person's Report has been prepared by Mr. Philip A. Jones, in accordance with the disclosure requirements in Practice Note 4C of the Catalyst Rules. Mr. Philip A. Jones is a member of the Australasian Institute of Mining and Metallurgy (MAusIMM) and the Australian Institute of Geoscientists (AIG), with over 40 continuous years in the industry.

Both Dr. Matthew Cobb, the Competent Person for mineral resources, and Mr. Karl Van Oden, the Competent Person for ore reserves, have sufficient experience relevant to the style of mineralisation and type of deposit under consideration to qualify as Competent Persons as defined in JORC Code 2012. Both Dr. Matthew Cobb and Mr. Karl Van Oden are independent qualified persons who meet the requirements of Catalyst Rule 442.

The Independent Qualified Person's Report is reproduced in its entirety as Appendix A to this Circular.

5. INDEPENDENT VALUATION OF THE BALD HILL PROJECT

In connection with the Proposed Scheme, Alliance has appointed SRK to provide an independent valuation of the Bald Hill Project, in accordance with the guidelines outlined in the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (VALMIN Code, 2015), which incorporates the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012) ("**Independent Valuation Report**").

As set out in the "Overview" and "Valuation Summary" sections of the Independent Valuation Report, SRK has recommended preferred values and value ranges for the Bald Hill Project and the Bald Hill Project's related tenure on the basis of their perceived potential. SRK has considered the market, income and cost based methods of assessment to arrive at a valuation range based on the mineral resources and ore reserves reported at the Bald Hill Project.

SRK's recommended valuation ranges and preferred values for the Bald Hill Project (on a 100% equity basis) are detailed in the "Valuation" and "Valuation Summary" sections of the Independent Valuation Report (as pages 33 to 50 of Appendix B to this Circular) and are summarised in the table below:

Summary of SRK's valuation of the Bald Hill Project's resources and related tenure as at 20 July 2018 on a 100% equity basis.

Stage	Low (A\$ million)	High (A\$ million)	Preferred (A\$ million)
Production: Reserves considered in the Life of Mine cashflow model	261	392	327
Production: Resources additional to those considered in the cashflow model	113.4	183.1	148.3
Advanced Exploration	0.18	0.43	0.31
Early Exploration	1.8	6.0	6.0

Note: Any discrepancies between values in the table are due to rounding.

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Based on its review of the values implied by the various valuation methodology, SRK considers the market would pay in the range of A\$376 million to A\$582 million, with a preferred value of A\$482 million for a 100% interest in the Bald Hill Project, as at the valuation date of 20 July 2018.

Alliance Shareholders are advised to read and consider the Independent Valuation Report issued by SRK in respect of the independent valuation on the Bald Hill Project carefully, in particular the terms of reference, key assumptions and critical factors. The Independent Valuation Report is reproduced in its entirety as Appendix B to this Circular.

Alliance Shareholders should also note that Tawana had requested BDO to prepare the Independent Expert Report to express an opinion as to whether or not the Proposed Scheme is in the best interests of Tawana Shareholders.

Alliance Shareholders should note the difference of approximately A\$46 million in the preferred value of the “Reserves considered in the Life of Mine cashflow model” between that determined in the Independent Valuation Report by SRK of approximately A\$327 million and that of the Independent Expert’s Report by BDO of approximately A\$281 million, after taking into consideration, *inter alia*: (a) the Independent Valuation Report has been prepared for compliance with the Catalist Rules in Singapore to value the mineral resources and reserves of the Bald Hill Project and its related tenure; (b) the Independent Expert’s Report being a fairness opinion prepared for Tawana Shareholders for compliance with the ASX Listing Rules; and (c) valuation differences can arise as a result of variables in key assumptions applied by each of the two valuation experts such as spodumene price forecasts, the use of pre-tax or post-tax cash flows and the discount rates applied to these cash flows, which underlie the majority of the resulting difference between SRK’s valuation and the Independent Expert’s valuation. Please refer to Paragraph 6.7 of this Circular for further details on the valuation adopted by the Alliance Directors in preparing the Unaudited Pro-Forma Historical Financial Information of the Merged Group as at, and for the year ended, 31 December 2017 and as at 30 April 2018.

Alliance Shareholders are advised to read and consider the Independent Valuation Report issued by SRK in respect of the independent valuation on the Bald Hill Project carefully, in particular the terms of reference, key assumptions and critical factors. The Independent Expert’s valuation (which forms part of the Scheme Booklet issued to Tawana Shareholders) is available for reference to Alliance Shareholders from Tawana’s website, www.tawana.com.au/category/asx-announcements or on the ASX website, www.asx.com.au.

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6. INFORMATION ON THE MERGED GROUP

6.1 Management and Governance of the Merged Group

Following completion of the Proposed Scheme, the Merged Group will benefit from the expertise and experience of the following proposed directors of the Merged Group (“Merged Group Board”):

	Name of proposed director of Merged Group	Proposed designation on Merged Group Board	Relevant Designation as at the Latest Practicable Date
1.	Mark Barlow Turner	Independent Non-Executive Chairman	Independent Non-Executive Director of Tawana
2.	Mark Calderwood	Managing Director	Managing Director of Tawana
3.	Robert Scott Vassie	Independent Non-Executive Director	Independent Non-Executive Director of Tawana
4.	Vicki Wei Xie	Non-Executive Director	Non-Executive Director of Tawana (nominee of Weier)
5.	Arnold Chan Ming Fai	Non-Executive Director (nominee of Burwill)	Non-Executive Director of Burwill
6.	Ong Kian Guan	Independent Non-Executive Director	Independent Non-Executive Director of Alliance
7.	Geoffrey William McNamara	Independent Non-Executive Director	–

Mark Barlow Turner (Proposed Independent Non-Executive Chairman of Merged Group)

Mr. Turner is a mining engineer with more than 30 years of experience in the resources sector. He has been responsible for the start-up and operation of mines in Australia, Africa and Asia. He was previously general manager of operations at Resolute Mining Ltd, one of Australia’s largest gold producers and chief operating officer of CGA Mining, before its takeover by B2 Gold for Canadian \$1.1 billion in 2013.

Mark Calderwood (Proposed Managing Director of Merged Group)

Mr. Calderwood was appointed chief executive officer of Tawana effective 11 July 2016 and managing director of Tawana on 21 October 2016. He has extensive experience in mineral exploration (including 7 years in pegmatite minerals) and production management. Mr. Calderwood retired as managing director of Perseus Mining Limited in January 2013 and was instrumental in its transition from an explorer to producer and in a period which saw the junior explorer mature to an ASX100 company. He is also an authority on pegmatites and is a co-author of the publication “A Guidebook to the Pegmatites of Western Australia”.

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Mr. Calderwood is currently non-executive chairman for Manas Resources Limited (since October 2017) and was formerly a director of Amani Gold Limited (from August 2014 to January 2018) and Explaurum Limited (from August 2013 to August 2016).

Robert Scott Vassie (Proposed Independent Non-Executive Director of Merged Group)

Mr. Vassie is a mining engineer with 30 years' international mining industry experience and 18 years' experience in a range of senior management roles with Rio Tinto Limited. He is currently the managing director and chief executive officer of St Barbara Limited and has particular experience in operations management, resource development strategy, mine planning, feasibility studies, business improvement, corporate restructuring and strategic procurement.

Vicki Wei Xie (Proposed Non-Executive Director of Merged Group)

Ms. Xie is an accountant with over 16 years of experience in accounting and finance, as well as in fund-raising, acquisition and private equity investment. Ms. Xie has held chief financial officer, accounting and company secretary roles in companies based in both China and Australia.

Arnold Chan Ming Fai (Proposed Non-Executive Director of Merged Group)

Mr. Chan is an independent non-executive director of Burwill Holdings Limited and China Lotsynergy Holdings Limited, both of which are listed on the Stock Exchange of Hong Kong. He is currently a business consultant and provides advisory services to both private and listed companies in Hong Kong. Prior to that, he was the chief executive officer of City Green Holdings Limited, Full Seas Technology Group and was President of Dandelion Capital Group, which is a private financial advisory company. He has over 30 years of experience in investment banking and asset management and has worked for Jardine Fleming Investment Management and KGI Group respectively.

Mr. Chan received a bachelor's degree in Social Sciences with major in Economics from the University of Hong Kong.

Ong Kian Guan (Proposed Independent Non-Executive Director of Merged Group)

Mr. Ong has been an audit partner with Baker Tilly TFW LLP since 2005, where he is currently the head of assurance and capital market practices. He is currently also the independent director and chairman of audit committees of Serrano Limited which is listed on the SGX-ST, and Weiye Holdings Limited, China XLX Fertilisers Ltd, RMH Holdings Ltd and IAG Holdings Ltd which are listed on the Stock Exchange of Hong Kong.

Mr. Ong obtained a Bachelor of Accountancy from Nanyang Technological University in 1992. He is a fellow of the Institute of Singapore Chartered Accountants. He has also previously served as a member of the Investigation and Disciplinary Panel and the Auditing and Assurance committee of Institute of Singapore Chartered Accountants.

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Geoffrey William McNamara (Proposed Independent Non-Executive Director of Merged Group)

Mr. McNamara has over 23 years of resource sector experience as a geologist, project manager, corporate financier and fund manager. He was most recently an owner and investment director of Pacific Road Capital, a private equity manager, investing in the global mining industry. Prior to that he was a director of Societe General's Mining Finance group in New York. Mr. McNamara holds a Bachelors degree in Geology from Queensland University of Technology and a Graduate Diploma in Applied Finance and Investment from the Financial Services Institute of Australasia. He is a member of the Australian Institute of Company Directors and the Australasian Institute of Mining and Metallurgy.

6.2 **Service Agreements of the Merged Group**

Mark Calderwood (Proposed Managing Director of Merged Group)

Mr. Calderwood is currently employed as Chief Executive Officer of Tawana under an executive services agreement on the terms outlined below ("**Executive Services Agreement**") and acts as Managing Director of Tawana. Mr. Calderwood has agreed to act as Managing Director of the Merged Group, conditional upon and after the Proposed Scheme becoming Effective. Mr. Calderwood will receive similar remuneration to his Executive Services Agreement following the Proposed Scheme becoming Effective. The Merged Group Board will review Mr. Calderwood's remuneration arrangements following implementation of the Proposed Scheme.

The key terms of the Executive Services Agreement are:

- (i) Mr. Calderwood is paid a salary of A\$400,000 per annum (inclusive of statutory superannuation);
- (ii) Mr. Calderwood is entitled to four weeks' annual leave for each year of service;
- (iii) Mr. Calderwood's appointment as Chief Executive Officer of Tawana continues until it is terminated in accordance with the Executive Services Agreement;
- (iv) either Tawana or Mr. Calderwood may terminate the appointment on not less than 3 months' written notice; and
- (v) Tawana may terminate Mr. Calderwood's appointment immediately upon the occurrence of the following:
 - (i) Mr. Calderwood commits a serious or persistent breach of any term of the Executive Services Agreement;
 - (ii) Mr. Calderwood is charged with or convicted of a criminal offence which may impact the business or reputation of Tawana, or the trust and confidence Tawana has in Mr. Calderwood;
 - (iii) Mr. Calderwood is guilty of serious misconduct; or
 - (iv) Mr. Calderwood is made bankrupt.

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The Executive Services Agreement contains other terms considered standard of an agreement of this nature including confidentiality and post-employment restraints.

Messrs Mark Barlow Turner (“Mr. Turner”), Robert Scott Vassie (“Mr. Vassie”), Vicki Wei Xie (“Ms. Xie”), Arnold Chan Ming Fai (“Mr. Chan”), Ong Kian Guan (“Mr. Ong”) and Geoffrey William McNamara (“Mr. McNamara”)

The Company intends on entering into appointment letters with each of the non-executive directors of the Merged Group Board, namely, Mr. Turner, Mr. Vassie, Ms. Xie, Mr. Chan, Mr. Ong and Mr. McNamara, on the following key terms. The aforementioned appointment letters will be conditional on the Proposed Scheme becoming Effective.

- (i) Mr. Turner will receive director’s fees of A\$120,000 per annum (inclusive of statutory superannuation, payable quarterly in arrears);
- (ii) Mr. Vassie will receive director’s fees of A\$70,000 per annum (inclusive of statutory superannuation, payable quarterly in arrears);
- (iii) Ms. Xie will receive director’s fees of A\$70,000 per annum (inclusive of statutory superannuation, payable quarterly in arrears);
- (iv) Mr. Chan will receive director’s fees of A\$70,000 per annum, payable quarterly in arrears;
- (v) Mr. Ong will receive director’s fees of A\$70,000 per annum, payable quarterly in arrears;
- (vi) Mr. McNamara will receive director’s fees of A\$70,000 per annum, payable quarterly in arrears; and
- (vii) the respective appointments shall cease if the Non-Executive Director:
 - (i) resigns;
 - (ii) is disqualified under the Corporations Act or the Constitution from being a company director; or
 - (iii) is removed as a director in accordance with the Corporations Act or the Constitution.

Each non-executive Director will also receive an additional A\$8,000 per annum for each board committee on which he or she serves as a member, and an additional A\$15,000 per annum for each board committee on which he or she serves as chairman (“**Board Committee Fee Structure**”).

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6.3 Capital Structure of the Merged Group

6.3.1 The capital structure of the Merged Group following completion of the Proposed Scheme (assuming all Tawana Options are exercised into Tawana Shares prior to the Scheme Record Date) is anticipated to be as follows:

	Alliance Shares	Alliance Options
As at the Latest Practicable Date	659,471,907 ⁽¹⁾	27,000,000 ⁽²⁾
Issued to Tawana Shareholders as Scheme Consideration	656,458,437 ⁽³⁾	–
Issuance and allotment of the Nominal Alliance Shares ⁽⁴⁾	Up to 6,000	–
Total	Up to 1,315,936,344	27,000,000⁽²⁾

Notes:

- (1) Includes the Alliance Placements and the Compensation Shares Issuance.
- (2) Comprising:
 - (i) 3,800,000 unquoted options exercisable at S\$0.24 on or before 24 May 2020.
 - (ii) 3,800,000 unquoted options exercisable at S\$0.30 on or before 24 May 2020.
 - (iii) 3,800,000 unquoted options exercisable at S\$0.36 on or before 24 May 2020.
 - (iv) 15,600,000 unquoted options exercisable at S\$0.4875 on or before 12 April 2021.
- (3) Assuming all Tawana Options are exercised prior to the Scheme Record Date and disregards the Additional Scheme Consideration.
- (4) Further details on the Nominal Alliance Shares are set out in Paragraphs 10.1 and 10.5 of this Circular.

6.3.2 The capital structure of the Merged Group following completion of the Proposed Scheme (assuming no Tawana Options are exercised prior to the Scheme Record Date) is anticipated to be as follows:

	Alliance Shares	Alliance Options
At the Latest Practicable Date	659,471,907 ⁽¹⁾	27,000,000 ⁽²⁾
Issued to Tawana Shareholders as Scheme Consideration	635,895,169 ⁽³⁾	–
Issued to Tawana Optionholders pursuant to the Tawana Option Cancellation Deeds	10,106,775 ⁽⁴⁾	–
Issuance and allotment of the Nominal Alliance Shares ⁵	Up to 6,000	–
Total	Up to 1,305,479,851	27,000,000⁽²⁾

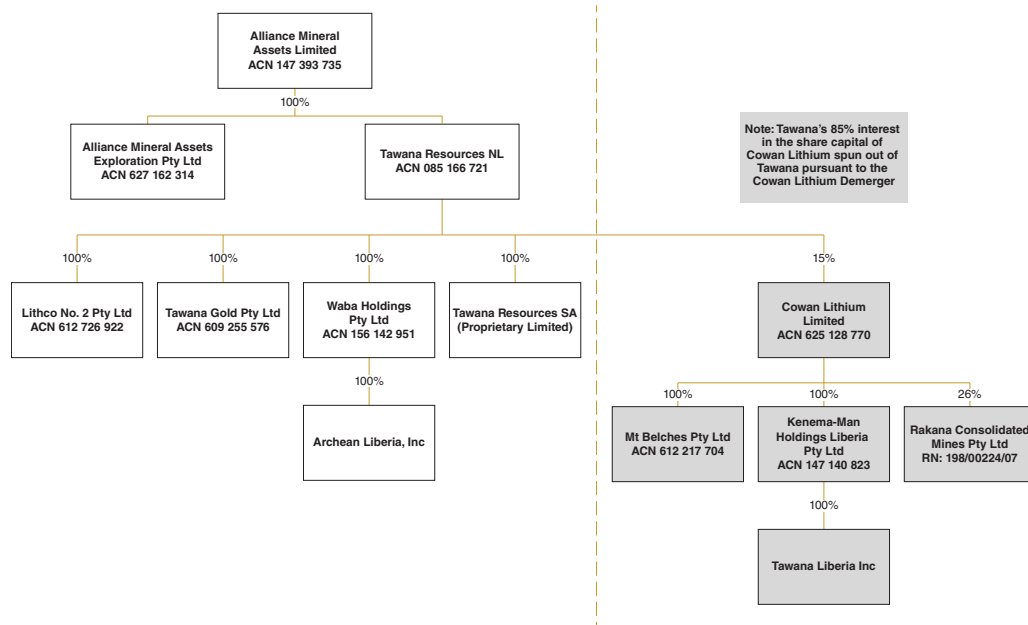
Notes:

- (1) Includes the Alliance Placements and the Compensation Shares Issuance.
- (2) Comprising:
 - (i) 3,800,000 unquoted options exercisable at S\$0.24 on or before 24 May 2020.
 - (ii) 3,800,000 unquoted options exercisable at S\$0.30 on or before 24 May 2020.
 - (iii) 3,800,000 unquoted options exercisable at S\$0.36 on or before 24 May 2020.
 - (iv) 15,600,000 unquoted options exercisable at S\$0.4875 on or before 12 April 2021.
- (3) Assuming no Tawana Options are exercised prior to the Scheme Record Date and disregards the Additional Scheme Consideration.
- (4) Based on the terms of the Tawana Option Cancellation Deeds (refer to Paragraph 2.3.6 of this Circular for details).
- (5) Further details on the Nominal Alliance Shares are set out in Paragraphs 10.1 and 10.5 of this Circular.

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6.4 Structure of the Merged Group

The corporate structure of the Merged Group following the completion of the Proposed Scheme is set out below.



6.5 Shareholding Structure of the Merged Group

Should the Conditions Precedent to the implementation of the Proposed Scheme be satisfied, Alliance will issue up to 656,458,437 new Alliance Shares to Tawana Shareholders as the Scheme Consideration (assuming all Tawana Options are exercised prior to the Scheme Record Date) and may issue not more than 10,000 new Alliance Shares to Tawana as the Additional Scheme consideration.

On the Scheme Implementation Date, the overall shareholding interest of Tawana Shareholders in Alliance will be approximately 49.9% (assuming that there are no Ineligible Shareholders and that Alliance does not acquire any Tawana Shares outside of the Proposed Scheme).

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Immediately post completion of the Proposed Scheme, assuming that all Tawana Options are exercised prior to the Scheme Record Date and the exercise of all Alliance Options, the interests of the directors of the Merged Group Board, substantial shareholders and public shareholders of the Merged Group in Alliance Shares will be as follows:

	Total (comprising direct and deemed) shareholding interest (%)	
	As at the Latest Practicable Date⁽¹⁾	After completion of the Proposed Scheme⁽²⁾
Directors of Merged Group Board		
Mark Barlow Turner	–	0.08
Mark Calderwood	–	2.04
Robert Scott Vassie	–	0.08
Vicki Wei Xie	–	–
Arnold Chan Ming Fai	–	–
Ong Kian Guan	0.04	0.02
Geoffrey William McNamara	–	–
Substantial Shareholders (who are not directors) of Merged Group		
Burwill	14.16	6.95
Tribeca	2.59	6.61
Weier	–	6.24
Public shareholders	85.80⁽³⁾	77.98

Notes:

- (1) Based on the existing share capital of Alliance of 659,471,907 Alliance Shares as at the Latest Practicable Date.
- (2) Based on the enlarged issued and paid-up share capital of Alliance of 1,342,936,344 Alliance Shares following the completion of the Proposed Scheme and the Nominal Alliance Shares Issuance and assuming the exercise of all Alliance Options.
- (3) Includes Tribeca's shareholding interests.

6.6 Merged Group's Intentions

This section sets out Alliance's present intentions in relation to the continuation of the business of Tawana, any major changes to be made to the business of Tawana, including any redeployment of the fixed assets of Tawana and the future employment of the present employees of Tawana, if the Proposed Scheme is implemented.

The statements set out in this section are statements of present intention only and have been formed on the basis of facts and information available to Alliance prior to the entry into the Scheme Implementation Agreement. Final decisions on these matters disclosed in this Circular will only be made by Alliance in light of all material facts and

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circumstances at the relevant time. Accordingly, statements set out in this section may change as new information becomes available or as circumstances change, and the statements in this section should be read in that context.

If the Proposed Scheme is implemented:

- the Company will become the holder of all Tawana Shares and Tawana will become a wholly-owned subsidiary of the Company;
- the Company's Board will be re-constituted as contemplated in Paragraph 4.1 of this Circular, and the Tawana Board will be similarly reconstituted;
- the Company will apply for Tawana to be removed from the official list of the ASX (to take effect immediately after the Scheme Implementation Date) and from the official list of JSE (to take effect after the net proceeds from the sale of the Alliance Shares to which the South African Tawana Shareholders are entitled have been remitted);
- the Company will consider collapsing the current joint venture between the Company and Tawana;
- the Company will consider a consolidated management team comprising personnel from the Company and Tawana;
- the Company anticipates ramping up production of lithium concentrate at the Bald Hill Project, with targeted production of 155,000 tonnes per annum from the existing Dense Media Separation ("**DMS**") circuit. Modifications to increase throughput and the addition of a fines circuit to treat otherwise stockpiled material (below 1mm fines and 1mm-5.6mm middlings) is also envisaged to further boost production from the existing plant;
- the Company will continue with its assessment to add tantalite by-product production through an upgrade of the original tantalum ore processing plant. The Company will also consider options for expansion of processing capacity and concentrate production through the construction of an additional DMS circuit; and
- the Company will continue to work on upgrading existing, and defining new, mineral resources and ore reserves to extend mine life and further enhance the value of the Bald Hill Project, over the next 12 months.

Except for the changes and intentions set out in this section, following implementation of the Proposed Scheme, the Company intends, based on information known to it as at the Latest Practicable Date:

- to continue the business of Tawana;
- not to make any changes to the business of Tawana or the deployment of Tawana's assets; and
- to continue the employment of Tawana's employees.

Other than the changes noted above, the Company presently intends to continue the business of Tawana.

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6.7 Pro-Forma Historical Financial Information of the Merged Group

Please refer to Appendix D to this Circular for the Unaudited Pro-Forma Historical Financial Information of the Merged Group.

Alliance Shareholders should note that Ernst & Young Transaction Advisory Services Limited issued an Unqualified Independent Practitioners' Reasonable Assurance Report on the Compilation of Unaudited Pro-Forma Historical Financial Information of the Merged Group which contained a material uncertainty paragraph related to going concern.

For the purposes of the Unaudited Pro-Forma Historical Financial Information of the Merged Group, the Alliance Directors have adopted the Bald Hill Project value calculated by BDO in its Independent Expert Report. From their review of BDO's valuation, nothing has come to the Alliance Directors' attention to indicate that the valuation is unreasonable. In addition to the BDO valuation, the Alliance Directors appointed SRK to conduct an independent valuation of the Bald Hill Project. The BDO preferred value was within the valuation range determined by SRK.

By its very nature, valuation work cannot be regarded as an exact science and the conclusions arrived at in many cases will necessarily be subjective and dependent on the exercise of individual judgment. There is, therefore no indisputable single value and values are typically presented as falling within a likely range. As BDO's preferred Bald Hill Project value is within the range determined by SRK, the Alliance Directors have used this value.

The fair value of Alliance's 50% interest in the Bald Hill Project recognised in the Unaudited Pro-Forma Historical Financial Information of the Merged Group is an indicative value only and the actual values will be determined at the time the Proposed Scheme is implemented.

7. FINANCIAL EFFECTS

7.1 Basis of Preparation

This section has been compiled by Alliance Directors to illustrate the impact of the following:

- (i) The Proposed Scheme as described in detail under section 3 of Appendix D to this Circular;
- (ii) The Cowan Lithium Demerger as described in detail under section 4 of Appendix D to this Circular;
- (iii) The elimination of intercompany transactions between Alliance and Tawana during the financial year ended 30 June 2017 and intercompany balances between Alliance and Tawana at 30 June 2017; and
- (iv) The estimated transaction costs of A\$18,788,620 relating to the Proposed Scheme,

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(together “**the pro forma events**”) on share capital, NTA per share, gearing ratio as at 30 June 2017, as if the pro forma events had taken place at 30 June 2017 and LPS for the year ended 30 June 2017, as if the pro forma events had taken place on 1 July 2016 (together “**unaudited pro forma historical financial ratios**”). The calculation of these unaudited pro forma historical financial ratios is further explained in their respective sections below.

Where relevant, the unaudited pro forma historical financial ratios are presented in A\$.

This section has not been audited or reviewed by Ernst & Young in Australia nor the Independent Practitioner and is for illustrative purposes only. The objective is to show what the unaudited pro-forma historical financial ratios of the Merged Group might have been had it existed at an earlier date. This section should be read in conjunction with Appendix D to this Circular.

The unaudited pro forma historical financial ratios of the Merged Group, by their nature may not give a true picture of the Merged Group’s actual or prospective financial position and financial performance and are not necessarily indicative of the results of the operations or related effects on the financial position that would have been attained had the abovementioned pro forma events occurred at an earlier date.

The unaudited historical financial ratios have been calculated based on pro forma historical financial information prepared in accordance with the recognition and measurement principles contained in AAS, which are consistent with IFRS, other than that it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of the pro forma events as if they occurred from or on the dates described above.

The unaudited pro forma historical financial ratios have been calculated based on the following historical financial information:

- (i) The audited financial statements of Alliance for the financial year ended 30 June 2017 prepared in accordance with AAS and IFRS, on which an unqualified audit opinion was issued by Ernst & Young in Australia, which contained a material uncertainty paragraph related to going concern; and
- (ii) The unaudited management account of Tawana for the 12 month period ended 30 June 2017 on the basis of information derived from the following financial reports:
 - unaudited interim financial statements of Tawana for the half-year ended 30 June 2016 prepared in accordance with AASB 134, on which an unqualified review conclusion was issued by Ernst & Young in Australia, which contained a material uncertainty paragraph related to going concern;
 - audited financial statements of Tawana for the financial year ended 31 December 2016 prepared in accordance with AAS, on which an unqualified audit opinion was issued by Ernst & Young in Australia, which contained a material uncertainty paragraph related to going concern; and
 - unaudited interim financial statements of Tawana for the half-year ended 30 June 2017, prepared in accordance with AASB 134, on which an unqualified review conclusion was issued by Ernst & Young in Australia, which contained a material uncertainty paragraph related to going concern.

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The significant accounting policies adopted by Alliance Directors in the preparation of this financial effects section are detailed in Appendix D of this Circular, where Tawana has been assessed to be the accounting acquirer under the Proposed Transaction. Therefore, the future consolidated financial statements of the Merged Group after the completion of the Proposed Transaction will represent the continuation of the operations of the accounting acquirer, Tawana.

Going concern

The unaudited pro forma historical financial ratios have been calculated based on the pro forma historical financial information of the Merged Group prepared on a going concern basis which assumes the continuity of the Merged Group's normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

During the 12 months prior to the date of this Circular, Alliance and Tawana have worked together to bring the Bald Hill Project into production, with the first spodumene (lithium) concentrate production announced on 14 March 2018. During the initial phase of the Bald Hill Project (being the next 6 to 12 months), the Merged Group will be exposed to a higher level of cash outflows due to pre-strip activities and repayment of the Burwill prepayment. Further, during the early stages of the Bald Hill Project and similar to other companies whose performance is dependent upon newly-constructed assets and start-up operations, the Merged Group will also be exposed to normal risks and uncertainties, such as the Bald Hill Project failing to perform as expected, having higher than expected operating costs, having lower than expected customer revenues, key additional infrastructure not coming on stream when required or within budget, potential equipment breakdown, failures, and operational errors.

The Alliance Directors and the Tawana Board recognise that the Merged Group will need to raise additional funds via equity raisings or financing facilities to fund ongoing operating and capital expenditure (in particular, where actual cash flows differ from budgeted cash flows in light of the above-mentioned risks and uncertainties associated with newly-constructed assets and start-up operations) during the initial phase of the Bald Hill Project.

Subsequent to 30 June 2017, Alliance and Tawana have raised the following funds via borrowings.

Alliance

- (i) On 28 March 2018, the Company entered into a loan deed for up to A\$13 million with a consortium of investors to fund the development of the Bald Hill lithium and tantalum mine, which is secured over the Company's 50% interest in the Bald Hill Joint Venture and its interest in all tenements connected with the joint venture. The loan can be drawn down by the Company for up to A\$8 million pending the registration of the mortgage security and up to A\$13 million thereafter. The loan is repayable on the second anniversary of the advance date and interest of 11% per annum is payable for the first 6 calendar months, and thereafter at 20% per annum for the remaining tenure. An establishment fee of 1.5% is also payable to the lenders. The Lenders were also granted 15.6 million options exercisable at S\$0.4875 per share, expiring 3 years from the date of issue. A commission of 5% is payable to the joint arrangers. As at the Latest Practicable Date, the loan is fully drawn down.

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Tawana

- (i) On 5 February 2018, Lithco, Tawana's wholly-owned subsidiary which holds Tawana's 50% interest in the Bald Hill Joint Venture, executed a binding A\$5 million loan agreement with Red Coast Investment Limited, an investment company nominated by German company, Weier. The key terms of the loan agreement are:
- Interest of 11% per annum payable quarterly in arrears;
 - Single draw down before 30 June 2018;
 - Maturity and single repayment date of 31 December 2019;
 - Loan may be prepaid at any time before maturity without penalty;
 - No facility fees;
 - Provision of security over Lithco's interest in the DMS plant.

As at the Latest Practicable Date, the loan is fully drawn down.

Alliance and Tawana have also raised additional funds via equity raisings as further detailed in Paragraph 7.6 of this Circular. In addition, Tawana is currently negotiating the terms of a proposed A\$15 million debt facility, and progressing other financing arrangements with a view to reducing Tawana's exposure to cash flow risks during the initial phase of the Bald Hill Project.

The Alliance Directors and the Tawana Directors are satisfied that they will be able to raise additional funds as required and thus it is appropriate to calculate the unaudited historical financial ratios on a going concern basis.

In the event that the Merged Group is unable to obtain sufficient funding for ongoing operating and capital requirements, there is a material uncertainty whether it will continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in its unaudited pro forma historical consolidated statements of financial position.

The unaudited pro forma historical financial ratios do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that may be necessary should the Merged Group not be able to continue as a going concern.

7.2 Share Capital

The below table illustrates the impact of the pro forma events on Alliance's share capital as at 30 June 2017, as if the above pro forma events had taken place at 30 June 2017. Given the subsequent capital raisings summarised above were not included as pro forma adjustments, the pro forma Alliance share capital at 30 June 2017 as per the table does not necessarily give a true picture of the Merged Group's actual share capital post the completion of the Proposed Transaction.

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	Number of Alliance Shares	Share Capital (A\$)
Issued and paid-up share capital as at 30 June 2017	480,763,760	38,960,275
Add: Number of new Alliance Shares issued to Tawana Shareholders as Scheme Consideration/Pro forma fair value of deemed consideration transferred	635,895,169	243,489,966 ⁽¹⁾
Less: Elimination of the AMAL's issued and paid up share capital as at 30 June 2017	–	(38,960,275) ⁽¹⁾
Add: Tawana's issued and paid up share capital at 30 June 2017	–	88,775,892 ⁽¹⁾
Less: Capital distribution relating to the Cowan Lithium Demerger	–	(1,976,000) ⁽²⁾
Add: Number of new Alliance Shares issued to Tawana Optionholders to cancel outstanding Tawana Options	10,106,775	– ⁽³⁾
Pro forma share capital at 30 June 2017	1,126,765,704	330,289,858

Notes:

- (1) To account for the Proposed Scheme, the following pro-forma adjustments have been made to reflect the fact that Tawana has been assessed to be the accounting acquirer:
- Elimination of Alliance's share capital and recognition of Tawana's share capital at the pro forma date, 30 June 2017.
 - Recognition of the pro forma fair value of the deemed consideration transferred by Tawana of A\$243,489,966 as further described in section 3 of Appendix D to this Circular.
- (2) Refer to section 4 in Appendix D to this Circular for further details of the Cowan Lithium Demerger pro-forma adjustments.
- (3) The issue of Alliance Shares in settlement of unexercised Tawana Options at the Scheme Implementation Date will be accounted for as a modification of a share based payment arrangement. In preparing this financial effects section, it is assumed that the exchange of Alliance Shares for Tawana Options provides the Tawana Optionholders with no incremental benefit and accordingly, no pro forma adjustment has been made to the pro forma share capital at 30 June 2017.

7.3 NTA per share

	Alliance's Historical Financial Information at 30 June 2017	Merged Group's Unaudited Pro Forma Historical Financial Information at 30 June 2017
NTA (A\$)	14,427,855 ⁽¹⁾	177,305,810 ⁽²⁾
Number of shares	480,763,760	1,126,765,704
NTA per share (A\$)	0.03	0.16

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Notes:

- (1) NTA is the same as the net assets at 30 June 2017 as Alliance had no intangible assets at that date. For the purpose of NTA calculation, exploration and evaluation assets are not considered to be intangible assets.
- (2) Pro-forma goodwill of A\$71,900,486, arising from the allocation of the pro forma fair value of the deemed consideration transferred over the net assets acquired under the Proposed Scheme were deducted from the pro-forma net assets at 30 June 2017 to arrive at the pro-forma NTA as at that date. Goodwill was calculated using the same principles detailed in section 3 of Appendix D to this Circular and can be summarised as below:

	30 June 2017
	A\$
Pro forma total fair value of deemed consideration transferred	243,489,966
Estimated fair value of the net assets acquired:	
Exploration and evaluation expenditure (a)	77,305,000
Mine properties (b)	83,362,999
Property, plant and equipment (c)	12,294,022
Net other assets and liabilities acquired (including cash) (d)	(1,372,541)
Deferred tax asset/liability (e)	–
Net identifiable assets	171,589,480
Provisional goodwill at 30 June 2017 (f)	71,900,486

The purchase price accounting for the net assets acquired has been determined on a provisional basis. The preliminary estimate of the fair values of the assets and liabilities of Alliance is summarised below:

- (a) The fair value of Alliance's interest in exploration and evaluation expenditure at 30 April 2018 has been estimated to be A\$77,305,000 based on the preferred valuation of the resources not included in the life of mine based on Tawana's Technical Specialist Report included as an annexure to its Independent Expert Report in Annexure A of the Tawana Scheme Booklet. The same fair value was adopted for the purpose of calculating the unaudited pro forma historical financial ratios at 30 June 2017. This has resulted in a pro forma fair value uplift of A\$77,305,000 on exploration and evaluation expenditure at 30 June 2017.
- (b) The fair value of Alliance's interest in mine properties at 30 April 2018 has been estimated at A\$100,325,577. This was based on the preferred fair value as determined by Tawana's Independent Expert in its Independent Expert Report included in Annexure A of the Tawana Scheme Booklet which was then adjusted to include the estimated fair value of Alliance's office space of A\$750,000 and exclude the estimated fair value of property, plant and equipment (see below), the estimated fair value of consumables of A\$786,000 and the value of rehabilitation liabilities of A\$2,664,340.

In estimating the fair value of mine properties at 30 June 2017 for the purpose of calculating the unaudited historical pro-forma financial ratios as at that date, management has deducted Alliance's share of capital expenditure on mine properties between 30 June 2017 and 30 April 2018 amounting to A\$16,962,578 from the fair value of the mine properties adopted at 30 April 2018. This has resulted in a pro-forma fair value uplift of A\$79,856,625 on mine properties.
- (c) The fair value of Alliance's interest in property, plant and equipment at the Bald Hill Project at 30 June 2017 has been assumed to be equal to its carrying value at that date.
- (d) The fair value of other assets and liabilities has been assumed to be equal to their carrying value.
- (e) It is assumed that Alliance will form a tax consolidated group prior to the settlement of the Proposed Scheme and on settlement Tawana will join the Alliance tax consolidated group. For the purposes of calculating the unaudited pro-forma historical financial ratios at 30 June 2017 it is assumed that the accounting fair value uplift in net assets will be matched by at least an equivalent increase in the tax base of the assets and liabilities. Accordingly, no additional deferred tax is recognised as a provisional adjustment.
- (f) This reflects the resulting difference between the pro-forma fair value of deemed consideration transferred and the provisional fair values of the assets acquired and liabilities assumed. The excess is recognised as provisional goodwill.

The actual fair value of the net assets of Alliance acquired by Tawana as an "accounting acquirer" will ultimately be determined after implementation of the Proposed Scheme. Therefore, it is likely that the allocation of the purchase price will vary from those shown above and the differences may be material.

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7.4 LPS

	Alliance's Historical Financial Information for the financial year ended 30 June 2017	Merged Group's Unaudited Pro Forma Historical Financial Information for the financial year ended 30 June 2017
Loss attributable to Shareholders for FY2017 (A\$)	(4,803,859)	(28,673,653)
Number of shares	480,763,760	1,126,765,704
LPS (cents)	(1.00) ⁽¹⁾	(2.54) ⁽²⁾

Notes:

- (1) LPS is calculated based on the historical loss attributable to Alliance Shareholders for the financial year ended 30 June 2017 and Alliance's historical share capital.
- (2) LPS is calculated based on the pro-forma loss attributable to Merged Group's shareholders for the financial year ended 30 June 2017 and Merged Group's pro-forma share capital after taking into account the impact of all pro-forma events.

7.5 Gearing⁽¹⁾

	Alliance's Historical Financial Information at 30 June 2017	Merged Group's Unaudited Pro Forma Historical Financial Information at 30 June 2017
Total liabilities (A\$)	8,167,580	18,286,384
Shareholders' funds (A\$)	14,427,855	249,206,296
Gearing (times)	0.57	0.07

Note:

- (1) Gearing is determined based on total liabilities divided by total shareholders' funds. The Merged Group's total liabilities includes loans and borrowings, deferred revenue, trade and other payables. Shareholders' fund refers to equity attributable to the equity holders of the Company.

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7.6 Subsequent capital raisings

The following capital raisings were made by Alliance and Tawana subsequent to 30 June 2017:

Alliance

- (i) On 4 October 2017, Alliance entered into a subscription agreement with Burwill for the Burwill 2017 Placement. The Burwill 2017 Placement was completed in November 2017 and raised gross proceeds of A\$19.6 million.
- (ii) On 2 May 2018, Alliance completed the Alliance Underwritten Placement I which raised gross proceeds of A\$25.0 million.
- (iii) On 4 July 2018, Alliance completed the Burwill 2018 Placement which raised gross proceeds of A\$4.2 million.
- (iv) On 4 July 2018, Alliance completed the Compensation Shares Issuance to certain directors and executives of Alliance. These Alliance Shares were valued at A\$1.1 million at the date of issue.
- (v) On 24 July 2018, Alliance completed the Alliance Underwritten Placement II which raised gross proceeds of approximately A\$3.7 million.
- (vi) The total costs for the above Alliance capital raisings were A\$2.0 million.

Tawana

- (i) In October 2017, Tawana agreed to a A\$20.0 million (before costs) placement from Weier, which was completed in two tranches:
 - The first tranche consisted of 14,285,714 shares at an issue price of A\$0.35, settled on 25 October 2017; and
 - The second tranche consisted of 42,857,143 shares at an issue price of A\$0.35, settled on 15 November 2017.
- (ii) On 9 April 2018, Tawana raised gross proceeds of A\$20.0 million via the issue of 48,780,488 new fully paid ordinary shares at an issue price of A\$0.41 per Tawana Share.
- (iii) On 6 July 2018, Tawana completed the Tawana Conditional Placement which raised gross proceeds of A\$4.9 million.
- (iv) Between July 2017 to the Latest Practicable Date, 17,081,120 Tawana Options were exercised at an average price of A\$0.16 per Tawana Option for proceeds of A\$2.7 million and Tawana issued 769,230 Tawana Shares to a supplier to raise A\$0.3 million.
- (v) The total costs for the above Tawana capital raisings were A\$4.1 million.

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The above capital raisings of Alliance and Tawana have not been included in the pro forma adjustments to calculate the unaudited pro forma historical financial ratios at 30 June 2017 in Paragraphs 7.2. to 7.5 above.

If these capital raisings were included as an additional pro forma event to the pro forma events described in Paragraph 7.1, the pro forma share capital, pro forma NTA per share, pro forma gearing ratio as at 30 June 2017 and the pro forma LPS for the year ended 30 June 2017 would be as follows:

7.6.1 Share Capital

	Number of Alliance Shares	Share Capital (A\$)
Pro-forma share capital at 30 June 2017	1,305,473,851	375,381,114

7.6.2 NTA per share

	Merged Group's Unaudited Pro Forma Historical Financial Information at 30 June 2017
NTA (A\$)	272,765,378
Number of shares	1,305,473,851
NTA per share (A\$)	0.21

7.6.3 LPS

	Merged Group's Unaudited Pro Forma Historical Financial Information for the financial year ended 30 June 2017
Loss attributable to Alliance Shareholders for FY2017 (A\$)	(29,742,119)
Number of shares	1,305,473,851
LPS (cents)	(2.28)

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7.6.4 Gearing

	Merged Group's Unaudited Pro Forma Historical Financial Information at 30 June 2017
Total liabilities (A\$)	12,818,080
Shareholders' funds (A\$)	294,297,551
Gearing (times)	0.04

8. RELATIVE FIGURES UNDER CATALIST RULE 1006

8.1 The relative figures in relation to the Proposed Scheme computed on the applicable bases set out in Catalist Rule 1006, based on Alliance's unaudited consolidated financial statements for the six months' financial period ended 31 December 2017 (being the latest announced financial statements of Alliance prior to the date of the Scheme Implementation Agreement), are set out below:

Catalist Rule 1006	Bases	Relative Figures (%)
(a)	Net asset value of the assets to be disposed of, compared with the group's net asset value	Not applicable, as Alliance is not making any disposal
(b)	Net profits ⁽¹⁾ attributable to the assets acquired, compared with the group's net profits ⁽¹⁾	169.5% ⁽²⁾⁽³⁾
(c)	Aggregate value of the consideration given or received, compared with Alliance's market capitalisation based on the total number of issued shares excluding treasury shares	99.5% ⁽⁴⁾
(d)	Number of equity securities by Alliance as consideration for an acquisition, compared with the number of equity securities previously in issue	99.5% ⁽⁵⁾
(e)	The aggregate volume of amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets	Not applicable, as Alliance is not making any disposal

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Notes:

- (1) "net profits" means profit or loss before income tax, minority interests and extraordinary items.
- (2) Based on the unaudited pro-forma net losses of the Tawana Group Post Restructuring (excluding impact of impairment losses and foreign exchange gain from the Cowan Lithium Demerger) of A\$3,061,267 for the six months financial period from 1 July 2017 to 31 December 2017 ("6M2018"), and the unaudited net losses of Alliance of A\$1,806,585 (see Note 3 below) for 6M2018.
- (3) Alliance had on 8 February 2018 announced unaudited net losses of A\$1,972,614 for 6M2018. The unaudited net losses of Alliance for 6M2018 used for the purposes of computing Catalyst Rule 1006(b) was A\$1,806,585, as reviewed by Ernst & Young in Australia after Alliance's announcement of its unaudited 6M2018 financial results.
- (4) The aggregate consideration payable by Alliance for Tawana is S\$232.4 million. The market capitalisation of Alliance of S\$233.5 million is computed based on 659,471,907 issued Alliance Shares (which take into account the Alliance Placements and Compensation Shares Issuance which have been completed as at the Latest Practicable Date), multiplied by the VWAP of S\$0.354 per Alliance Share on the Last Trading Day (which is higher than Alliance's net asset value per share of A\$0.058 (or approximately S\$0.056) as at 31 December 2017).
- (5) Alliance will issue up to an aggregate of 656,458,437 new Alliance Shares for Tawana (assuming all Tawana Options are exercised prior to the Scheme Record Date). Alliance's 659,471,907 total issued shares take into account the Alliance Placements and Compensation Shares Issuance which have been completed as at the Latest Practicable Date.

8.2 NO OBJECTIONS FROM THE SGX-ST FOR WAIVER FROM COMPLIANCE WITH CATALIST RULE 1015 IN RESPECT OF THE PROPOSED SCHEME

8.2.1 Waiver Application to the SGX-ST

PrimePartners Corporate Finance Pte. Ltd. ("**PPCF**"), the Company's Singapore financial adviser appointed for the Proposed Scheme, had on behalf of the Company made an application to the SGX-ST on 23 April 2018 (followed by subsequent updates and correspondences thereafter) to seek the SGX-ST's no objection to the waiver from compliance with Catalyst Rule 1015 in respect of the Proposed Scheme ("**Waiver Application**"), notwithstanding that the relative figure computed based on Catalyst Rule 1006(b) exceeds 100% for the Proposed Scheme.

The bases for seeking the waiver are as follows:

(a) **The Proposed Scheme will not have a material impact on the business operations and risk profile of Alliance**

The principal business of Alliance is in the exploration, evaluation and development of the Bald Hill Project in which it currently owns 50% shareholding interest. The remaining 50% shareholding interest is held by Tawana only since October 2017, and Tawana does own any other material assets or businesses (other than the Bald Hill Project), following completion of the Cowan Lithium Demerger. As such, the Proposed Scheme is essentially a consolidation of these Bald Hill Project joint venture interests within the Merged Group and merely an expansion of Alliance's existing core business.

The Proposed Scheme also does not have any material or adverse financial effect (where pro-forma adjustments have been disregarded at time of Waiver Application) on Alliance in respect of its loss per share, gearing ratio and working capital position and will not result in an expansion of Alliance's business into new business sectors nor new geographical markets.

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(b) The relative figure for Catalyst Rule 1006(b) would be below 100% if adjusted for Tawana's non-recurring share-based payment

The unaudited pro-forma loss before income tax and impact of impairment losses and foreign exchange gain from the Cowan Lithium Demerger of approximately A\$3.06 million of the Tawana Group Post Restructuring for 6M2018, was largely attributable to share-based payments of approximately A\$1.94 million ("**Share-Based Payments**") which relate to unlisted Tawana Options ("**Unlisted Tawana Options**") granted under Tawana's Employee Incentive Option Plan to directors, staff (existing and former) and advisors of the Tawana Group.

The Company is of the view that the Share-Based Payments should be disregarded for the purposes of computing the losses before tax attributable to the Tawana Group Post Restructuring as (i) the Share-Based Payments are non-recurring, given that the Tawana Directors and advisers had received such options on a one-off basis and the Unlisted Tawana Options will cease to exist post the Proposed Scheme; and (ii) the Share-Based Payments are not representative of the actual operating performance of Tawana as they were a result of a strategic decision made by the Tawana Board to allow the Tawana Group to focus cash expenditure on project development and operational expenditure.

Excluding the Share-Based Payments, the unaudited pro-forma loss before income tax of the Tawana Group Post Restructuring for 6M2018 would be approximately A\$1.12 million. When compared against the unaudited loss before income tax of Alliance of approximately A\$1.45 million (adjusted for the non-recurring other expenses of approximately A\$0.35 million in relation to the loss incurred on Alliance's disposal of its 50% interest in the Bald Hill Project) for 6M2018, the resultant relative figure under Catalyst Rule 1006(b) would be 77.24%. Accordingly, all applicable relative figures under Catalyst Rule 1006 in respect of the Proposed Scheme are less than 100%.

(c) The relative figure for Catalyst Rule 1006(b) is not a representative measure of the materiality of the Proposed Scheme

The profit or loss ratio computed under Catalyst Rule 1006(b) is not a relevant measure to compare the size of Tawana and Alliance as both companies were in pre-production stages of the development of the Bald Hill Project and making losses at the time of entering into the Scheme Implementation Agreement.

The losses incurred by Alliance and Tawana up to the date of the Waiver Application were primarily because the core operating asset and business of both companies, being the Bald Hill Project, have only recently in May 2018 entered into the production stage. Barring any unforeseen circumstances, the profitability of the Bald Hill Project is expected to improve as it ramps up production and starts generating cash flows under the Merged Group.

In addition, the unaudited loss before tax of Alliance for the three months ended 31 March 2018 as announced on 11 May 2018 is approximately A\$1.07 million, whilst the unaudited loss before tax of the Tawana Group for the same period is approximately A\$0.76 million. Based on the aforementioned figures, the absolute relative figure under Catalyst Rule 1006(b) would be 71.0%.

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(d) There is no change in control of Alliance following the Proposed Scheme

There will be no change in control of Alliance following the completion of the Proposed Scheme as shareholdings in the Merged Group will remain diverse. The Merged Group Board will comprise nominees from Tawana, Alliance, Weier and Burwill, with Mark Calderwood (who will hold approximately 2.04% interest in the Merged Group after the completion of the Proposed Scheme) being the only executive director on the Merged Group Board. There will be no individual or group of individuals who will be able to exercise any considerable concentration of power or influence or be allowed to dominate the Merged Group Board's decision making.

(e) Alliance Shareholders have had timely access to material information on the Bald Hill Project which has been publicly disclosed by Alliance

In respect of the Proposed Scheme, the business that is being acquired is essentially the Bald Hill Project which is not a new asset and it was the sole asset which Alliance had premised its initial public offering on in 2014. Alliance has since been making public announcements on material developments on the project, released quarterly financial results in accordance with Catalist Rule 705, and issued 4 independent qualified persons report in accordance with Catalist Rule 1204(23). If the requirements of Catalist Rule 1015 are applied to the Proposed Scheme, the Company would have to incur additional costs in connection with disclosures and due diligence requirements which are not expected to be meaningful or value-adding.

(f) Relevant information on the Proposed Scheme will be disclosed in the circular required pursuant to a "Major Transaction"

Excluding the Share-Based Payments, the relative figures under Catalist Rules 1006(b), (c) and (d) exceed 75% but are less than 100% and accordingly, the Proposed Scheme would constitute a "Major Transaction" under Catalist Rule 1014. The Proposed Scheme is being put forth to Alliance Shareholders for approval at the Alliance EGM and in accordance with the Catalist Rules, the Company has provided in this Circular to shareholders (i) an independent qualified person's report in respect of the Bald Hill Project as required under Catalist Rules 1014(2) and 1014(4) (please refer to Appendix A of this Circular); and (ii) a valuation report prepared by an independent qualified person in accordance with the VALMIN Code pursuant to Catalist Rule 1014(2) (please refer to Appendix B of this Circular).

The Company believes that the required disclosures pursuant to a Major Transaction as well as the additional disclosure of the one year pro-forma financial information on the Merged Group (as a condition of the waiver) comprise all material information about the Proposed Scheme and the Merged Group and would be sufficient information for the Alliance Shareholders in making their voting decision on the Proposed Scheme.

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8.2.2 No Objection from the SGX-ST

In its letter dated 8 June 2018, the SGX-ST informed the Company that it has no objections to granting the waiver from compliance with Catalist Rule 1015 in respect of the Proposed Scheme (“**Waiver**”), having taken into account the Company’s appointment of PPCF and Sternship Advisers Pty. Ltd., as financial advisers to the Proposed Scheme in Singapore and Australia respectively, subject to the following conditions:

- (i) The Company complying with Catalist Rule 1014 in respect of the Proposed Scheme;
- (ii) The Company announcing the Waiver, the reasons for seeking the Waiver, the conditions as required under Catalist Rule 106 and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met; and
- (iii) The Company to provide the latest two years of historical financial information of Tawana and one year of pro-forma financial information of the merged group.

The Company has complied with Catalist Rule 1014 in respect of the Proposed Scheme and has disclosed in Appendix C of this Circular the historical financial information of the Tawana Group for the past three financial years ended 31 December 2015, 31 December 2016 and 31 December 2017 and the historical financial position of the Tawana Group as at 30 April 2018; and in Appendix D of this Circular, the Unaudited Pro-Forma Historical Financial Information of the Merged Group for the year ended 31 December 2017 and as at 30 April 2018. Accordingly, all of the Waiver conditions have been met.

9. THE PROPOSED INCREASE TO NON-EXECUTIVE DIRECTOR FEES

In connection with and subject to completion of the Proposed Scheme, the Merged Group will have an expanded Merged Group Board consisting of 7 directors as described in Paragraph 6.1 of this Circular. The total directors’ fees payable to the non-executive directors of the Merged Group Board pursuant to the letters of appointment, as described in Paragraph 6.2 of this Circular, is approximately A\$470,000 per financial year.

It is envisaged that there will be three board committees set up for the Merged Group with each board committee comprising a chairman and three members. Based on the Board Committee Fee Structure as described in Paragraph 6.2 of this Circular, the aggregate amount of board committee fees is expected to be approximately A\$120,000 per financial year.

In addition, the aggregate amount of directors’ fees which will be payable to Mr. Mahtani Bhagwandas (Independent Director) and Mr. Ong Kian Guan (Independent Director) for the period from July 2018 to October 2018 (being the expected time the Proposed Scheme becomes Effective) and Mr. Chan Hung Chiu Eddy (Non-Executive Director) for the period from November 2017 to October 2018 is approximately A\$63,000 (“**Payable Fees**”).

Under clause 12.9 of the Constitution, the fees payable to non-executive directors for their services as directors are determined by the Alliance Board with a maximum annual aggregate limit approved by Alliance Shareholders. Pursuant to the letters of appointment to be entered into with the proposed non-executive directors of the Merged

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Group and taking into consideration the expected board committee fees and Payable Fees as well as an allowance for any additional appointment of non-executive director(s) to the Merged Group Board, it is proposed that the total aggregate fees for non-executive directors be increased to A\$800,000 for each financial year (“**Proposed Increase to Non-Executive Director Fees**”).

This proposed level of permitted fees does not mean that Alliance must pay the entire amount approved as fees in each financial year. However, the Alliance Board considers that it is reasonable and appropriate to establish this amount as this will provide Alliance with the flexibility to attract appropriately qualified non-executive directors and to act quickly if the circumstances require it, for example, the appointment of additional Directors, the convening of additional unscheduled board meetings and/or the formation of additional board committee(s).

10. THE PROPOSED DUAL LISTING AND PROPOSED AMENDMENTS TO THE CONSTITUTION

10.1 Introduction

The Merged Group will remain headquartered in Perth, Western Australia and will, subject to satisfying the ASX’s admission requirements, become dual listed with primary listings on the ASX in addition to maintaining Alliance’s current primary listing on the Catalist (“**Proposed Dual Listing**”). Tawana’s listing on the JSE will be relinquished.

The Proposed Dual Listing is intended to be by way of a compliance listing process (including the issue of the Prospectus (please refer to Paragraph 10.3 below for further details) and with the issue of a nominal number of no more than 6,000 new Alliance Shares (“**Nominal Alliance Shares**”) to third party investors (“**Nominal Alliance Shares Issuance**”). The Nominal Alliance Shares Issuance is being made in connection with the proposed dual listing of the Merged Group on the ASX and will be made pursuant to Alliance’s general share issuance mandate under Catalist Rule 806(1). For the avoidance of doubt, such Nominal Alliance Shares are not part of the Scheme Consideration and the Additional Scheme Consideration (if applicable), and are intended to be issued on the same day as the issuance of the Scheme Consideration and the Additional Scheme Consideration (if applicable). Please refer to Paragraph 10.5 of this Circular for further details on the Nominal Alliance Shares Issuance.

Pursuant to the Proposed Dual Listing, the Merged Group will have to comply with both the relevant Singapore and Australian laws and regulations, the ASX Listing Rules and the Catalist Rules. In the event of any conflict between the Catalist Rules and the ASX Listing Rules, the Merged Group shall comply with the more onerous rule and requirement.

In addition, shareholders of the Merged Group may wish to switch the trading of their shares from the SGX-ST to the ASX or from the ASX to the SGX-ST. Shareholders of the Merged Group who wish to switch the trading of their shares from the SGX-ST to the ASX, or vice versa, will need to comply with the relevant procedures for trading and transfer of shares between the two securities exchanges. The procedures for trading and transfer of shares of the Merged Group from the SGX-ST to the ASX, and vice versa, are set out in Appendix E to this Circular.

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10.2 Rationale for the Proposed Dual Listing

The Proposed Scheme represents an opportunity for a simplified single ownership structure and operational management of the Bald Hill Project to create a dual listed, mid-tier producer of high-demand lithium concentrate.

Pursuant to the Proposed Dual Listing, the Merged Group will be listed on the Catalist Board of the SGX-ST and the ASX benefiting from access to both the Singapore and Australian capital markets which is expected to result in:

- (i) enhanced access to debt and equity capital markets;
- (ii) increased coverage from equity research analysts;
- (iii) increased interest from institutional investors;
- (iv) access to a wider shareholder base; and
- (v) potential to become listed on the Main Board of the SGX-ST and benefit from access across both the Singapore and Australian capital markets, and an indicative increased market capitalisation which is expected to lead to increased interest from institutional investors and a greater following by the analyst community.

10.3 Approvals and Timeline

The Merged Group will seek admission to the official list of the ASX and quotation of the Merged Group's shares, subject to any conditions which the ASX may reasonably require, including implementation of the Proposed Scheme.

The Company will apply for admission to the official list of the ASX by way of a prospectus prepared in accordance with section 712 of the Corporations Act ("**Prospectus**"). The Prospectus will incorporate sections of the scheme booklet, to be dispatched to Tawana Shareholders, by reference.

The Company intends to submit an application to the ASX for the admission of the Merged Group to the Official List of the ASX.

The Company wishes to highlight that there can be no assurance that the Company will be granted approval for the Proposed Dual Listing by the ASX or that the Proposed Scheme will be approved. In the event that any of the foregoing is not achieved or fulfilled, the Company will not be able to proceed with the Proposed Dual Listing. If all conditions precedent to the Proposed Scheme other than the condition precedent relating to the admission of the Merged Group to the official list of the ASX and quotation of the Merged Group's shares on the ASX are satisfied, the ASX listing condition precedent may be waived by agreement between Tawana and Alliance. However, Tawana does not intend on waiving this condition. The Company will make the relevant announcement(s) on any material developments.

Subject to admission of the Merged Group to the official list of the ASX and quotation of the Merged Group's shares on the ASX, it is expected that the Merged Group's shares will trade on a normal settlement basis on the ASX on 18 October 2018.

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Tawana will apply to the ASX for suspension of trading in Tawana Shares on the ASX after close of trading on the day the Proposed Scheme becomes Effective. Following final implementation of the Proposed Scheme, Tawana will request the ASX to remove Tawana from the official list of the ASX.

JSE has advised that it will grant approval for the suspension of trading in Tawana Shares on JSE after close of trading on the day the Proposed Scheme becomes Effective. Following final implementation of the Proposed Scheme, Tawana will request JSE to remove Tawana from the official list of JSE. JSE has advised that such removal will only occur after each South African Tawana Shareholder who is an Ineligible Shareholder has received the proceeds from the sale of the Alliance Shares to which the South African Tawana Shareholder is entitled.

10.4 Certain Australian Take-Over Regulations and the ASX Listing Rules

Alliance Shareholders should note that, once the Merged Group is dual primary listed on the ASX and SGX-ST, the Merged Group will, in addition to the requirement to comply with the applicable Catalist Rules, be required to comply with the applicable the ASX Listing Rules, subject to any waivers that may be obtained by the Merged Group from time to time. A summary of the material differences between the Catalist Rules and the ASX Listing Rules is summarised in Appendix F to this Circular.

In the event of any conflict between the Catalist Rules and the ASX Listing Rules, the Merged Group shall comply with the more onerous rule and requirement.

10.5 The Nominal Alliance Shares Issuance

As disclosed in Paragraph 10.1 of this Circular, the Company intends to undertake the Nominal Alliance Shares Issuance in connection with the Proposed Dual Listing.

The Nominal Alliance Shares Issuance will be made pursuant to Alliance's general share issuance mandate. The Nominal Alliance Shares represent less than 0.001% of Alliance's share capital of 659,471,907 Alliance Shares as at the Latest Practicable Date and Alliance's enlarged share capital of 1,315,936,344 Alliance Shares after the completion of the Proposed Scheme (assuming the exercise of all Tawana Options prior to the Scheme Record Date) and the Nominal Alliance Shares Issuance.

No placement agent will be appointed for the Nominal Alliance Shares Issuance.

As at the Latest Practicable Date, the subscriber(s) of the Nominal Alliance Shares has not been identified and the issue price of the Nominal Alliance Shares has not been fixed. In connection with the Proposed Dual Listing, the Company must make an "offer" of Alliance Shares pursuant to a prospectus. The purpose of the Nominal Alliance Shares Issuance is to satisfy this requirement. The Nominal Alliance Shares Issuance is not driven by fundraising purposes.

The Company will ensure that the Nominal Alliance Shares Issuance will not require the approval of Alliance Shareholders and has confirmed the following:

- (a) the issue price of the Nominal Alliance Shares will not be at more than 10% discount to the VWAP for trades done on Alliance Shares for the full market day on which the subscription agreement for the Nominal Alliance Shares is signed, or if trading in

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Alliance Shares is not available for a full market day, the VWAP for trades done on the Alliance Shares on the preceding market day up to the time the subscription agreement is signed;

- (b) the Nominal Alliance Shares will not be made to any persons under Catalist Rule 812; and
- (c) the Company will comply with Catalist Rule 803 in relation to the Nominal Alliance Shares Issuance.

The Nominal Alliance Shares, when issued and fully-paid, will rank equally with existing Alliance Shares, save that they will not be entitled to any dividends, rights, distributions, allotments and other entitlements the record date of which falls before the issuance of the Nominal Alliance Shares.

The net proceeds from the Nominal Alliance Shares Issuance ("**Net Proceeds**") is expected to be no more than A\$500 after deducting related expenses. The Company intends to utilise the Net Proceeds for covering the expenses of the Nominal Alliance Shares Issuance and preparing the Prospectus. The Company will comply with Catalist Rules 704(30) and 1204(22) in relation to the use of proceeds from the Nominal Alliance Shares Issuance.

Pursuant to the Nominal Alliance Shares Issuance, the Alliance Directors are of the opinion that after taking into consideration Alliance's present bank facilities and the net proceeds raised from the Loan Facility and the Alliance Placements, the working capital available to Alliance is sufficient to meet its present requirements (disregarding any effect arising from a completion of the Proposed Scheme).

Alliance had on 10 August 2018 received the listing and quotation notice from the SGX-ST for the listing of and quotation for the Scheme Consideration and Nominal Alliance Shares. Please refer to Paragraph 2.3.1.3 of this Circular for details.

10.6 **The Proposed Amendments to the Constitution in connection with the Proposed Dual Listing**

In connection with the Proposed Scheme, the Company has conducted a review of the existing Constitution of Alliance in preparation for the Proposed Dual Listing and consistency with the ASX Listing Rules, current Australian law and best market practice.

The paragraphs below set out the summary of the key amendments to the Constitution. This summary should be read in conjunction with the proposed new Constitution of the Company ("**New Constitution**") which is set out in its entirety (with the proposed amendments marked up) in Appendix G to this Circular.

- **Unmarketable Parcel Buy Back:** The ASX Listing Rules and Corporation Act permit an entity to undertake a buy-back of its ordinary shares from holders of less than marketable parcels of shares (currently A\$500). Shareholder approval for the buyback of these shares is not required, however eligible shareholders are entitled to opt out of the buy-back. Shares which are bought back by the entity must be cancelled. An entity may only undertake an unmarketable parcel buy back once in any 12 month period. The proposed New Constitution contain provisions permitting the Company to undertake a buy-back of unmarketable parcels of Alliance Shares

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in accordance with the ASX Listing Rules and Corporations Act. The unmarketable parcels buy-back will apply to all Alliance Shareholders, being the registered holders of Alliance Shares. This provision may not be applicable to Depositors who hold an interest in Alliance Shares through CDP as CDP (and not the Depositors) is treated, under the Corporations Act and the Constitution, as a member of the Company in respect of the number of Alliance Shares credited to the respective securities accounts of such Depositors with CDP.

- **Notice of meetings:** clarifying the required 28 days' notice period for the Company to hold all general meetings (regardless of whether ordinary or special resolutions are being tabled), to ensure consistency with the Corporations Act.
- **Direct voting:** providing that the Directors may determine that, at any general meeting of members of the Company, a member who is entitled to attend and vote at that meeting is entitled to a direct vote by post, facsimile transmission or other electronic means approved by the Directors.
- **Conduct at general meetings:** increasing the chairperson's power to ensure the orderly conduct of general meetings.
- **Close and suspension of the Company's register:** removing the ability for the Company to close the register of securityholders or suspend the registration of transfers.
- **Interest on shares issued to raise capital for long term construction:** removing the ability for the Company to pay interest on shares issued to raise capital for the construction of works which cannot be made profitable for a lengthened period of time.
- **In-specie distributions:** removing the requirement for the Company's shareholders to consent to becoming members of a body corporate of which the Company is distributing securities to the Company's shareholders by way of an in-specie distribution.
- **Directors charging company assets:** removing the ability for directors to create a security interest over all or part of the Company's assets by way of an indemnity to secure the payment of monies in circumstances where the directors become personally liable for such payment or sum which is primarily due by the Company.
- **Election of directors:** inserting a requirement that any person seeking election as a Director of the Company (other than a person nominated by the Company's board or an existing Director of the Company seeking re-election) must be nominated by at least a number of the Company's shareholders required to requisition a general meeting in accordance with the Corporations Act (currently 5). Nominations must be in writing, signed by the nominating shareholders of the Company and provided to the Company no less than 45 days' (and not more than 90 days') before the meeting at which the election is sought.
- **Powers of directors:** written resolutions of the Directors may be passed by a majority of Directors who would otherwise be entitled to attend the meeting. The current constitution provides that all Directors must sign a written resolution for it to be effective.

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- **Rotation of Directors:** clarifying that the Managing Director is exempt from the requirement to submit themselves for re-election every three years and, if appointed as an addition to the existing Directors, at the annual general meeting following their appointment. However, to comply with the Catalist Rules, the amendment to exclude the Managing Director from the requirement to be re-elected at the annual general meeting following their appointment as a casual vacancy or addition to the Board does not apply while Alliance remains listed on the SGX-ST.
- **Consistency (or inconsistency) between the ASX Listing Rules, the Catalist Rules and the Constitution:** as the Company will have a “primary” listing on both the ASX and the Catalist, the Company is required comply with both the ASX Listing Rules and the Catalist Rules. To satisfy this requirement, the Company has made amendments to the Constitution such that the Company will:
 - o the fullest extent possible, comply with both the ASX Listing Rules and the Catalist Rules;
 - o where there is an inconsistency on a matter between the requirements of the ASX Listing Rules and the Catalist Rules, the Company will comply at all times with the listing rules of the relevant exchange which imposes the more onerous requirement on the Company; and
 - o where there is an absolute inconsistency on a matter between the requirements of the ASX Listing Rules and the Catalist Rules, the Company will not take any action until it has the approval of the ASX and the SGX-ST (as applicable) for the proposed course of action.

11. ALLIANCE DIRECTORS’ RECOMMENDATION AND VOTING INTENTION

11.1 Recommendation of Alliance Directors

The Proposed Scheme and The Proposed Amendments to the Constitution in connection with the Proposed Dual Listing

Having considered, *inter alia*, the terms of, rationale for, and the information relating to the Proposed Scheme and the Proposed Amendments to the Constitution in connection with the Proposed Dual Listing, and all the other relevant information set out in this Circular, the Alliance Directors are of the opinion that the Proposed Scheme and the Proposed Amendments to the Constitution are in the best interests of the Company. Accordingly, the Alliance Directors recommend that Alliance Shareholders vote in favour of Ordinary Resolution 1 and Special Resolution 1 at the Alliance EGM.

The Proposed Increase to Non-Executive Director Fees

Subject to Alliance Shareholders’ approval of Ordinary Resolution 2, the increase in the total fees for non-executive Directors to A\$800,000 for each financial year will take effect from the date of the Alliance EGM, which is before the expected date the Proposed Scheme becomes Effective. The increased pool of non-executive Directors fees will therefore be applicable to the non-executive Directors as at the date of this Circular (being Chan Hung Chiu Eddy, Mahtani Bhagwandas and Ong Kian Guan) upon Alliance Shareholders’ approval of Ordinary Resolution 2. Accordingly, Chan Hung Chiu Eddy, Mahtani Bhagwandas and Ong Kian Guan have abstained from making a recommendation on Ordinary Resolution 2.

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Having considered, *inter alia*, the terms of, rationale for, and the information relating to the Proposed Increase to Non-Executive Director Fees, and all the other relevant information set out in this Circular, Pauline Gately and Shaun Menezes are of the opinion that the Proposed Increase to Non-Executive Director Fees are in the best interests of the Company. Accordingly, Pauline Gately and Shaun Menezes recommend that Alliance Shareholders vote in favour of the Ordinary Resolution 2 at the Alliance EGM.

11.2 Voting Intention of Alliance Directors

Alliance Directors who are also Alliance Shareholders intend to vote all Alliance Shares which they hold, comprising an aggregate of 1,951,081 Alliance Shares constituting approximately 0.30% of the existing issued share capital of Alliance as at the Latest Practicable Date, in favour of all the Proposed Resolutions at the Alliance EGM.

11.3 Note to Alliance Shareholders

In giving the above recommendations, the Alliance Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Alliance Shareholder. As different Alliance Shareholders would have different investment objectives and profiles, the Alliance Directors recommend that any individual Alliance Shareholder who may require specific advice in relation to his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

12. INTERESTS OF ALLIANCE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the interests of Alliance Directors and Substantial Shareholders are as follows:

	Direct Interest		Deemed Interest		Total Interest	
	No. of Alliance Shares	% ⁽¹⁾	No. of Alliance Shares	% ⁽¹⁾	No. of Alliance Shares	% ⁽¹⁾
Directors						
Pauline Gately	326,081	0.05	–	–	326,081	0.05
Mahtani Bhagwandas	250,000	0.04	–	–	250,000	0.04
Ong Kian Guan	250,000	0.04	–	–	250,000	0.04
Chan Hung Chiu Eddy	–	–	–	–	–	–
Shaun Menezes	1,125,000	0.17	–	–	1,125,000	0.17
Substantial Shareholders						
Burwill	93,388,728	14.16	–	–	93,388,728	14.16
Regal Funds ⁽²⁾	–	–	65,505,604	9.93	65,505,604	9.93
LIM Asia Special Situations Master Fund Limited	60,350,000	9.15	–	–	60,350,000	9.15
LIM Advisors Limited ⁽³⁾	–	–	60,350,000	9.15	60,350,000	9.15

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	Direct Interest		Deemed Interest		Total Interest	
	No. of Alliance Shares	% ⁽¹⁾	No. of Alliance Shares	% ⁽¹⁾	No. of Alliance Shares	% ⁽¹⁾
Directors						
Long Investment Management International Limited ⁽⁴⁾	–	–	60,350,000	9.15	60,350,000	9.15
George W. Long ⁽⁵⁾	–	–	60,350,000	9.15	60,350,000	9.15
Lim Keng Hock Jonathan ⁽⁶⁾	–	–	46,074,788	6.99	46,074,788	6.99
Ting Hong Lean Marilyn ⁽⁷⁾	–	–	46,074,788	6.99	46,074,788	6.99
Credit Suisse AG ⁽⁸⁾	–	–	33,853,333	5.13	33,853,333	5.13
Credit Suisse Group AG ⁽⁹⁾	–	–	33,853,333	5.13	33,853,333	5.13

Notes:

- (1) Based on the Company's issued and paid-up share capital of 659,471,907 Alliance Shares as at the Latest Practicable Date.
- (2) Regal Funds is deemed to be interested in the Alliance Shares held by Atlantic Absolute Return Fund, Zambezi Absolute Return Fund and Regal Emerging Companies Fund II, as Regal Funds is the trustee for Atlantic Absolute Return Fund and Regal Emerging Companies Fund II and is sub-advisor of Zambezi Absolute Return Fund.
- (3) LIM Advisors Limited is deemed to be interested in the Alliance Shares held by LIM Asia Special Situations Master Fund Limited as it is the investment manager of LIM Asia Special Situations Master Fund Limited.
- (4) Long Investment Management International Limited is deemed to be interested in the Alliance Shares held by LIM Asia Special Situations Master Fund Limited as it owns 100% of the shareholdings in LIM Advisors Limited, which is in turn the investment manager of LIM Asia Special Situations Master Fund Limited.
- (5) George W. Long is deemed to be interested in the Alliance Shares held by LIM Asia Special Situations Master Fund Limited as he owns 100% of the shareholding in Long Investment Management International Limited, which in turn owns 100% of the shareholdings in LIM Advisors Limited, the investment manager of LIM Asia Special Situations Master Fund Limited.
- (6) Lim Keng Hock Jonathan is deemed to be interested in the Alliance Shares held by Citibank Nominees Singapore Pte Ltd in favour of Bank of Singapore Limited and his spouse, Mdm Ting Hong Lean Marilyn.
- (7) Mdm Ting Hong Lean Marilyn is deemed to be interested in the Alliance Shares held by her spouse, Lim Keng Hock Jonathan.
- (8) Deemed interests arising by virtue of (a) Credit Suisse AG having an interest, or (b) Section 4 of the SFA in Alliance Shares over which subsidiaries/affiliates of Credit Suisse AG have an interest, by reason of the ability to exercise voting discretion and to acquire/dispose of those shares.
- (9) Deemed interests arising by virtue of (a) Credit Suisse Group AG having an interest, or (b) Section 4 of the SFA in Alliance Shares over which subsidiaries/affiliates of Credit Suisse Group AG have an interest, by reason of the ability to exercise voting discretion and to acquire/dispose of those shares.

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Save as disclosed in this Circular, none of the Alliance Directors or controlling shareholders of Alliance (other than in his/her capacity as an Alliance Director or Alliance Shareholder), as well as their respective associates, has any interest, direct or indirect, in the Proposed Resolutions.

13. ABSTENTIONS FROM VOTING

13.1 No abstentions required in respect of Ordinary Resolution 1 in relation to the Proposed Scheme

No party is required to abstain from voting on Ordinary Resolution 1 in relation to the Proposed Scheme.

13.2 Abstentions in respect of Ordinary Resolution 2 in relation to the Proposed Increase to Non-Executive Director Fees

Under section 250BD of the Corporations Act, a vote on Ordinary Resolution 2 must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member. Please refer to the "Voting Exclusion Statement" in the Notice of EGM for further details.

As Alliance Directors are deemed to be Key Management Personnel, all Alliance Directors and/or their Closely Related Parties shall therefore abstain from voting in respect of their holdings of Alliance Shares (if any) at the Alliance EGM on Ordinary Resolution 2.

13.3 No abstentions required in respect of Special Resolution 1 in relation to the Proposed Amendments to the Constitution in connection with the Proposed Dual Listing

No party is required to abstain from voting on Special Resolution 1 in relation to the Proposed Amendments to the Constitution in connection with the Proposed Dual Listing.

14. EXTRAORDINARY GENERAL MEETING

The Alliance EGM, notice of which is set out on pages N-1 to N-4 of this Circular, will be held at The SAF Warrant Office and Specialist Club, Carnation Room 1 & 2, Level 3, 48 Boon Lay Way, Singapore 609961 on 21 September 2018 at 2:00 p.m. (Singapore time) for the purpose of considering and, if thought fit, passing with or without modifications, the Proposed Resolutions set out in the Notice of EGM.

15. ACTIONS TO BE TAKEN BY ALLIANCE SHAREHOLDERS

15.1 Appointment of Proxies

Alliance Shareholders who are unable to attend the Alliance EGM and wish to appoint a proxy to attend and vote at the Alliance EGM on their behalf must complete, sign and return the proxy form attached to this Circular in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at Lakeside Corporate Building Unit 6, 24 Parkland Road, Osborne Park, WA 6017, Australia, or the Company's share registrar's office at Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before

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the time fixed for the Alliance EGM. The completion and return of a proxy form by an Alliance Shareholder does not preclude him/her from attending and voting in person at the Alliance EGM should he subsequently decide to do so, although the appointment of the proxy shall be deemed to be revoked by such attendance.

15.2 When Depositor is regarded as an Alliance Shareholder

A Depositor shall not be regarded as a shareholder of the Company entitled to attend the Alliance EGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the Alliance EGM.

15.3 Conditionality of Ordinary Resolution 2 and/or Special Resolution 1 on Ordinary Resolution 1

Alliance Shareholders are to note that the passing of Ordinary Resolution 2 and/or Special Resolution 1 is conditional upon the passing of Ordinary Resolution 1. This means that if Ordinary Resolution 1 is not approved by Alliance Shareholders at the Alliance EGM, Ordinary Resolution 2 and/or Special Resolution 1 will not pass.

15.4 Note to Alliance Shareholders

Consequences of failing to pass Special Resolution 1

Alliance Shareholders should note that if Special Resolution 1 is not approved by Alliance Shareholders, the **Proposed Scheme is unlikely to proceed** as the Proposed Amendments to the Constitution pursuant to Special Resolution 1 are required to enable the condition precedent relating to the admission of Alliance to the official list of the ASX to be satisfied.

Unless the condition precedent relating to Alliance's admission to the official list of the ASX is waived by Alliance and Tawana, the Proposed Scheme will not proceed. Tawana does not intend on waiving this condition.

Consequences of failing to pass Ordinary Resolution 2

Alliance Shareholders should also note that if Ordinary Resolution 2 is not approved, the **Proposed Scheme may not proceed** as the amendment to increase non-executive director fees is required to enable the expanded Merged Group Board to be constituted as contemplated by the Scheme Implementation Agreement.

If Alliance Shareholders do not pass Ordinary Resolution 2, Alliance will have to discuss with the new Directors of the Merged Group Board whether they will agree to become Directors for no directors' fees.

If the new Directors do not agree to join the Merged Group for no directors' fees, the benefit of the experienced Merged Group Board will not be realised. There is also a risk that the Proposed Scheme may not proceed if Tawana Shareholders and/or the Court do not approve the Proposed Scheme as the composition of the Merged Group Board will be different to the terms of the Proposed Scheme currently proposed.

LETTER TO SHAREHOLDERS

ACCORDINGLY, ALLIANCE SHAREHOLDERS SHOULD NOTE THAT THE PROPOSED SCHEME MAY NOT PROCEED IF ORDINARY RESOLUTION 2 AND/OR SPECIAL RESOLUTION 1 IS NOT APPROVED.

16. RESPONSIBILITY STATEMENTS

16.1 Directors

The Alliance Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Scheme, the Proposed Increase to Non-Executive Director Fees and the Proposed Amendments to the Constitution in connection with the Proposed Dual Listing and Alliance, and the Alliance Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Alliance Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

16.2 Financial Advisers

To the best of the Singapore Financial Adviser's and Australia Financial Adviser's knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Scheme, the Proposed Increase to Non-Executive Director Fees and the Proposed Amendments to the Constitution in connection with the Proposed Dual Listing and Alliance, and the financial advisers are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the financial advisers has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

17. CONSENTS

17.1 Singapore Financial Adviser, PrimePartners Corporate Finance Pte. Ltd.

PrimePartners Corporate Finance Pte. Ltd., the Sponsor, and the Singapore Financial Adviser in respect of the Proposed Scheme, to the Company, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of and references to its name in the form and context in which they appear in this Circular.

17.2 Australia Financial Adviser, Sternship Advisers Pty. Ltd.

Sternship Advisers Pty. Ltd., the Australia Financial Adviser to the Company in respect of the Proposed Scheme, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of and references to its name in the form and context in which they appear in this Circular.

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17.3 Independent Qualified Person, CSA Global Pty Ltd

CSA Global Pty Ltd, the Independent Qualified Person in respect of the Independent Qualified Person's Report, has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion of its name and the Independent Qualified Person's Report as set out in Appendix A to this Circular and all references thereto, in the form and context in which they appear in this Circular.

17.4 Independent Valuer, SRK Consulting (Australasia) Pty Ltd

SRK Consulting (Australasia) Pty Ltd, the Independent Valuer in respect of the Independent Valuation Report, has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion of its name and the Independent Valuation Report as set out in Appendix B to this Circular and all references thereto, in the form and context in which they appear in this Circular.

17.5 Auditor, Ernst & Young

Ernst & Young, the Independent Auditor to Alliance and Tawana has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion of its name and all references thereto as the auditor of Alliance and Tawana, in the form and context in which they appear in this Circular.

17.6 Independent Practitioner, Ernst & Young Transaction Advisory Services Limited

Ernst & Young Transaction Advisory Services Limited, the Independent Practitioner in respect of the Reasonable Assurance Report on the Compilation of Unaudited Pro Forma Historical Financial Information of the Merged Group, has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion of its name and the Reasonable Assurance Report on the Compilation of Unaudited Pro Forma Historical Financial Information of the Merged Group as set out in Appendix D to this Circular and all references thereto, in the form and context in which they appear in this Circular.

18. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of Alliance at Lakeside Corporate Building Unit 6, 24 Parkland Road, Osborne Park, WA 6017, Australia and at the office of Opal Lawyers LLC at 30 Raffles Place, #19-04 Chevron House, Singapore 048622 during normal business hours from the date of this Circular up to and including the date of the Alliance EGM:

- (a) the existing Constitution;
- (b) the New Constitution;
- (c) the Scheme Implementation Agreement;
- (d) the annual report of Alliance for FY2017;
- (e) the annual reports of Tawana for the financial years ended 31 December 2016 and 31 December 2017;

LETTER TO SHAREHOLDERS

- (f) the binding voting agreements/voting intention statements entered into by Alliance Shareholders in respect of the Proposed Scheme;
- (g) the Independent Qualified Person's Report;
- (h) the Independent Valuation Report; and
- (i) the Independent Practitioners' Reasonable Assurance Report on the Compilation of Unaudited Pro Forma Historical Financial Information of the Merged Group.

Yours faithfully

For and on behalf of the Board of Directors of
ALLIANCE MINERAL ASSETS LIMITED

Pauline Gately
Executive Chairperson

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CSA Global
Mining Industry Consultants

**INDEPENDENT
QUALIFIED PERSONS
REPORT**

**Bald Hill Tantalum and
Lithium Project,
Western Australia**

Prepared for
Alliance Mineral Assets Limited

CSA Global Report N° R356.2017

9 August 2018

www.csaglobal.com

APPENDIX A – INDEPENDENT QUALIFIED PERSON’S REPORT

ALLIANCE MINERAL ASSETS LIMITED
INDEPENDENT QUALIFIED PERSONS REPORT – BALD HILL MINERAL RESOURCE ESTIMATE UPDATE



Report prepared for

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Division	Corporate

Report information

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Author and Reviewer of the Independent Qualified Persons Report (IQPR)

Name	Position	Role	Professional designation	Employer	Independent of AMA
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Karl Van Oden	Principal Mining Engineer	Competent Person for Ore Reserves	FAusIMM	CSA Global	Yes
Graham Jeffress	Geologist	Peer Reviewer	FAusIMM	CSA Global	Yes
Ivy Chen	Consulting Geologist	Peer Reviewer	MAusIMM	CSA Global	Yes
Aaron Green	Director and Geologist	Overall supervision	MAIG	CSA Global	Yes

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APPENDIX A – INDEPENDENT QUALIFIED PERSON’S REPORT

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Executive Summary

The Bald Hill Tantalum and Lithium Project (“Bald Hill Project” or “the Project”) is located within the state of Western Australia (WA), approximately 580 km east of the state capital, Perth within the Eastern Goldfields Province of the Archaean Yilgarn Block. The Bald Hill Project area is located about 60 km southeast of the mining town, Kambalda, and 50 km east of Widgiemooltha in the Coolgardie Mineral Field of WA (Figure 1).

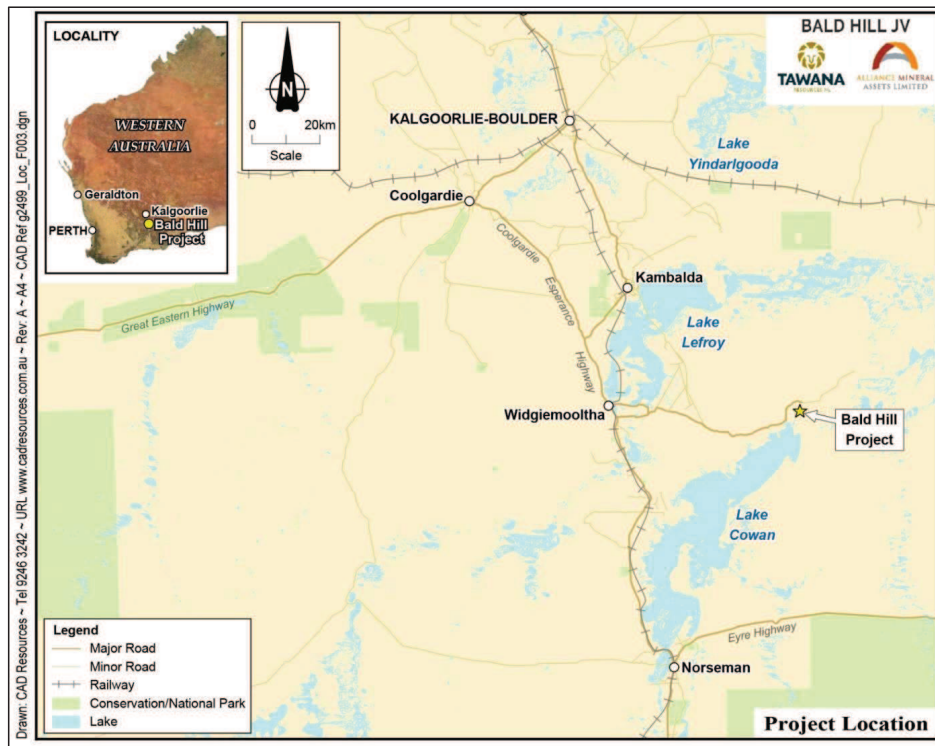


Figure 1: Location map of the Bald Hill Tantalum and Lithium Project

Alliance Mineral Assets Limited (“AMAL” or “the Company”) has a portfolio of mineral tenements covering approximately 79,400 ha comprising mining leases, exploration licences, prospecting licences, miscellaneous licences and a general-purpose lease, and a retention lease.

AMAL’s primary interest in the area is tantalum and lithium mineralisation hosted in a series of pegmatite sheets and veins intruded into an Archaean metasediment sequence. These sheets and veins are developed along a north-south trend and vary in geometry, extent and dip, both to the west and east. The pegmatites contain tantalite (tantalum ore), spodumene, columbite, cassiterite and other accessory minerals. A tantalite and spodumene resource has been identified at the Bald Hill Project and the development of this resource is the primary objective of AMAL and its joint venture (JV) partner, Lithco No.2 Pty Ltd (Lithco), a wholly-owned subsidiary of Tawana Resources NL (Tawana) which is an Australian Securities Exchange (ASX) publicly listed company. The exploration potential for additional tantalum and lithium resources on AMAL’s tenements is considered high, based on previous exploration results.

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Modern exploration for tantalum commenced in the area in the early 1980s and continued in campaigns by several companies until 2000, when a feasibility study established the technical and economic viability for an open-pit mine with an on-site process plant to produce a tantalite-bearing concentrate. Mining and processing operations were profitably undertaken by Haddington International Resources Limited (Haddington) from 2001 to 2005, when operations ceased after then current market conditions forced their sole customer, Gwalia Consolidated Limited’s Greenbushes Tin mine, to stop buying the Bald Hill mine’s concentrates. At the time of mine closure, Haddington reported that there was approximately 2.0 million tonnes (Mt) of Indicated Mineral Resources remaining in and adjacent to several open pits. The mine site was put into care and maintenance in 2005, but Haddington continued exploration over the property until 2009.

In 2009, Living Waters Mining (Australia) Pty Ltd (Living Waters) acquired the Project from Haddington and also acquired a number of additional tenements north of the main Project area. The Property was transferred to HRM Resources Australia Limited (HRM) via a Sale and Purchase Agreement on 20 December 2010. On 13 March 2014, HRM changed its name to Alliance Mineral Assets Limited, and on 25 July 2014 the Company listed on the Singapore Stock Exchange, Catalist Board.

Between 2009 and 2016, Living Waters (and subsequently, HRM/AMAL) undertook work aimed at re-commissioning the process plant and site preparations for mining the remaining tantalite resources. Some limited exploration north and east of the main mining area was also completed.

AMAL signed a binding terms agreement on 3 June 2016 with Tawana. This agreement granted Tawana sole and exclusive exploration and prospecting rights over all minerals within an area enclosed by the external boundaries of the Company’s tenements, and within an agreed 10 km radius of the tenements. Tawana undertook to spend, by 31 December 2017 (or such later date as mutually agreed by the Parties), a minimum of A\$7.5 million on exploration, evaluation and feasibility (including administrative and other overhead costs in relation thereto) to entitle Tawana to 50% of all rights to lithium minerals from the tenements; and to spend a further A\$12.5 million in capital expenditure required for upgrading and converting the plant for processing ore derived from the tenement area, infrastructure costs, pre-stripping activities and other expenditures including operating costs entitling Tawana to a 50% legal and beneficial interest in the whole Project.

AMAL and Tawana announced on 28 June 2017 that Tawana had earned 50% of all rights to the lithium minerals from the tenements, having spent the required A\$7.5 million on exploration and mine development on the Bald Hill tenements. AMAL and Tawana announced on 24 October 2017 that Tawana had spent the required A\$12.5 million to earn a 50% interest in the Bald Hill Project (being all minerals from the tenements and the processing plant and infrastructure at Bald Hill, located in the Eastern Goldfields, WA), satisfying the Bald Hill JV Agreement with Tawana (via Lithco) and AMAL, each having an equal 50:50 legal and beneficial interest in the Bald Hill Project.

During the past 12 months from the date of this report, Tawana has completed a substantial drilling program and metallurgical testwork which has been followed up with a prefeasibility study (PFS). Tawana has effectively re-drilled the previously reported central deposits and re-estimated the resources for this area, this time including an estimate of the lithium content of these resources.

Since the last Independent Qualified Persons Report (IQPR) in October 2017, Tawana has completed further infill drilling within the area previously reported as Inferred Resources at Central, upgrading these resources to Indicated in these areas. This report covers the updated resource and reserve estimates by CSA Global Pty Ltd (CSA Global) based on the results of this recent drilling, which is reported in accordance with the JORC Code (2012). Figure 2 illustrates the additional drillholes (in red) and Figure 25 illustrates the classified model.

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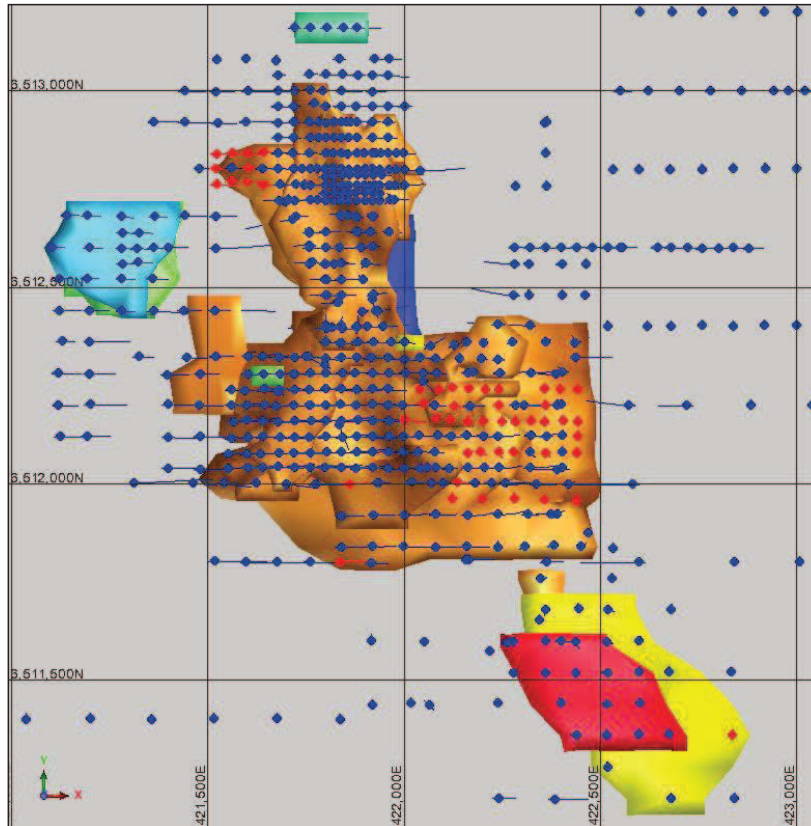


Figure 2: Updated Bald Hill deposit wireframes with additional infill drillholes since previous 11 October 2017 Resource Statement shown in red

Since there was only infill drilling since the last resource report in October 2017, there has been no significant net increase of the Bald Hill Project total resources above the previously reported lower cut-off of 0.5% Li₂O, which remains at 25.7 Mt of tantalite and spodumene ore; however, some 2.7 Mt of the Inferred Resource was upgraded to Indicated. An additional 7.7 Mt of resource was also added between 0.3% Li₂O and 0.5% Li₂O as studies in May 2018 have shown that this lower grade resource can be economically extracted (Table 1). This resource upgrade was followed up with a revised Ore Reserve estimate taking into account the additional Indicated Resources.

This increased Ore Reserves underpins a mine life of 9 years at the current processing rate of 1.2Mtpa. However, given the large quantity of Inferred Resources awaiting infill drilling, strong market demand and superior economics of increased throughput rates, Tawana and AMAL are actively reviewing options for significant expansion in processing capacity and concentrate production.

In addition to resource drilling, Tawana carried out outcrop mapping and sampling on R15/O1 to identify new pegmatites for further drilling. Several outcropping spodumene and tantalite pegmatites were located. A total of 75 rock chip and channel samples were collected over a wide area, of which 54 contained visual spodumene or anomalous lithium, tantalum or tin.

Mining of overburden from the open pit commenced during the last quarter of 2017 with 810,000 bank cubic metres mined in April.

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Production of spodumene concentrate commenced following commissioning of the dense media separation (DMS) plant during the first quarter of 2018. The first shipment of spodumene concentrate was loaded in early May 2018. Tantalite pre-concentrate production at Bald Hill commenced in April with recoveries from the spodumene circuit exceeding expectations. Please note that Table 1 has been depleted for mined pits as at 30 April 2018, and does not include this material.

Table 1: Resource and Reserve summary for Bald Hill outside mined pits as at 30 April 2018
(Resources are inclusive of Reserves)

JORC category	Mineral type	Gross attributable to licence			Net attributable to issuer			
		Tonnes (Mt)	Grade* Ta ₂ O ₅ (ppm)	Grade* Li ₂ O (%)	##Tonnes (Mt)	Grade* Ta ₂ O ₅ (ppm)	Grade* Li ₂ O (%)	#Change from previous update (tonnes %)
Reserves – Central (Tawana, 2017)								
Proved	Tantalum	0.0	0	0.00	0.0	0	0.00	No change
Probable	Tantalum	2.0	313	0.16	1.0	313	0.16	43%
	Subtotal	2.0	313	0.16	1.0	313	0.16	43%
Proved	Tantalum + Lithium	0.0	0	0	0.0	0	0.00	No change
Probable	Tantalum + Lithium	11.3	160	1.01	5.7	160	1.01	163%
	Subtotal	11.3	160	1.01	5.7	160	1.01	163%
TOTAL RESERVES		13.3	183	0.88	6.7	183	0.88	133%
Resources – Creekside (carried over from previous IQPR, by AMC 2014) and Central and Boreline (Tawana, June 2018)								
Measured	Tantalum	0.0	0		0.0	0		No change
Indicated	Tantalum	3.3	340		1.7	340		-14%
Inferred	Tantalum	1.4	340		0.7	340		-18%
	Total	4.7	340		2.4	340		-15%
Resources – Central and Boreline (Tawana, June 2018)								
Measured	Tantalum + Lithium	0.0	0	0.00	0.0	0	0.00	No change
Indicated	Tantalum + Lithium	14.4	168	1.02	7.2	168	0.51	80%
Inferred	Tantalum + Lithium	12.1	123	0.90	6.1	126	0.46	11%
	Total	26.5	149	0.96	13.3	149	0.49	40%

The upgrade of some Inferred Resources from the previous estimate to Indicated has resulted in -ve% change in current gross Inferred Resources and +ve% change in Indicated. However, despite all the drilling since the previous resource estimate being infill drilling, the overall resource tonnes have increased and grades dropped slightly as a result of the lower cut-off grade for the spodumene resources being reduced from 0.5% Li₂O to 0.3% Li₂O in line with the findings of the updated PFS in May 2018.

Since 24 October 2017, Tawana has earned 50% of the total resources and reserves including both their lithium and tantalum content. Previously Tawana had only earned 50% of the lithium content of the resources and reserves (the additional 0.3 Mt difference in the Indicated tonnage derives from Creekside, which is not included in the Tawana tabulation). The reduction of the attributable resource and reserve tonnages reflect this arrangement, not a reduction of the actual resources and reserves.

* AMC (2014) used 100 ppm Ta₂O₅; lower cut-off grade for Creekside, CSA Global used 200 ppm Ta₂O₅ and 0.3% Li₂O as their lower cut-off grade for all other deposits except Creekside.

Tantalite will be recovered from three streams. Primary tantalite ore will be processed through the existing Tantalite Processing Facility (TPF) once it has been refurbished. The TPF comprises a screening and crushing circuit feeding a three-stage spiral circuit. The TPF is expected to come on line in early 2019. Tantalite in -1 mm fines from the spodumene plant is currently being recovered in a separate spiral plant (T2), which was commissioned just after the main spodumene plant. Concentrates containing 2–6% Ta₂O₅ are being stored for later processing over tables which will be installed. This table concentrate will be further upgraded by toll treatment at Nagrom Pty Ltd in the interim. Gravity pre-concentrates produced from the TFP will be combined with tantalite pre-concentrates from T2 and sent to a concentrate upgrade shed for further upgrading by tabling and magnetic separation.

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The final lithium-bearing spodumene concentrate can also contain significant quantities of tantalite, depending on the type of ore being processed. The first shipment contained around 0.8 kg/t tantalite. Plans are currently being finalised to install a relatively low cost stand-alone jigging circuit (T3) to recover the majority of this tantalite before concentrates are shipped.

An offtake agreement is in place at a favourable fixed price for AMAL spodumene concentrate output for the first two years of production. A nonbinding term sheet has also been signed with HC Starck for the supply of a minimum 600,000 pounds of contained tantalum pentoxide to December 2020. AMAL are still in the process of negotiating the terms of a binding definitive agreement.

CSA Global concludes that there are sufficient Ore Reserves at a sufficient grade to warrant AMAL’s planned full-scale mining and production of high-quality tantalite and spodumene concentrates.

The Bald Hill site is an operating mine site with all required permits. Ongoing variations and additional permitting will be required from the Department of Water and Environmental Regulation and the Department of Mines, Industry Regulation and Safety for additional clearing, mining pits or pit extensions, waste dumps, tailing facilities, and water. There are no known impediments to extending the currently permitted active mining area and associated infrastructure.

CSA Global also concludes that there is potential to increase the tantalum and lithium Mineral Resource because there are several prospects that have been previously drill tested and shown to host significant tantalite and spodumene mineralisation. Additionally, there are other prospects where surface sampling and geological mapping has identified tantalite and spodumene mineralisation that requires further exploration.

Negotiations are continuing with the Native Title claimants of the Bald Hill area, the Ngadju people, to gain access to the areas outside the main mining licence (M15/400) for mining and exploration.

CSA Global makes the following recommendations with respect to further evaluating and increasing confidence in the Project:

- Further drilling is recommended to infill the existing wider spaced drilling on the periphery of the current Central resource block currently drilled on an 80 m x 80 m grid, to a grid spacing of 40 m x 40 m to raise the confidence of the Inferred Resource estimates in these areas to Indicated.
- Further drilling is warranted to extend the known resources in all directions from the modelled resource, with extensions to the south and southeast most likely to be relatively shallow with high lithium and tantalum grades.
- In the light of recent mapping and sampling along with historical drilling results, further drilling is warranted on R15/1 to redefine the resources at Creekside and other prospects.
- It may be possible to further refine some of the economic modifying factors with subsequent revisions and updates of the Ore Reserves. Monitoring of any potential mining loss or dilution in ongoing production records will allow these considerations.
- Debottlenecking studies are recommended to investigate increased production through the existing plant.
- Studies are also recommended to investigate the possibility of improving recovery from treatment of fines, and increase throughput, with an additional DMS circuit.

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1 Introduction

This report has been prepared by CSA Global Pty Ltd (CSA Global) at the request of Alliance Mineral Assets Limited (“AMAL” or “the Company”) in relation to reporting of the Mineral Resource and Ore Reserves estimates for the Bald Hill Tantalum and Lithium Project (“Bald Hill Project” or “the Project”).

1.1 Purpose of this Report

This report has been prepared by CSA Global at the request of, and for the sole benefit of AMAL. Its purpose is to provide an updated Independent Qualified Person’s Report (IQPR) of AMAL’s Bald Hill Project, including updated Mineral Resource and Ore Reserve estimates.

The statements and opinions contained in this report are given in good faith and in the belief that they are not false or misleading. The conclusions are based on AMAL’s announcement dated 6 June 2018 with reference to Ore Reserves and resource estimates depleted for mining up to 30 April 2018, and could alter over time depending on exploration results, mineral prices and other relevant market factors.

This report provides updated Mineral Resource and Ore Reserve estimates at the Bald Hill spodumene and tantalite property (“the Property”) located in Western Australia (WA) and owned 50:50 by AMAL and Tawana Resources NL (Tawana). The report has been prepared by CSA Global in accordance with Singapore Exchange Securities Trading Limited (SGX-ST) mineral, oil and gas rules, having been classified and reported using the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia, December 2012 (JORC Code 2012).

Mining for tantalite, a tantalum-bearing mineral (Ta_2O_5), has previously taken place on the Property. AMAL re-established the mining and processing operation during 2015–2016 in preparation for producing a tantalite concentrate. The processing plant at Bald Hill was re-commissioned and a small quantity of concentrate produced from weathered pegmatite mined at Boreline which was transported to Perth and shipped to Japan in 2016. The mining and mineral processing was then suspended again due to the low tantalite concentrate market prices at the time.

A farm-in agreement was then signed with Lithco No.2 Pty Ltd (Lithco), which is now a wholly-owned subsidiary of Tawana (an Australian Securities Exchange (ASX) publicly listed company), whereby Tawana was required to spend A\$7.5 million on exploration related activities to earn 50% of the lithium rights at Bald Hill and an additional A\$12.5 million capital expenditure to earn 50% of the whole Bald Hill Project. Tawana, as required by this agreement, funded an ongoing drilling program, metallurgical testwork and had independent consultant’s model and estimate new Mineral Resources and Ore Reserves for the areas drilled, focusing on the lithium mineralisation. Both Tawana and AMAL announced on 24 October 2017 that Tawana had spent the required A\$12.5 million to earn a 50% interest in the Bald Hill Project (being all minerals from the tenements and the processing plant and infrastructure at Bald Hill, located in the Eastern Goldfields, WA) satisfying the Bald Hill Joint Venture (JV) Agreement with Tawana (via Lithco) and AMAL, each having an equal 50:50 legal and beneficial interest in the Bald Hill Project.

1.2 Use of Report

This report summarises the Mineral Resource and Ore Reserve estimates for the Bald Hill Tantalum and Lithium Project as at 30 April 2018 and should not be used or relied upon for any other purpose. This report has been prepared to meet the SGX Catalist rules and fulfil the requirements specified in Practice Note 4C.

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1.3 Reporting Standard

The SGX Catalist Rules for mineral company listings (Practice Note 4C)¹ require that an IQPR be prepared in accordance with one of several allowable international reporting standards.

For the purposes of this report, CSA Global has adopted the JORC Code (2012)² as the reporting standard. The JORC Code (2012) requires that a public report concerning a company’s exploration targets, exploration results, Mineral Resources, or Ore Reserves must be based on, and fairly reflect, the information and supporting documentation prepared by a Competent Person. SGX Catalist rules also use the term Qualified Person that includes extra provisions in their definition of a Competent Person. In this report, whenever reference is made to a Competent Person it also refers to a Qualified Person as per SGX Catalist rules.

The information in this report that relates to Mineral Resources is based on information compiled by Dr Matthew Cobb, an employee of CSA Global. Dr Cobb takes overall responsibility for the Mineral Resources included in this report as Competent Person. Dr Cobb is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 2012 Edition of the JORC Code. The Competent Person, Dr Matthew Cobb, has reviewed the Mineral Resource statement and consents to the publication of this information in the form and context within which it appears.

The information in this report that relates to Ore Reserves is based on information compiled by Mr Daniel Grosso and reviewed by Mr Karl van Olden, both employees of CSA Global. Mr Karl van Olden takes overall responsibility for the Reserves included in this Report as Competent Person. Mr Karl van Olden is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 2012 Edition of the JORC Code. The Competent Person, Karl van Olden, has reviewed the Ore Reserve statement and consents to the publication of this information in the form and context within which it appears.

1.4 Basis, Scope and Limitations of this Report

This IQPR has been prepared in accordance with the requirements of the JORC Code (2012) as adopted by the Australian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy.

The information presented in this report is based on technical reports provided by AMAL and Tawana, supplemented by CSA Global’s enquiries. At the request of CSA Global, copies of relevant technical reports and agreements were made available. This, coupled with general knowledge of the area and the recent site visit, provides sufficient information to form an opinion as to the current status of the mineral assets. AMAL has provided CSA Global with all available technical, relevant financial and other information required for the purposes of preparing this report.

In performing its services utilising the JORC Code guidelines, CSA Global has relied upon the accuracy and completeness of all material information that has been provided to it by AMAL and its service providers. CSA Global has no reason to believe that the information provided by AMAL or its service providers are materially inaccurate, misleading, or incomplete. CSA Global has not audited the information provided to it. However, it has satisfied itself as to the reasonableness of the information used.

¹ SGX Listing Rules, Practice Note 4C Disclosure Requirements for Mineral, Oil and Gas Companies.

² Australasian Joint Ore Reserves Committee (JORC), Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code), 2012 edn, effective December 2012, 44 pp., available <[http://www.jorc.org/docs/jorc_code2012\(4\).pdf](http://www.jorc.org/docs/jorc_code2012(4).pdf)>, viewed 5 February 2014.

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1.5 Site Visits

CSA Global personnel have visited the Bald Hill site as part of the Project assessments and resource estimates completed by CSA Global. Dr Matthew Cobb, Competent Person for the Mineral Resource estimate, completed a site visit to the Bald Hill deposit during July 2017. Mr Karl van Olden of CSA Global visited the Bald Hill Project in May 2018 and inspected the locations of the open pit, waste dumps, transport corridors, and processing plants. Mr Phil Jones, the project manager for this IQPR, undertook an initial site visit to the Bald Hill Tantalum and Lithium Project for AMAL during March 2015, with other site visits taking place during December 2015, April 2016, August 2016 and November 2016.

1.6 Statement of Independence

This report has been prepared by Mr Philip A. Jones, BAppSc (App. Geol), a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists, a geologist with over 40 continuous years in the industry.

Both Dr Matthew Cobb, being the Competent Person for Mineral Resources and Mr Karl Van Oden, being the Competent Person for Ore Reserves, have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” prepared by the Joint Ore Resources Committee, the Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists.

All the contributors to this IQPR (including Matthew Cobb and Karl Van Olden as Competent Persons) are independent of AMAL, its directors and substantial shareholders. The author does not hold any interests (direct or indirect) in AMAL and its subsidiary or in any mineral properties which are subject to this report. AMAL will be invoiced and expected to pay a fee for the preparation of this report. This fee comprises a normal commercial daily rate plus expenses in accordance to CSA Global’s standard rates and is no way contingent upon the conclusion or findings of this report.

1.7 Tenure

AMAL is 100% holders of 12 exploration licences (EL), one general purpose licence (GPL), 10 miscellaneous licences (L), six mining leases (ML), eight prospecting licences (PL) and one retention licence (RL) – see Table 2 and Figure 3. These tenements covering approximately 79,300 ha are all mineral licences located in the Bald Hill area, approximately 105 km southeast of Kalgoorlie in the Eastern Goldfields of WA. Philip A. Jones independently checked with the WA Department of Mines, Industry Regulation and Safety (DMIRS) and the titles are in good standing as stated below in Table 2.

Table 2: Summary of AMAL tenements at 22 January 2018

Asset name	Holder	Issuer's interest (%)	Development status	Status	Date granted	Licence expiry date*	Area	Unit
E 15/1058	AMAL	100	EL	Live	12-03-2009	11-03-2019	9	block
E 15/1066	AMAL	100	EL	Live	20-08-2009	19-08-2019	23	block
E 15/1067	AMAL	100	EL	Live	20-08-2009	19-08-2019	23	block
E 15/1161	AMAL	100	EL	Live	25-01-2011	24-01-2021	1	block
E 15/1162	AMAL	100	EL	Live	10-01-2011	09-01-2021	3	block
E 15/1166	AMAL	100	EL	Live	31-08-2010	30-08-2020	5	block
E 15/1212	AMAL	100	EL	Live	02-05-2011	01-05-2021	10	block
E 15/1353	AMAL	100	EL	Live	05-08-2013	04-08-2018	70	block
E 15/1492	AMAL	100	EL	Live	23-02-2017	22-02-2022	51	block
E 15/1493	AMAL	100	EL	Live	24-02-2017	23-02-2022	26	block
E 15/1555	AMAL	100	EL	Live	16-03-2017	15-03-2022	20	block

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Asset name	Holder	Issuer's interest (%)	Development status	Status	Date granted	Licence expiry date [#]	Area	Unit
E 15/1556	AMAL	100	EL	Live	16-03-2017	15-03-2022	16	block
G 15/28	AMAL	100	GPL	Live	25-05-2017	24-05-2038	1.4325	ha
L 15/264	AMAL	100	MISC	Live	11-10-2006	10-10-2027	3.85	ha
L 15/265	AMAL	100	MISC	Live	11-10-2006	10-10-2027	2.33	ha
L 15/266	AMAL	100	MISC	Live	11-10-2006	10-10-2027	1.44	ha
L 15/267	AMAL	100	MISC	Live	11-10-2006	10-10-2027	3.56	ha
L 15/268	AMAL	100	MISC	Live	11-10-2006	10-10-2027	5.77	ha
L 15/269	AMAL	100	MISC	Live	11-10-2006	10-10-2027	7.19	ha
L 15/270	AMAL	100	MISC	Live	11-10-2006	10-10-2027	7.49	ha
L 15/348	AMAL	100	MISC	Live	05-09-2014	04-09-2035	3.16	ha
L 15/365	AMAL	100	MISC	Live	19-07-2017	18-07-2038	15.4919	ha
L 15/366	AMAL	100	MISC	Live	19-07-2017	18-07-2038	61.519	ha
M 15/1305	AMAL	100	ML	Live	29-12-2000	28-12-2021	97.89	ha
M 15/1308	AMAL	100	ML	Live	29-12-2000	28-12-2021	92.53	ha
M 15/1470	AMAL	100	ML	Live	13-05-2010	12-05-2031	400	ha
M 15/1840	AMAL	100	ML	Pending			972.6945	ha
M 15/400	AMAL	100	ML	Live	30-08-1988	07-09-2030	501	ha
M 59/714	AMAL	100	ML	Live	27-10-2009	26-10-2030	191.8659	ha
P 15/5465	AMAL	100	PL	Live	21-07-2010	20-07-2018	149	ha
P 15/5466	AMAL	100	PL	Live	21-07-2010	20-07-2018	150	ha
P 15/5467	AMAL	100	PL	Live	21-07-2010	20-07-2018	150	ha
P 15/5862	AMAL	100	PL	Live	15-10-2014	14-10-2018	199.8208	ha
P 15/5863	AMAL	100	PL	Live	15-10-2014	14-10-2018	199.8018	ha
P 15/5864	AMAL	100	PL	Live	15-10-2014	14-10-2018	199.8564	ha
P 15/5865	AMAL	100	PL	Live	15-10-2014	14-10-2018	199.8589	ha
P 15/5866	AMAL	100	PL	Live	15-10-2014	14-10-2018	198.8084	ha
R 15/1 (M15/1811)	AMAL	100	RETENTION	Live	09-06-2010	08-06-2019	973	ha

All licences are for minerals exploration and where applicable mining.

* Block = a graticular block = one minute of latitude x one minute longitude = approximately 3 km².

All the tenements will be renewed, relinquished or converted to MLs by their expiry date depending on their perceived exploration potential after considering the whole project's exploration results and mining plans.

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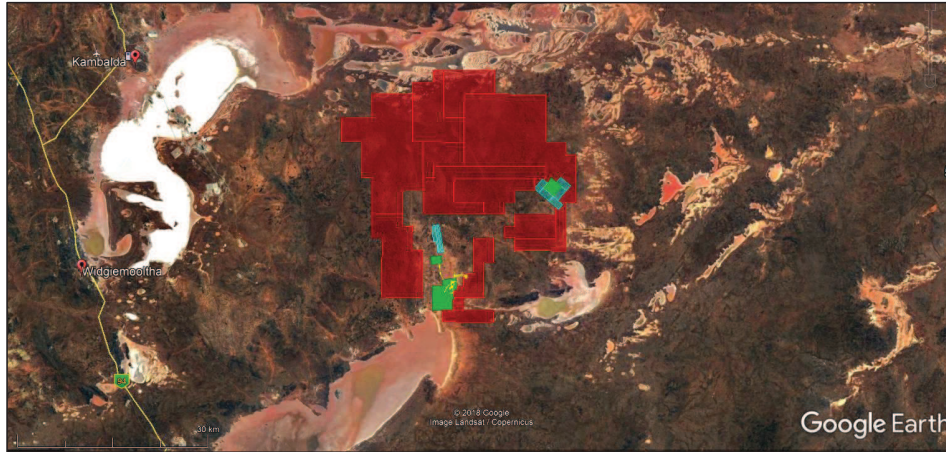


Figure 3: AMAL tenements at 22 January 2018

Note: Green = ML; red = EL, blue = PL, yellow = Misc.

All current mining and processing activities are contained on granted mining lease M15/400 owned by the JV partners and part of a larger tenement package. M15/400 was granted in 1988 and its second extension of term will expire 7 September 2030. It pre-dates Native Title and has been the subject of prior mining and production. Apart from state government royalties, M15/400 is not subject to royalties.

Two additional mining leases are expected to be required within three to five years: an application is currently underway for one of these licences; and an application for the second licence will be made in the coming months. Both areas are currently under tenure owned by the JV partners.

The Bald Hill site is an operating mine site with all required permits. Ongoing variations and additional permitting will be required from the Department of Water and Environmental Regulation (DWER) and the Department of Mines, Industry Regulation and Safety (DMIRS) for additional clearing, mining pits or pit extensions, waste dumps, tailing facilities, and water. There are no known impediments to extending the currently permitted active mining area and associated infrastructure.

1.8 Native Title

There are no local Aboriginal communities on or near to the Project area, although the region is part of the Native Title Claim of the Ngadju-speaking people.

Within WA, the *Native Title Act 1993* (Commonwealth), also referred to as “NTA”, is administered by the State government. This legislation provides for Aboriginal people to claim native title and a process for negotiation and compensation where the land is to be leased out by the State.

Native Title over all the Company’s MLs has been determined to be extinguished, including the main mining lease M15/400, but a State Deed is required before exploration or mining can proceed on the Company’s other tenements. Pending mining lease M15/1811 (currently R15/1) and parts of E15/1212 have been cleared for drilling in the areas covered by Program of Works (POW) number 60176 which covers the Tawana 2017 drilling program.

The mining lease application (M15/1811) over the retention licence (R15/1) containing the known Creekside and Fenceline prospects, is now subject to stakeholder consultations and negotiations with the Native Title Holders.

Regional Standard Heritage Agreements are in place for the ELs and PLs.

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All areas proposed for disturbance by mining activities have had ethnographic surveys completed that have shown that they are clear of Native Title and included in another Mining Proposal that is being assessed for mining by the DMIRS. An ethnographic survey has also been completed for Creekside Pit on R15/1 but no Mining Proposal has as yet been submitted to the DMIRS for mining this deposit.

Should AMAL propose to disturb areas that have not been surveyed or cleared of Aboriginal heritage issues, further ethnographic surveys will be carried out. AMAL will liaise with the Goldfields Land and Sea Council regarding a Regional Standard Heritage Agreement for each new area to be disturbed.

1.8.1 Royalty

A royalty is payable to the Western Australian government for all tantalite, spodumene and other minerals produced at Bald Hill. The royalty is as follows:

- Concentrate material (subject to substantial enrichment through a concentration plant) – 5.0% of the royalty value
- Metal – 2.5% of the royalty value.

This system takes into account processing costs incurred after the mine-head point, price fluctuations, the grade of material and the change in the value as mined ore is processed and value is added.

An ad valorem royalty is calculated as a proportion of the “royalty value” of the mineral. The “royalty value” and components used to calculate the “royalty value” are defined under Regulation 85 of the *Mining Regulations 1981* (WA).

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2 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Bald Hill Project is located in the Eastern Goldfields of WA approximately 50 km due east of Widgiemooltha, 62 km southeast of Kambalda and 105 km southeast of Kalgoorlie, (Figure 4). Access to site is via a well-maintained gravel road for 65 km from the bitumen Coolgardie–Esperance Highway. The site is accessible all year round except during periods of high rainfall when the gravel road may be closed by the Shire for short periods to prevent damage to the road by the passing traffic until the road dries out.



Figure 4: Location map of the Bald Hill Tantalum and Lithium Project

Bald Hill has a semi-arid climate, with the closest weather stations at Norseman, Balladonia and Kalgoorlie–Boulder recording annual rainfall averages to 2007 of 288 mm, 225 mm and 261 mm respectively. Rainfall is most consistent during the winter months. However, isolated thunderstorms and remnants of tropical cyclones in the summer months provide sporadic and heavy downfalls that produce substantial runoff. Temperatures in the summer months commonly exceed 35°C, and minimum temperatures during winter commonly drop below 5°C with occasional frosts.

Table 3: Climate data for Kalgoorlie (100 km to northwest)

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
Record high (°C)	46.5	44.9	44.5	38.9	33.4	27.6	28.7	32	36.8	40.9	42.9	45	46.5
Average high (°C)	33.6	32.1	29.5	25.2	20.6	17.5	16.7	18.6	22.3	25.8	28.9	31.9	25.2
Average low (°C)	18.2	17.8	16	12.6	8.7	6.2	5	5.5	8	11	14	16.5	11.6
Record low (°C)	8.8	8.5	5.7	1.7	-1.8	-3.0	-3.4	-2.4	-0.6	-1.0	3.1	5.5	-3.4
Average precipitation (mm)	23.6	31.2	24	21.3	26.5	28.9	24.9	21.4	14	14.8	17.8	16.4	264.8
Average precipitation days (≥0.2 mm)	3.9	4.5	4.3	5.3	7.1	8.7	9.2	7.5	5.6	4.3	4.1	3.8	68.3

Source: after Wikipedia

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The physiography of the Bald Hill area is largely controlled by basement rock types that have been overlain by extensive regolith and the Cowan paleo-drainage system that incised the regolith during the Jurassic.

Relief is typically low with areas dominated by granitic rocks forming an irregular terrain of gentle undulations interspersed by sheet wash zones and deep regolith cover with clay pans and sink holes. The metasedimentary rocks and minor mafic and ultramafic rocks are overlain by extensive sandplains. The sandplains adjacent to the northern extent of Lake Cowan has an average elevation of about 275 m above Australian Height Datum (AHD) and is part of the south to south-westerly draining Cowan paleo-drainage channel. The northern margin of Lake Cowan is dominated by a broad east-north-easterly trending ridge formed by the Paleoproterozoic Binneringie Dyke, which rises from the lake floor to an elevation of about 320 m above sea level. The Proterozoic Woodline Formation forms large north-easterly trending, rock-covered ridges and small, isolated conical hills.

A great deal of the original woodland vegetation was cleared for timber for mining operations in the middle of the last century. However, stands of trees untouched by fire or timber cutters indicate a dominance of mixed woodland to open woodland with saltbush understorey. The broad low ridges and sheet wash plains that dominate the Bald Hill area are mainly covered by mixed eucalypt woodland including *Eucalyptus salmonophloia* (salmon gum), *Eucalyptus salubris* (gimlet), *E. flocktoniae* (merrit) and patches of giant mallee (*E. oleosa*) and black butt (*E. lesouefi* i, *E. dundasii*). The eucalypts are intermingled with tall shrubs dominated by broom bush (*Eremophila scoparia*), grey bush (*Cratystylis concephala*), bluebush (*Maireana sedifolia*), and saltbush (*Atriplex vesicaria*), with a patchy ground layer of grasses and ephemeral herbs.

Wattle, mulga (*Acacia* sp.), and broom bush are common on granite-derived soils. Shrubs observed less frequently include *Exocarpos aphyllus*, *Santalum acuminatum* (quandong), and *Santalum spicatum* (sandalwood). In areas where there is a sandy outcrop of granitic rock, tall trees are absent and replaced by thickets of broom bush (*Eremophila scoparia*). Where there are thick patches of sand overlying granitic rocks, a rich Kwongan flora grow, including sedges such as *Lepidosperma drummondii*. Patches of spinifex are common on granitic and felsic volcanic rocks.

In and around the playa lake system, vegetation is dominated by samphire (*Halosarcia* sp.), saltbush, bluebush, and greybush. Rounded-leaf pigface (*Disphyma crassifolium*) commonly grows where quartz dykes are exposed in the salt-lake beds and lake edges.

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3 Exploration and Mining History

Alluvial tantalite has been mined at Bald Hill periodically from the early 1970s. Gwalia Consolidated Limited (Gwalia) undertook exploration for tantalite-bearing pegmatites from 1983 to 1998 including mapping, costeaning and several phases of drilling using rotary air blast (RAB), reverse circulation (RC) and diamond coring methods. This work identified mineral resources that were considered uneconomic at the time.

Haddington International Resources Limited (Haddington) entered into an agreement with Gwalia’s subsidiary, Greenbushes Tin, to develop the resource whereby the tantalite concentrate would be sold to Greenbushes Tin. Mining commenced in 2001 and continued until 2005 when Greenbushes Tin no longer took third party concentrates for processing. It is estimated that Haddington had mined a total of approximately 1.35 million tonnes (Mt) of pegmatite ore for approximately 822,353 pounds of Ta₂O₅ as tantalite concentrate sold to Greenbushes Tin during this period.

Haddington continued with exploration until 2009 when Living Waters Mining (Australia) Pty Ltd (Living Waters) acquired the Project along with a number of additional tenements north of the main Project area. Living Waters continued with limited exploration to the north of the main pit area.

The Property was transferred to HRM Resources Australia Limited (HRM) on 20 December 2010. On 13 March 2014, HRM changed its name to Alliance Mineral Assets Limited. AMAL continued with RC drilling, especially testing for extensions of the Boreline, North and South open pits, until the Tawana JV Agreement was signed. AMAL mined the oxide pegmatite resource at Boreline as part of the commissioning of the Company’s processing plants at both Bald Hill and Boulder in early 2016.

AMAL signed a binding terms agreement on 3 June 2016 with Lithco, a wholly-owned subsidiary of Tawana. This agreement granted Tawana sole and exclusive exploration and prospecting rights over all minerals within an area enclosed by the external boundaries of the Company’s tenements and within an agreed 10 km radius of the tenements. Tawana undertook to spend by 31 December 2017 a minimum of A\$7.5 million on exploration, evaluation and feasibility (including administrative and other overhead costs in relation thereto) to entitle Tawana to 50% of all rights to lithium minerals from the tenements; and to spend a further A\$12.5 million in capital expenditure required for upgrading and converting the plant for processing ore derived from the tenement area, infrastructure costs, pre-stripping activities and other expenditures including operating costs entitling Tawana to a 50% legal and beneficial interest in the whole Project.

On 28 June 2017, Tawana announced that it had earned their 50% of all rights to the lithium minerals from the tenements, having spent the required A\$7.5 million on exploration and mine development on the Bald Hill tenements.

Furthermore, on 24 October 2017, Tawana announced it had spent the required A\$12.5 million to earn a 50% interest in the Bald Hill Project (being all minerals from the tenements and the processing plant and infrastructure at Bald Hill, located in the Eastern Goldfields, WA), satisfying the Bald Hill JV Agreement with Tawana (via Tawana) and AMAL, each having an equal 50:50 legal and beneficial interest in the Bald Hill Project.

During the past year from the date of this report, Tawana has completed a substantial drilling program and metallurgical testwork that has been followed up with a prefeasibility study (PFS). Tawana has effectively redrilled the previously reported central deposits and re-estimated the resources for this area, this time including an estimate of the lithium content of these resources. Since the last IQPR in October 2017, Tawana has further extended the drilling to the south and east of the previously reported tantalite only resource at Boreline and upgraded parts of the Inferred Resources at Central to Indicated by infilling the wide spaced drilling in these areas.

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In addition to resource drilling, Tawana carried out outcrop mapping and sampling on the retention licence R15/01 immediately east of the main mining lease M 15/400 to identify new pegmatites for further drilling. Several outcropping spodumene and tantalite pegmatites were located. A total of 75 rock chip and channel samples were collected over a wide area, of which 54 contained visual spodumene or anomalous lithium, tantalum or tin.

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4 Geological Setting and Mineralisation

4.1 Regional Geology

Bald Hill straddles the boundary between the Geological Survey of Western Australia (GSWA) map sheets Mount Belches and Yardina and lies within the southern part of the Eastern Goldfields Super-terrane of the Archean Yilgarn Craton. Granitic and metasedimentary rocks are the main bedrock types, with greenstones to the east and west. The Bald Hill pegmatites intrude the Archean Mount Belches Formation. Flat-lying Cainozoic Eundynie Group sedimentary rocks unconformably overlie the Archean basement and are commonly found on the western margins of playa lakes.

Open to tight upright D2 folds are well developed in metamorphosed sedimentary rocks of the Mount Belches Formation. D2 folds have a well-developed axial-planar foliation and fold axes plunge moderately to the northwest and are the result of east-northeast west-southwest crustal shortening. Regional metamorphism, which probably post-dates D2, ranges from greenschist to amphibolite grade and is overprinted by retrograde chlorite replacing garnet and cordierite. Gentle warping of D2 folds is rare, but is attributed to the collision of the south-eastern margin of the Yilgarn Craton with East Antarctica as part of the Mawson Craton during the 1,345–1,140 Ma Albany–Fraser Orogeny (D5). D5 Albany–Fraser Orogeny-related deformation is also observed in the Proterozoic rocks of the Woodline Formation, with fold axes of open upright folds and gentle warps trending northeast and broadly parallel to the Yilgarn Craton – Albany–Fraser Orogeny contact.

Archean granitic rocks to the west of Bald Hill are dominated by massive to moderately foliated monzogranites to quartz monzonites (–biotite–hornblende). Minor rock types include syeno-granites and a clinopyroxene-bearing syenite.

4.2 Mount Belches Formation

The Mount Belches Formation is a thick sequence of metamorphosed turbiditic rocks. The Mount Belches Formation is a large fault bound block of metasedimentary rocks that forms a dome above a series of large granitic bodies. Sensitive high-resolution ion microprobe (SHRIMP) U–Pb zircon ages on detrital zircons from Mount Belches Formation sandstone indicate maximum depositional ages of $2,666 \pm 5$ Ma (Krapez *et al.*, 2000) or c. 2,667 Ma (Bodorkos *et al.*, 2006). The sequence probably represents deposition by mass-flow traction and turbidity currents in a submarine environment (Painter and Groenewald, 2001).

Mount Belches Formation rocks are dominated by metamorphosed steeply dipping, fine- to coarse-grained sandstone, siltstone and mudstone, with minor conglomerate. Banded iron formation and chert do not outcrop; however, aeromagnetic data suggests folded chert at depth beneath Proterozoic rocks of the Woodline Formation and Cainozoic sediments. The sandstone–siltstone sequences commonly display graded bedding, parallel and cross-laminations, scours, Bouma sequences, and soft-sediment deformation. Many beds have mudstone as the uppermost interval (now dominated by medium-grained metamorphic biotite or amphibole). In thin section, the coarse-grained sandstones and granular conglomerates contain relict detrital-quartz grains (up to 5 mm) interspersed with biotite clots and poikiloblastic plagioclase crystals, with subordinate hornblende, chlorite, muscovite and carbonate, and accessory magnetite, zircon, titanite, tourmaline, pinitized cordierite and apatite. A similar mineral assemblage is found in the mudstone layers, but staurolite, andalusite and garnet are present where the metamorphic grade is higher and there is a strong schistosity.

Hornfelsed and metasomatized units of the Mount Belches Formation are most common where metasedimentary rocks are intruded by granitic plutons and dykes, pegmatite veins, quartz veins, as at Bald Hill and the Binnergie Dyke.

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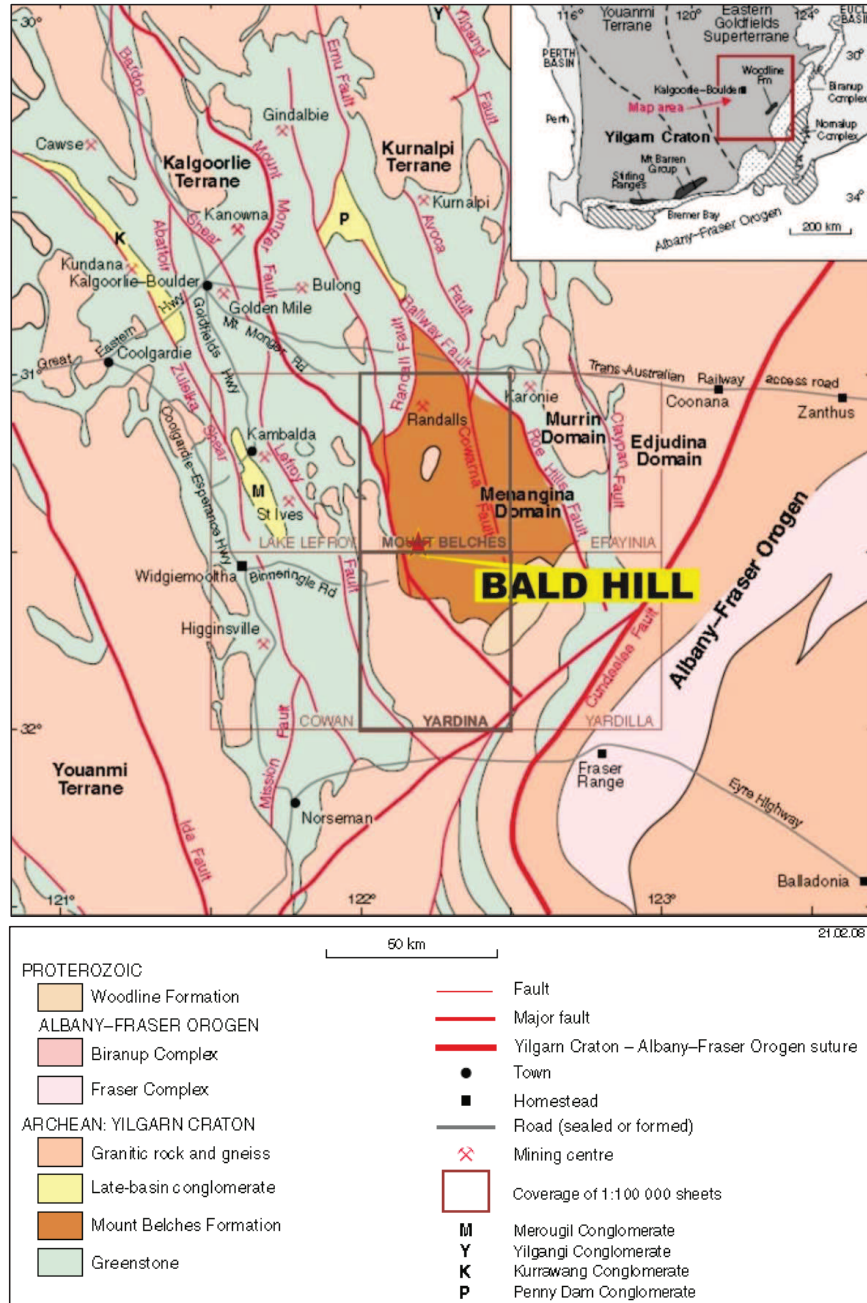


Figure 5: Regional geology (after Hall and Jones, 2008)

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4.3 Pegmatites

Pegmatite dykes and pods, probably Archaean, are common at Bald Hill where they intrude metasedimentary rocks of the Mount Belches Formation and granitic rocks. The pegmatite dykes typically comprise very coarse feldspar, books of muscovite, spodumene and interstitial quartz. Pegmatites are particularly abundant in the Mount Belches Formation near outcrops of granites that are near north-north westerly trending lineaments, faults, or granitic dykes. Thin (centimetre sized) contact metamorphic haloes are present where the pegmatite intrudes metasedimentary rock, and intense quartz veining is localised around some pegmatite dykes and plugs.

Pegmatite dykes 1–8 m thick that intrude the Mount Belches Formation were mined by the previous operators, Haddington, at the Bald Hill mine for tantalum from tantalite and by prospectors in several small workings for tin. The lithium bearing mineral spodumene, although known to be widespread, had not been mined in the past, mainly due to the low prevailing market price for spodumene concentrates.

4.4 Economic Minerals at Bald Hill

The two main minerals of economic importance at Bald Hill are tantalite (tantalum) and spodumene (lithium).

4.4.1 Tantalum

Tantalum is a chemical element with symbol Ta and atomic number 73. Tantalum is a rare, hard, blue-grey, lustrous transition metal that is highly corrosion-resistant. It is part of the refractory metals group, which are widely used as minor components in alloys. The chemical inertness of tantalum makes it a valuable substance for laboratory equipment and a substitute for platinum. Tantalum is also used for medical implants and bone repair. Its main use today is in tantalum capacitors in electronic equipment such as mobile phones, DVD players, video game systems and computers. Tantalum, always together with the chemically similar niobium, occurs in the minerals tantalite, columbite and coltan (a mix of columbite and tantalite). Tantalum is a rare metal 15 times less abundant in the universe than gold comprising just $1.5 \times 10^{-4}\%$ (average approx. 1.5 ppm) of the Earth’s crust.

Several steps are involved in the extraction of tantalum from tantalite. First, the mineral is crushed and concentrated by gravity separation. This is generally carried out near the mine site. Extraction from the mineral begins with leaching, a step in which the ore is treated with hydrofluoric acid and sulphuric acid to produce water-soluble hydrogen fluorides. The tantalum and niobium hydrogen fluorides are then removed from the aqueous solution by liquid-liquid extraction using organic solvents, such as cyclohexanone or methyl isobutyl ketone. The resulting niobium and tantalum potassium-fluorides ($K_2[TaF_7]$, $K_2[NbOF_5]$) can then be separated by fractional crystallization due to their different water solubilities.

All welding of tantalum must be done in an inert atmosphere of argon or helium in order to shield it from contamination with atmospheric gases. Tantalum is not “solderable”. Grinding tantalum is difficult, especially so for annealed tantalum. In the annealed condition, tantalum is extremely ductile and can be readily formed as metal sheets.

Uses of Tantalum

The major use for tantalum, as the metal powder, is in the production of electronic components, mainly capacitors and some high-power resistors. Tantalum electrolytic capacitors exploit the tendency of tantalum to form a protective oxide surface layer, using tantalum powder, pressed into a pellet shape, as one “plate” of the capacitor, the oxide as the dielectric, and an electrolytic solution or conductive solid as the other “plate”. Because the dielectric layer can be very thin (thinner than the similar layer in, for instance, an aluminium electrolytic capacitor), a high capacitance can be achieved in a small volume. The

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size and weight advantages make tantalum capacitors attractive for portable phones, personal computers, and automotive electronics.

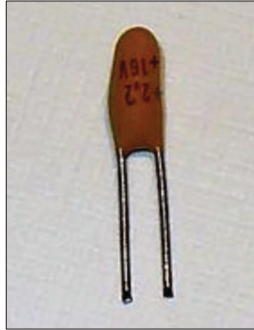


Figure 6: Tantalum electrolytic capacitor (after Wikipedia)

Tantalum is also used to produce a variety of alloys that have high melting points, strength, and ductility ideal for making carbide tools for metalworking equipment and in the production of superalloys for jet engine components, chemical process equipment, nuclear reactors, and missile parts. Tantalum can be drawn into fine wires or filaments, which are used for evaporating metals such as aluminium. Since it resists attack by body fluids and is non-irritating, tantalum is widely used in making surgical instruments and implants.

Tantalum is inert against most acids except hydrofluoric acid and hot sulphuric acid, and hot alkaline solutions also cause tantalum to corrode. This property makes it an ideal metal for chemical reaction vessels and pipes for corrosive liquids.

The oxide is used to make special high refractive index glass for camera lenses.

Based on estimates published by the United States Geological Survey (USGS) and Geoscience Australia, the world reserves of tantalum in 2017 totalled >110 kt. The world’s largest holder of tantalum resource is Australia with an estimated 78 kt, followed by Brazil with 34 kt.

4.4.2 Lithium

Lithium is a chemical element with symbol Li and atomic number 3. It is a soft, silver-white metal belonging to the alkali metal group of chemical elements. Under standard conditions it is the lightest metal and the least dense solid element.

Estimates for the Earth’s crustal content of lithium range from 20 ppm to 70 ppm by weight, making it the 25th most abundant element. Lithium forms a minor part of igneous rocks, with the largest concentrations in granites. Granitic pegmatites provide the greatest abundance of lithium-containing minerals with spodumene, petalite and lepidolite being the most commercially viable sources.

Although lithium markets vary by location, global end-use markets are estimated by the USGS as follows: batteries, 46%; ceramics and glass, 27%; lubricating greases, 7%; polymer production, 5%; continuous casting mould flux powders, 4%; air treatment, 2%; and other uses, 9%. Lithium consumption for batteries has increased significantly in recent years because rechargeable lithium batteries are used extensively in the growing market for portable electronic devices and increasingly are used in electric tools, electric vehicles, and grid storage applications.

According to USGS, three spodumene operations in Australia and two brine operations each in Argentina and Chile accounted for the majority of world lithium production in 2017. All producing mines are increasing their production to meet the expected increased world demand for their product.

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Lithium supply security has become a top priority for technology companies in the United States and Asia. Strategic alliances and joint ventures among technology companies and mining companies continued to be established to ensure a reliable, diversified supply of lithium for battery suppliers and vehicle manufacturers. New brine operations were under development in Argentina, Bolivia, Chile, China, and the United States; new spodumene mining operations were under development in Australia, Austria, Canada, China, Czechia, Finland, Mali, Portugal, and Spain; a jadarite mining operation was under development in Serbia; and lithium-clay mining operations were under development in Mexico and the United States.

Owing to continuing exploration, lithium resources have increased substantially worldwide and the total estimated by the USGS to be more than 48 Mt including identified lithium resources in:

- Argentina – 8.8 Mt
- Bolivia – 8.1 Mt
- Chile – 7.6 Mt
- China – 6.3 Mt
- Australia – 4.5 Mt.



Figure 7: Pegmatite samples with tantalite and spodumene from Bald Hill

4.5 Local Geology

All AMAL’s tenements are located within the Mount Belches Formation, generally north-striking steeply dipping Archaean metasediments (schists and greywackes) and granitoids that in part have been intruded by pegmatite dykes. These dykes are typically flat dipping, but they can range from horizontal to vertical and even can appear folded, and host the tantalum (tantalite), lithium (spodumene) and tin (cassiterite) mineralisation.

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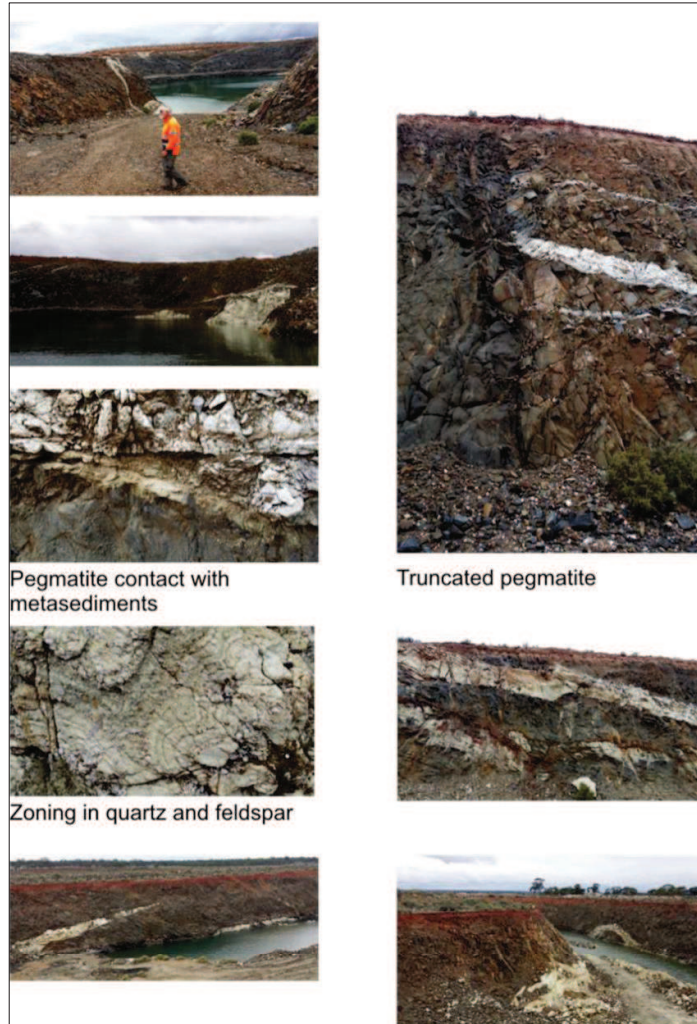


Figure 8: Photos showing pegmatites and their structural orientations

Generally, the pegmatites parallel the regional foliation, occurring as gently dipping sheets and occasionally as steeply dipping veins. These pegmatites vary in width from less than a metre to several metres and are generally comprised of quartz-albite-orthoclase-muscovite-spodumene in varying amounts. Late-stage albitisation in the central part of the main outcrop area has resulted in fine grained, banded, sugary pegmatites with visible fine-grained, disseminated tantalite. A thin hornfels characterised by needle hornblende crystals is often observed as an alteration halo in country rocks adjacent to the pegmatites. Tantalite generally occurs as fine disseminated crystals commonly associated with fine-grained albite zones or as coarse crystals associated with cleavelandite. Laths of crystalline spodumene are ubiquitous in the pegmatites averaging approximately 20–25% of the total pegmatite mineralogy.

Weathering of the pegmatites has yielded secondary accumulations of tantalite in alluvial/eluvial deposits.

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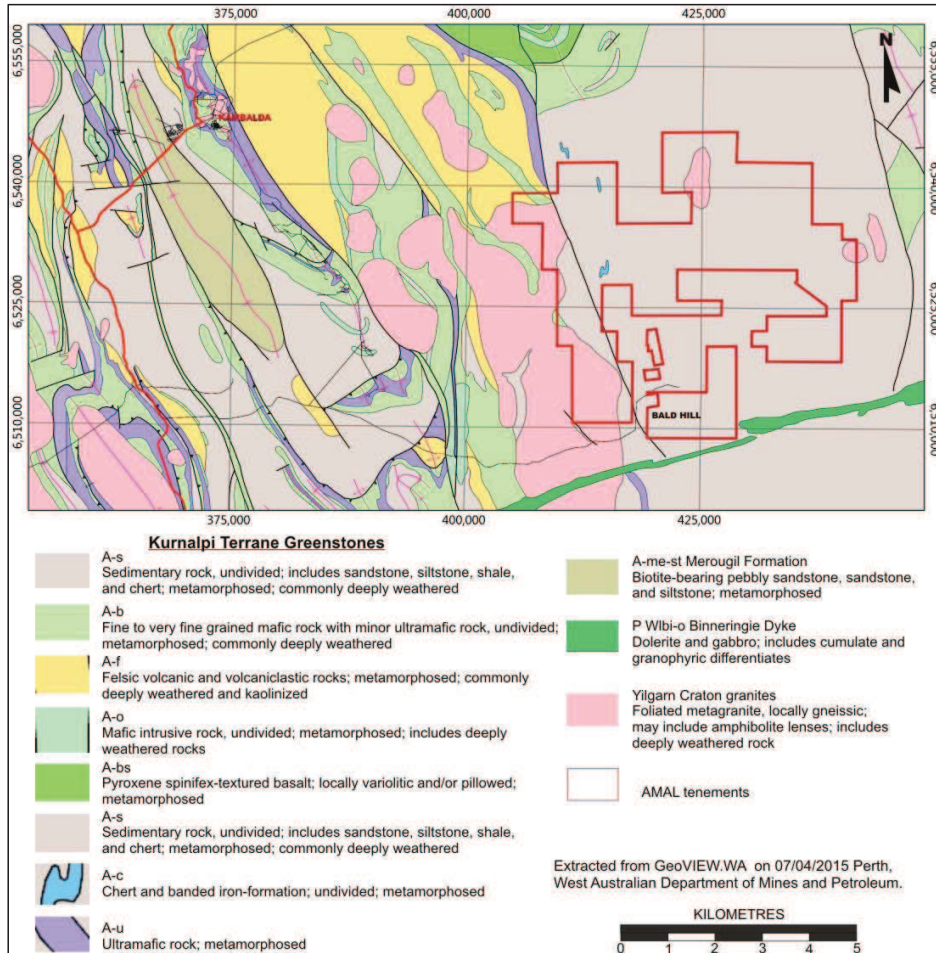


Figure 9: Local geology

Geochemical surveys carried out by Haddington, and confirmed by the December 2015 soil sampling by AMAL, have determined that lithium grades in the soil and bedrock are an excellent indicator of mineralised pegmatites.

Rock chip sampling and mapping, aided by air-photography and satellite imagery, has identified numerous pegmatite outcrops and lithium geochemical exploration targets at Bald Hill. Many of these targets, including mapped pegmatites, are being systematically tested by drilling as part of the Tawana agreement.

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5 Drilling

The Bald Hill deposits have been progressively systematically drilled since Sons of Gwalia commenced their exploration program in 1983. The first phase was exploratory drilling designed to identify the broad location of mineralised pegmatites. These holes were wide spaced vacuum and RAB drilling along wide spaced grid lines.

RAB drilling, being an open hole method, is relatively fast and cheap but the samples can be easily contaminated with material up the hole from the bit, so these drill samples are not normally used for resource modelling. Historically at Bald Hill, these drillholes tended to be only sampled at the end of the hole for a small suite of elements including Li but not Ta as the exploration companies noticed that lithium formed a broad anomalous alteration halo in the country rocks around the pegmatites whereas tantalum did not.

The Li anomalies were then followed up by targeted RC drilling. In RC drilling, the sample passes directly from the drill bit back up through the drilling rods so the samples are less likely to be contaminated with material from further up the hole from the bit. These RC samples are generally suitable for resource modelling; however, the drilling rate is generally slower and more expensive than RAB drilling. Historically, these holes were sampled from the surface at 1 m intervals but only the intervals logged as containing pegmatite were assayed for Ta, but not Li because Li was not considered to be a commercially important mineral at the time.

Because the RC drilling was hardly ever assayed for Li, none of the previous resource estimates include Li although spodumene, through the lithological logging, is known to be widespread at Bald Hill.

Tawana has redrilled, with RC and diamond drill rigs, most of the areas previously drilled for Ta resource modelling as well as extending these areas by drilling for deeper pegmatites. This time the drill samples were assayed for both Li and Ta.

Drilling deeper than previously for mineralised pegmatites is now warranted since on average the value of both the recoverable Ta and Li more than doubles the value of the mineralised pegmatites than when Ta was considered on its own.

5.1 Previous Drilling

A total of 2,444 drillholes and 62 costeans were completed at Bald Hill between 1983 and 2016 for a total of 40,593 m of drilling and 1,610 m of costeaning (Table 4, Table 5 and Figure 10).

Table 4: Drilling and assay statistics (inside AMAL tenements only)

Drill type	Intervals	Li	Ta	Sn	Au
Auger	334	334	0	0	0
Costean	423	0	423	0	0
Diamond	265	0	265	0	0
RAB	904	459	475	7	0
RC	12,577	1,575	8,037	1,845	0
Vacuum	297	296	0	0	288
Total	14,800	2,664	9,200	1,852	288

The majority of drilling (2,312 holes) is vertical with only 132 drillholes inclined at -60° in the database.

For costeans, an azimuth with a zero or small dip is recorded to define their orientation. The orientation and lengths were validated against available maps and electronic datasets.

The water table in the mine site area is at least 15 m below ground surface and confined to steeply dipping, north-south trending shear zones. Local water bore analyses indicate hypersaline water with total dissolved salts (TDS) >200,000 mg/L and pH 5.8–6.95. Groundwater is not likely to have adversely

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affected the RC and diamond samples however there is concern that the RAB intersections below the water table could be contaminated.

The digital drilling database inherited when AMAL purchased the Project was found to contain numerous errors and, especially, missing holes and missing some of the suite of assays analysed. When the extent of the problems became apparent, the database was reconstructed from scratch by Al Maynard and Associates (AM&A) in 2016 by downloading all the historical exploration annual reports filed in the Department of Mines and Petroleum WAMEX website for all AMAL’s tenements and adjacent tenements owned by other parties along strike of the pegmatites at Bald Hill. This drilling and geochemical sampling data was compiled into new “clean” Microsoft Excel spreadsheets. The newly reconstructed database included 634 new drillholes and their assays. Of most importance was a complete set of lithium assays from Haddington’s regional RAB drilling program which included several important lithium anomalies that will assist with the planned lithium exploration focus.

AM&A checked, by referring to original log sheets, the collar locations, drillhole depths, geological logging and assay results for a portion of the database from the 2014 drilling completed by AMAL, and no errors were detected.

Table 5: Summary of drillholes after drilling database reconstructed by AM&A in 2016

Hole series	Type	Date drilled	Operator	Number	Metres drilled	Average depth
C01-C53	Costean	1983	Sons of Gwalia	62	1,610	26.0
H01-H12	RAB	1983	Sons of Gwalia	12	122	10.2
BH85.08-BH85.31	RC	1985	Sons of Gwalia	7	151	21.5
1-69	RC	1987	Sons of Gwalia	69	1,240	18.0
70-231	RC	1988	Sons of Gwalia	162	1,737	10.7
M1-M7	Diamond	1996	Sons of Gwalia	7	98	14.0
RRC01-RRC18	RC	1996	Sons of Gwalia	18	311	17.3
SOG063-SOG725	Vacuum	1996	Sons of Gwalia	334	668	2.0
BHD237-BHD0258	Diamond	2000	Haddington	22	314	14.3
BHC260-BHC341	RC	2001	Haddington	81	2,164	26.7
BHC342-BHC559	RC	2002	Haddington	218	6,563	30.1
BHC560-BHC772	RC	2003	Haddington	188	3,760	20.0
BHR0627-BHR0646	RAB	2003	Haddington	20	349	17.5
BHC885-BHC912	RC	2004	Haddington	28	1,253	44.8
BHR0773-BHR0884	RAB	2004	Haddington	94	2,011	21.4
BHV321-BHV768	Vacuum	2004	Haddington	297	758	2.6
BHA122-280	Auger	2005	Haddington	82	190	2.3
BHC913-BHC1475	RC	2005	Haddington	180	4,053	22.5
BHR1045-BHR1859	RAB	2005	Haddington	313	4,711.5	15.1
BHC1477-BHC1521	RC	2006	Haddington	31	833	26.9
BHR1860-BHR2016	RAB	2006	Haddington	51	1,181.5	23.2
BHSC01-BHSC36	RC	2010	HRM(AMAL)	35	1,309	37.4
AMBC001-AMBC133	RC	2014	AMAL	133	5,206	39.1
Subtotals	RC			1,150	28,580	24.9
	Diamond			29	412	14.2
	RAB			490	8,375	17.1
	Auger			82	190	2.3
	Costean			62	1,610	26.0
	Vacuum			631	1,426	2.3
GRAND TOTAL				2,444	40,593	16.6

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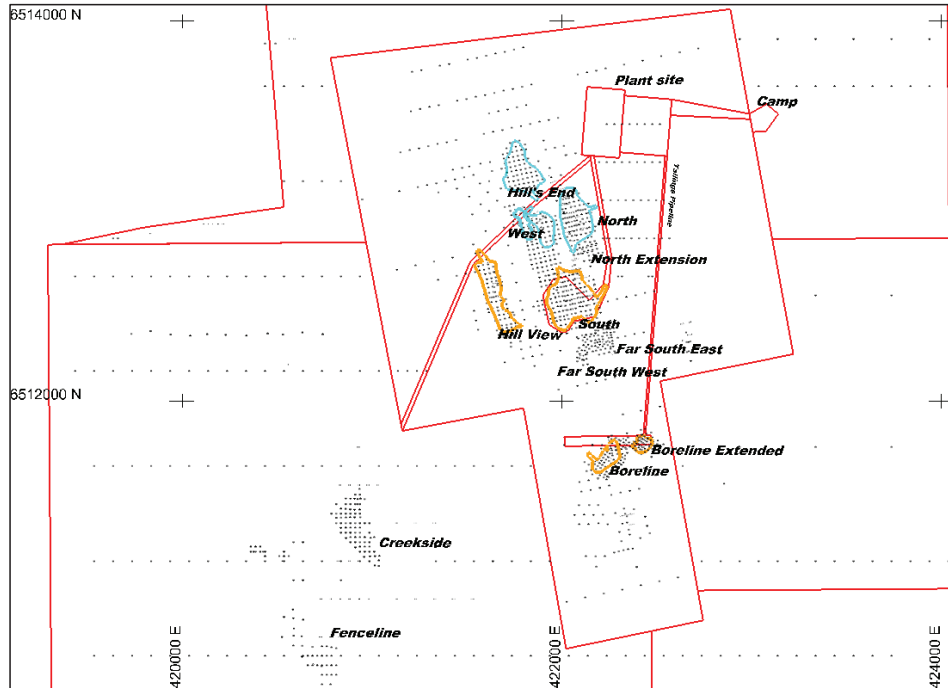


Figure 10: Map showing pre-Tawana drill collar locations in vicinity of main deposits

5.2 2016–2017 Tawana Drilling

The drilling supporting the Mineral Resource is predominantly RC with minor diamond core drilling (DD) and RC with diamond core tails (RCD) drilled by Tawana. As part of the Tawana agreement, a total of 91,403.29 m of RC drilling from 731 RC drillholes (LRCD001 to LRCD752 Note: non-consecutive numbers) and RC pre-collars with diamond tails (LRCD0006 to LRCD0557 Note: non-consecutive numbers) was completed at Bald Hill between October 2016 and December 2017. Of this total, 37 RC drillholes for 5,195 m were drilled since the last resource update in October 2017. All the historical holes drilled by Haddington and AMAL were removed from the database as they were only assayed for tantalum.

A total of 20,937 RC drill samples and 328 from RC diamond pre-collars at 1.0 m intervals were collected from logged pegmatite intersections by cone splitting, riffle splitting or scoop.

Of the Tawana drilling, all the diamond drillholes and approximately 70% of RC drillholes are inclined, mostly 60° to the east, to achieve approximately orthogonal intersections through the pegmatites, with the remaining holes drilled vertically. The drillholes over the main resource areas were spaced on a 40 m x 40 m grid extending out to 80 m x 80 m on the peripheries of the deposits. A 140 m x 80 m area in the northern portion of the resource area was infilled to a 20 m x 20 m grid.

CSA Global considers this drillhole spacing to be adequate for Mineral Resource estimation at the classifications reported.

5.2.1 Sampling Techniques

RC cuttings were continuously sampled at the drill rig at 1.0 m intervals from the collar to the end of each drillhole using a riffle or cone splitter to produce a subsample of less than 5 kg.

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DD core was typically continuously sampled at 2.0 m intervals from the collar to the end of hole. Sampling intervals were limited by logged lithology, mineralisation or alteration boundaries so some samples may be shorter or longer than the typical 2.0 m to correspond with the logged boundaries. The core was cut into half with one half submitted for chemical analysis and the other half retained in the core library for future reference at the project site.

5.3 Collar Surveys and Topographic Control (resource drilling only)

The pre-AMAL 2010 drill collar coordinates were originally derived from a pegged 50 m x 50 m local grid surveyed in 1983 that was resurveyed in 1996. These drilling coordinates have been transformed since 2014 to GDA94 coordinates.

All the post-2009 drilling, including the Tawana drilling was surveyed using a differential global positioning system (GPS) by a licenced surveyor using the GDA94 coordinate datum.

The area has a flat relief and topographic control so topographic maps generated from differential GPS surveys of the drillhole collars are of sufficient accuracy for resource estimation and mine planning at Bald Hill.

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6 Sample Preparation, Analyses and Security

Only the 2014 drilling carried out by AMAL and the Tawana drilling have properly recorded quality assurance and quality control (QAQC) data and adequate reporting of the sampling and assay procedures followed. This section only considers the 2014 drilling and Tawana QAQC unless otherwise stated. This latter drilling makes up most of the holes used to estimate the current reported resources.

6.1 Pre-Tawana Drilling Sample Preparation and Chemical Analyses

There are no records of chip recoveries or sample weights for the RC and RAB drilling, so it is not possible to establish if a relationship between sample recovery and sample grades exists. Since most of the tantalite is relatively fine-grained and the larger crystals highly brittle, the opportunity for sample bias is considered negligible.

Geological logs exist for all the drillholes in their entirety but samples have generally only been submitted for assay within and adjacent to the pegmatites.

RC samples in the AMAL 2014 drilling programs were collected at 1.0 m intervals and riffle split at the drill rig to produce a subsample less than 5 kg. The RC drilling sampling and sample size are considered robust for sampling the tantalite mineralisation. The drillhole logs indicate that almost all the samples were dry with very few samples with recovery problems.

The historical pre-2014 sampling and analytical procedures followed by the then current operators, Sons of Gwalia (1983–1996) and Haddington (2000–2009), are believed to be in line with general sampling practices at the time the samples were collected. AMC Consultants (AMC), after carrying out statistical and graphical analyses of the data, determined that quality of the data was sound. CSA Global is therefore of the opinion that the sampling of the RC and diamond drillholes would meet the standards required for resource estimation in the categories nominated. The RAB drilling and costean sampling, which cannot be verified as being accurate, are only suitable for assisting with geological interpretation and not for grade interpolation in resource modelling.

Field duplicates, laboratory standards and laboratory repeats were used at varying frequency through the years to monitor sampling and analyses since 2001.

The samples prior to 2014 were all analysed for tantalum using the x-ray fluorescence (XRF) assay technique. During the period that mining was in operation, the samples were analysed at the site laboratory while the rest of the samples were analysed by independent laboratories. The samples for the July–August 2014 drilling at Boreline and November 2014 drilling in the Central Area were assayed by Sodium Peroxide Fusion/Inductively Coupled Plasma Mass Spectrometry (ICP-MS) analysis by Bureau Veritas, Perth, WA (formerly Ultra Trace Pty Ltd) in five batches.

- **PF100** Sodium Peroxide Fusion and Acid Dissolution: An aliquot of sample is fused with sodium peroxide in either a zirconia crucible or alumina crucible. The melt is dissolved in dilute hydrochloric acid and the solution analysed. This process provides complete dissolution of most minerals including silicates. Volatile elements are lost at the high fusion temperatures.
- **PF102** ICP-MS analysis – six elements (all detection limits in ppm): ICP-MS is a type of mass spectrometry which is capable of detecting metals and several non-metals by ionizing the sample with ICP and then using a mass spectrometer to separate and quantify those ions.

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Table 6: Method codes and elements analysed using XRF102 and detection limits (ppm)

Sn	Li	Ta	Nb	Rb	Cs
10	1	0.5	5	0.5	0.5

The assays from the Boreline and Central Area drilling were reported in csv files containing the QAQC laboratory standard assays, drill duplicate assays and laboratory duplicate assays. All the standard, laboratory repeats and field duplicate Ta assays were charted for comparison against expected and original results (Figure 11 to Figure 13), and no problems with the sampling and assaying were apparent.

For the July to August and November 2014 drilling, 1,299 original assays were reported and 144 duplicates were reported, so approximately 11% of the assays were drill sample duplicates.

6.2 Tawana Sample Preparation and Chemical Analyses

The Tawana sample preparation and assaying was carried out by Nagrom Laboratory in Perth. Nagrom has extensive experience with tantalum and lithium extraction testwork and has ISO9001:2008 accreditation.

Drill samples were jaw crushed and riffle split to 2–2.5 kg before pulverising to 80% passing 75 microns. Prepared samples are fused with sodium peroxide and digested in dilute hydrochloric acid. The resultant solution is analysed by ICP.

This assay technique is considered to be robust as this method offers total dissolution of the sample and is useful for mineral matrices that may resist simple acid digestion.

Tawana maintained a quality assurance (QA) program through the insertion of coarse field duplicate samples and standards (both in-house and certified reference materials (CRMs)) into their analytical sample stream, and also through the pulp duplicate and repeat analyses. All data collected by Tawana, including logging, survey and other metadata is managed in a commercial database by third-party company, Rock Solid Data Consultancy (Rock Solid), to ensure data security and relational integrity; reducing the risk of transcription and data entry errors.

Rock Solid produce routine analytical reports of quality control (QC) data collected during laboratory analyses of Bald Hill samples, and these reports form the basis of CSA Global’s commentary pertaining to QC. Generally, analytical precision over the period under consideration is acceptable; however, periods of clear (though minor) cyclical analytical bias are evident in the results from all three standards inserted by Tawana, and in the Nagrom in-house CRM results. Cyclical bias appears to be more prevalent within Ta rather than Li analytical values. Currently, Tawana do not use blanks within their QA program. Tawana make use of three standards to monitor analytical bias. Only one of these standards is certified, and has been sourced from analytical standards manufacturer, GeoStats Pty Ltd. The remaining two standards were prepared internally for Tawana by Nagrom, and do not carry certification or associated confidence interval limits.

While there are aspects of Tawana’s QA procedures that offer scope for improvement, it is the opinion of the Competent Person that the dataset presented by Tawana is suitable for use in Mineral Resource estimation.

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7 Data Verification

The historical pre-Tawana drillhole data used for the Creekside resource estimate was compiled and verified by AMC, consultants to AMAL, in 2014.

7.1 Pre-Tawana Drilling

7.1.1 Internal Laboratory Standards

The standards used and their certified grades are shown below in Table 7.

Table 7: Certified results for laboratory standards

Laboratory standard	Li (ppm)	Sn (ppm)	Ta (ppm)
Gannet ST-BM-21/310	11	-	-
NCS dc 86304 Lithium Ore	10,500	100	-
SARM 3 NIM – L Lujavrite	45	-	23.5
SY – 4	40	-	1

The laboratory standards results were charted for each standard and the charts below (Figure 11) show the assay results with tolerance lines of ±10%.

It can be seen from Figure 11 that the Ta₂O₅ assays for most of the standards are generally within ±5% of the expected value but do go to the ±10% limits. It is noted by CSA Global that the standards used are all lower than the average Ta₂O₅ grade of the resources but the assay results indicate that the sampling and laboratory assays are sound and properly calibrated therefore meeting the requirements for reliable resource modelling.

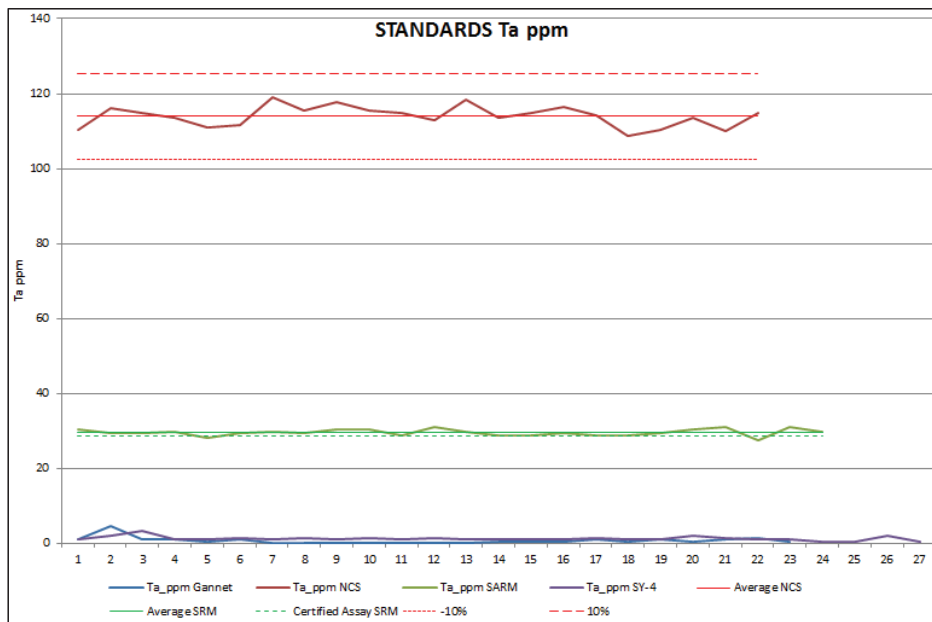


Figure 11: Laboratory standards results for 2014 RC drilling only

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7.1.2 Drill Sample Duplicates

The drill sample duplicate assays which were taken approximately every tenth drill sample, were compared by plotting a correlation graph between the original and duplicate assays, Figure 12. The two sets of assays correlated well with no unusual outliers indicating that the quality of the sampling and assays is robust.

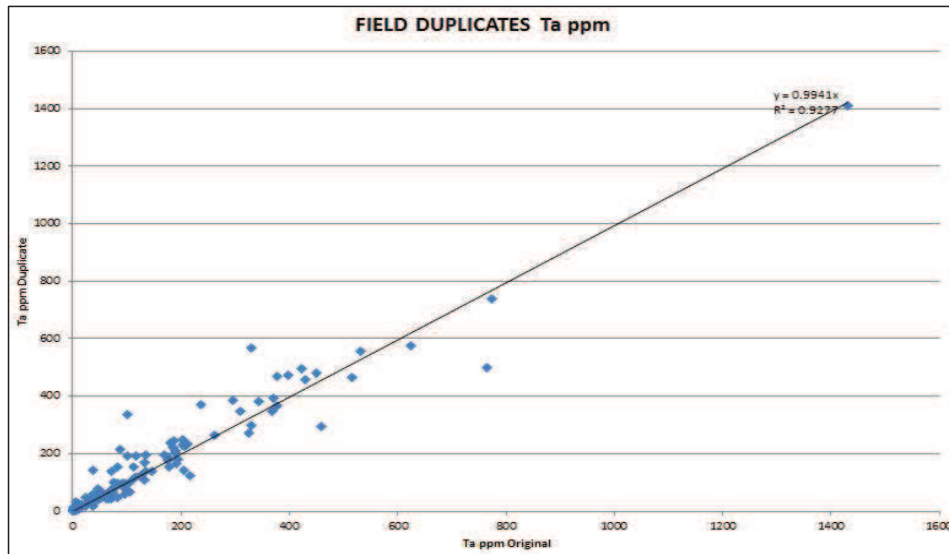


Figure 12: Correlation graph of original Vs field duplicate sample Ta_2O_5 analyses for 2014 drilling only

The repeat analysis results, with an R^2 correlation coefficient of 0.9277, are considered to be acceptable for resource estimation for the style of mineralisation being modelled.

7.1.3 Internal Laboratory Repeats

The laboratory processed 87 internal repeat assays for the 1,299 drilling sample assays reported at approximately one for each 15 drilling samples. The assay results were compared by plotting a correlation graph between the original and duplicate assays, Figure 13. The excellent correlation of 0.9937 indicates there are no obvious problems with the laboratory’s assay repeatability.

All drilling data has been loaded to a Microsoft Access database and rigorously validated prior to use including graphical verification to confirm that the Ta_2O_5 assays correlated with the assigned downhole lithologies with the pegmatites having the elevated grades.

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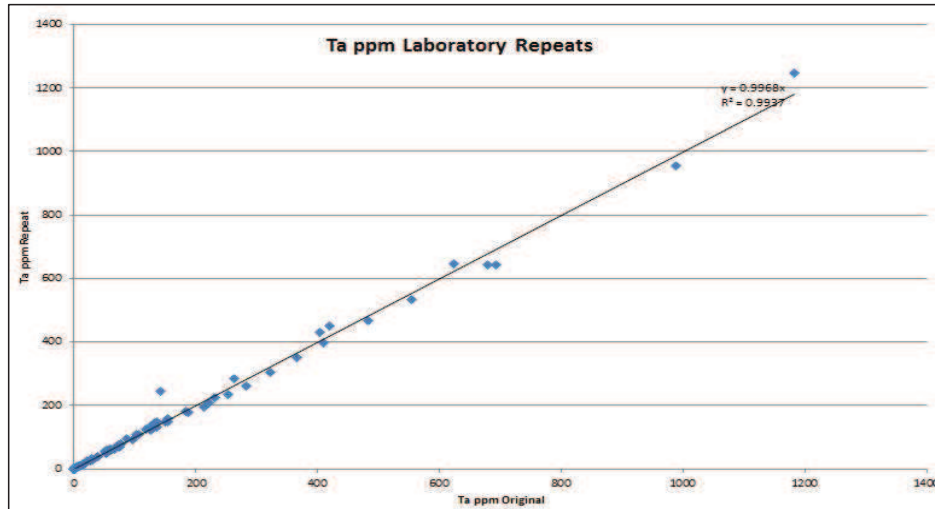


Figure 13: Laboratory repeat assay results

7.2 Tawana Drilling

The drill samples and QC samples were submitted to Nagrom in Perth for analysis by peroxide fusion digest (zirconium crucibles) with an ICP-MS finish for lithium and tantalum (lab code ICPO05).

The samples were jaw crushed and riffle split to 2–2.5 kg for pulverising to 80% passing 75 microns. The prepared samples were then fused with sodium peroxide and digested in dilute hydrochloric acid. The lower detection limits are 10 ppm for lithium and 1 ppm for tantalum. An additional 10 elements were reported by ICPO05 with either an ICP-MS or ICP-OES finish. Nagrom reported a total of 98 batches for the Bald Hill RC sampling between October 2016 and March 2017.

7.3 Quality Assurance and Quality Control

Rock Solid was commissioned by Tawana to report on the QAQC results for the Tawana drilling between October 2016 and December 2017. Once Rock Solid confirmed the QAQC results were satisfactory, CSA Global was then commissioned by Tawana to compile the maiden lithium Mineral Resource estimate for the Bald Hill Project and update the tantalite resource. The following QAQC description is a precis of the Rock Solid report for the additional Tawana drilling used to update the resource estimate included in this report. Details on the QAQC for the drilling to July 2017 were discussed in the previous resource update report of 19 October 2017.

The number of duplicates and standards reported during the drill sampling campaign are summarised in Table 8 below. Approximately 5% of samples are Tawana duplicates and 5% of samples are Tawana standards. Approximately 16% of the samples are laboratory standards and laboratory duplicates.

Table 8: Bald Hill batch summary statistics

Lab code	Count batches	Drill samples	Drill duplicates	Company standards	Laboratory QC
NAGROM	44	3,303	184	168	716

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7.4 Standards

7.4.1 Tawana Standards

During the Bald Hill sampling campaign Tawana used two standards; high grade (approximately 2.2% Li) and medium grade (approximately 1.3% Li). These two standards are Bald Hill material prepared for Tawana by Nagrom and do not have control limits. To determine the expected grade of the company standards, 15 samples of each Bald Hill standard were analysed by Genalysis, Ultratrace and ALS Perth. A total of 168 company standards were analysed by Nagrom.

7.4.2 Lithium Standards

The lithium performance results for the company standards are summarised in the charts below (Table 9 and Figure 14).

Table 9: Company standards summary – lithium

Standard grade	Li standard(s)				No. of samples	Calculated values			
	Method	Exp. method	Exp. value	Exp. SD		Mean Li	SD	CV	Mean bias
Li_Low	FS_ICPMS	-	-	-	83	12,720	233	0.0175	-
Li_High	FS_ICPMS	-	-	-	85	21,677	481	0.0222	-

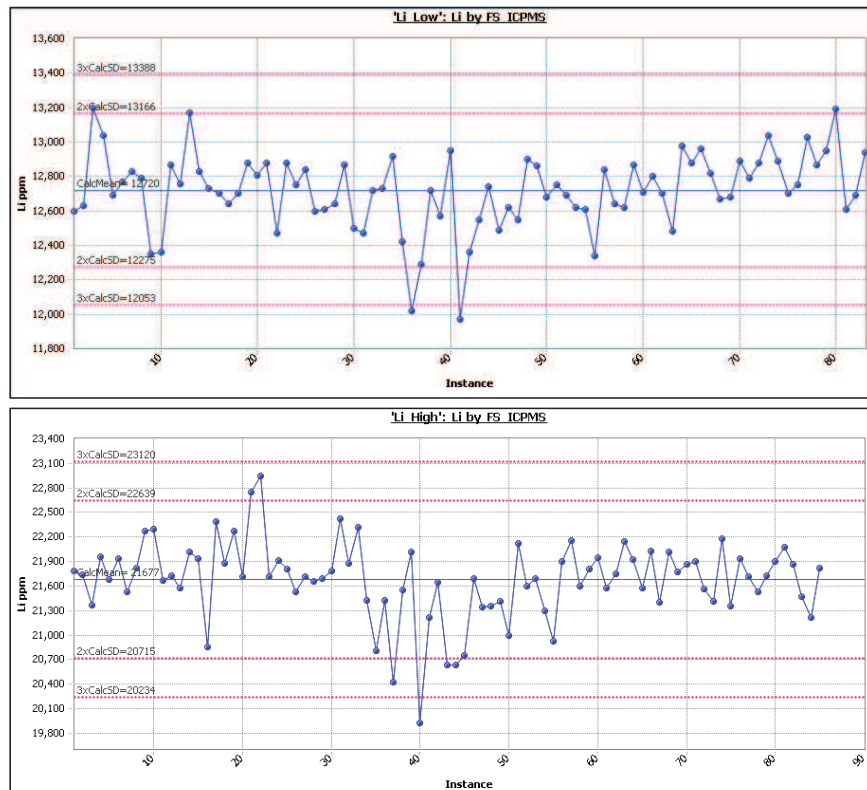


Figure 14: Bald Hill company Li standards performance (NAGROM 1)

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7.4.3 Tantalum Standards

The tantalum performance results for the company standards are summarised in the table and charts below (Table 10 and Figure 15).

Table 10: Company standards summary – tantalum

Standard grade	Ta standard(s)				No. of samples	Calculated values			
	Method	Exp. method	Exp. value	Exp. SD		Mean Li	SD	CV	Mean bias
Li_Low	FS_ICPMS	-	-	-	83	3,705	83	0.0225	-
Li_High	FS_ICPMS	-	-	-	85	1,758	53	0.0301	-

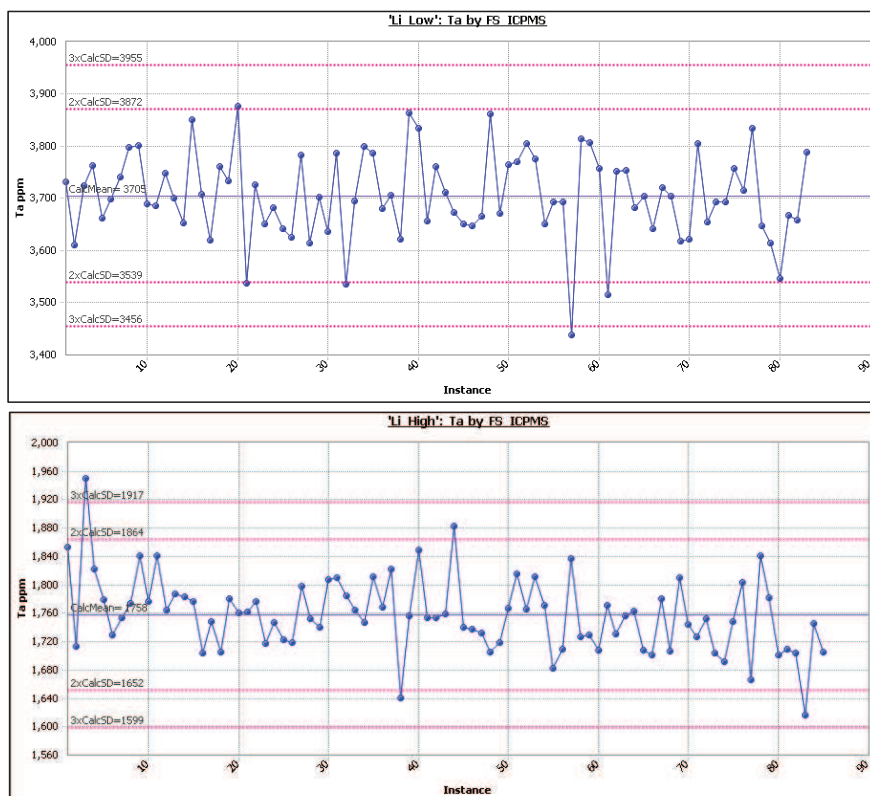


Figure 15: Bald Hill company Ta standards performance (NAGROM 1)

7.4.4 Laboratory Standards

Nagrom reported three African Mineral Standards (AMIS) during the report period. Rock Solid reported that there were no significant issues with the Nagrom laboratory lithium standards detected but one of the tantalum standard assays exceeded the 3x standard deviation limit.

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Table 11: Nagrom laboratory standards summary – lithium and tantalum

Standard code	Method	Exp. method	Exp. value	Exp. SD	No. of samples	Calculated values			
						Mean Li	SD	CV	Mean bias
Li standard(s)									
AMIS0338	FS_ICPMS	FS_ICP	1,742	214.5	190	1759	31	0.0177	0.98%
AMIS0339	FS_ICPMS	FS_ICP	21,900	2,000	34	22,226	277	0.0125	1.49%
AMIS0340	FS_ICPMS	FS_ICP	14,300	758	156	14,033	185	0.0132	-1.87%
Ta standard(s)									
AMIS0338	FS_ICPMS	FS_ICP	44	4.9	190	46	4	0.0840	4.45%
AMIS0339	FS_ICPMS	FS_ICP	333	12	34	339	8	0.0229	1.73%
AMIS0340	FS_ICPMS	FS_ICP	13,738	1,017.5	156	14,004	276	0.0197	1.93%

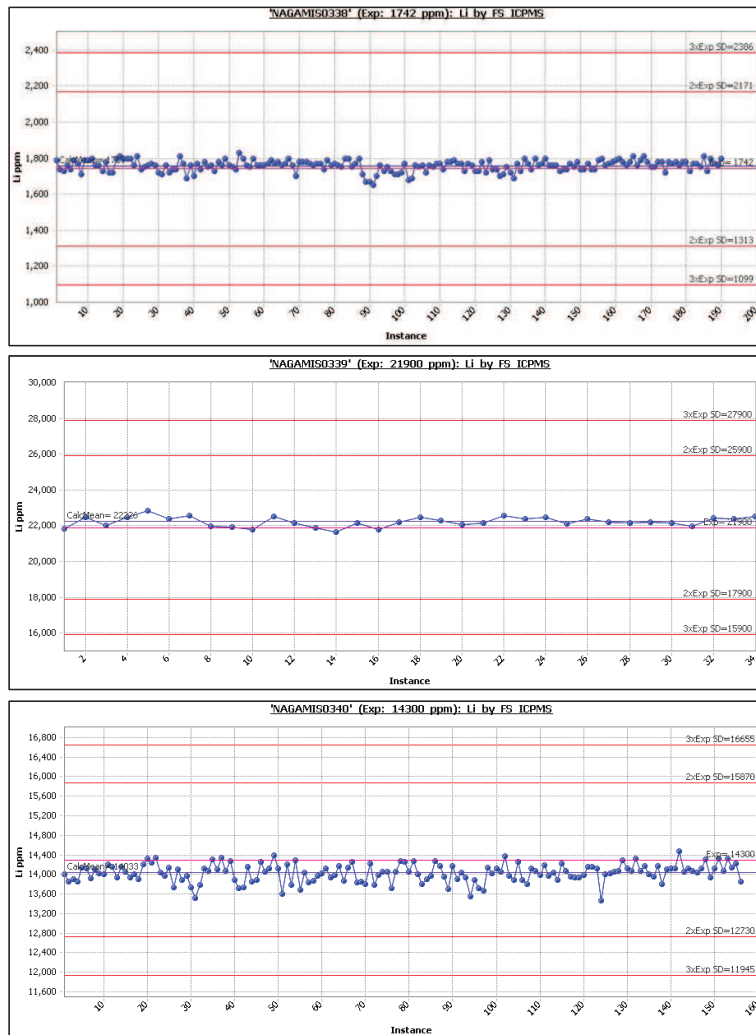


Figure 16: Nagrom laboratory standard performance – lithium

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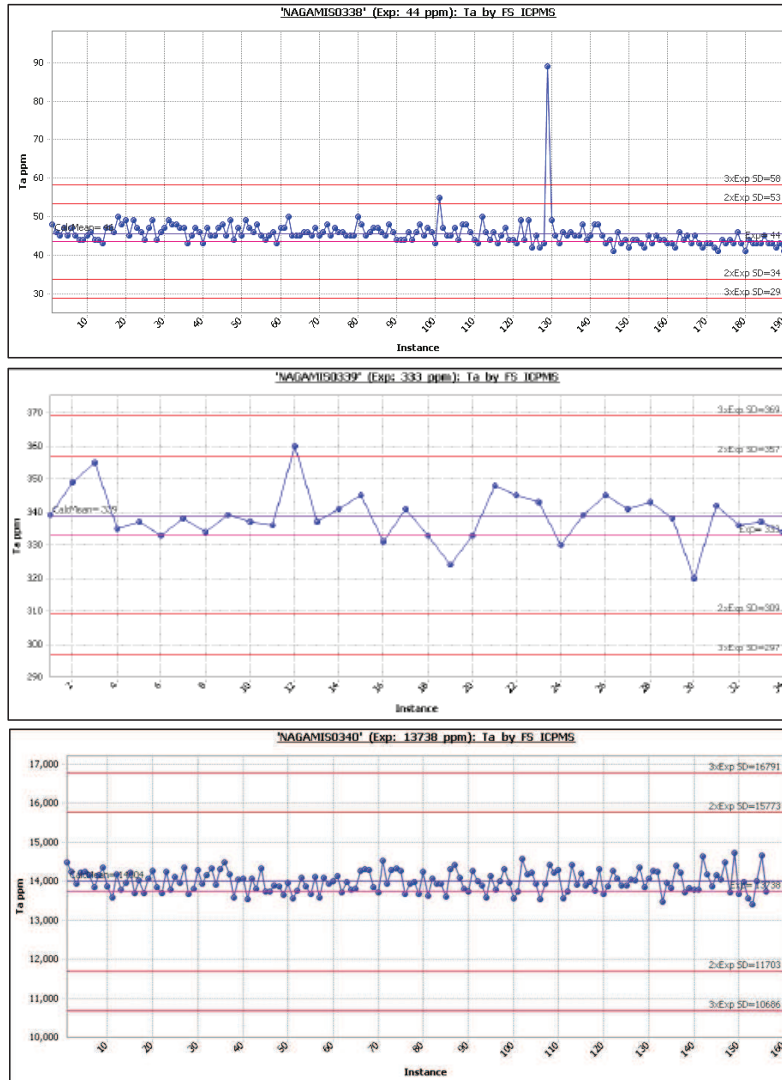


Figure 17: Nagrom laboratory standard performance – tantalum

7.5 Tawana Duplicates

During the Bald Hill drilling campaign, Tawana collected 185 RC field duplicates by scoop or cone split. The duplicates were analysed for lithium and tantalum by Nagrom in the same batch as the parent sample (Figure 18). The duplicates overall show good repeatability for lithium and tantalum; however, there are a number of outliers indicating possible sampling errors, data collection errors or heterogeneous sample material. The repeatability of the tantalum assays was not as good as for the lithium assays, in most cases probably due to the lower grade and nuggetty nature of the mineralisation although at least one duplicate tantalum pair (sample number T125790) was of concern. This sample also produced a poor correlation in lithium indicating a likely sampling problem for this sample.

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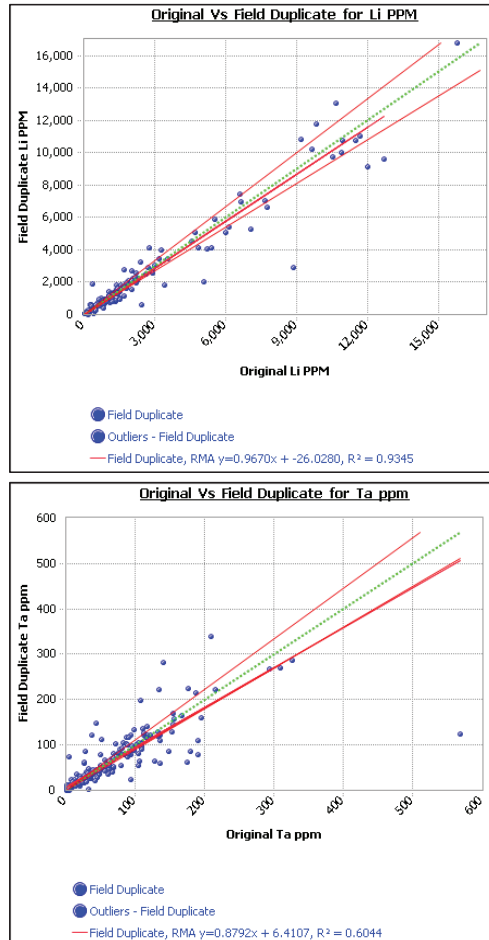


Figure 18: Field duplicates – lithium and tantalum

7.6 Laboratory Duplicates

Nagrom reported 337 laboratory duplicates in their batches during the report period. Rock Solid reported that overall the performance of the laboratory duplicates was good, with no observable bias across the represented grade range.

7.7 CSA Global Comments

CSA Global considers that almost all the QAQC results fall within expected limits of variability and so confirm that the field sampling and laboratory sampling and analyses are over-all robust and suitable for resource modelling. A few anomalous results warrant follow-up to determine if there are any problems with the sampling, but these few anomalous results can generally be explained by the “nuggetty” nature, especially for the tantalite, of the mineralisation.

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7.8 Bulk Density

Haddington determined and reported the bulk densities for pegmatite spanning the weathering profile from the weathered/oxide surface to fresh at depth (Table 12). Based on these results, bulk densities of 1.92 t/m³ for oxide pegmatite, 2.36 t/m³ for transitional pegmatite and 2.63 t/m³ for fresh pegmatite were used by AMC for resource modelling.

In situ bulk densities for the Bald Hill Mineral Resource were assigned by CSA Global on a lithological basis for both mineralisation and waste, based on measurements taken of 69 cores samples by Nagrom and values used in similar deposits and lithologies. Fixed density values assigned into the block model included waste backfill 1.8 t/m³, transitional pegmatite 2.5 t/m³, fresh metasediment waste 2.74 t/m³, fresh diorite dykes 2.8 t/m³ and fresh pegmatite 2.65 t/m³.

Table 12: Haddington bulk density results

Lithology	Weathering state	Sample location	Bulk density (t/m ³)	
Pegmatite	Fresh	South Pit	2.65	
			2.63	
			2.62	
			2.61	
			2.64	
	Mean Fresh Pegmatite Bulk Density			2.63
	Transitional	Cotter Costean	2.41	
			2.29	
			2.39	
	Mean Transitional Pegmatite Bulk Density			2.36
Oxidised	Boreline Pit	1.96		
		1.90		
		1.90		
Mean Oxide Pegmatite Bulk Density			1.92	

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8 Mineral Processing

The tantalite processing plant used by Haddington was purchased by AMAL and used after small modifications to treat a small parcel of oxidised ore from the Boreline deposit. This plant has during the past year undergone an extensive upgrade and modifications, especially to process spodumene ore, as part of the Tawana JV agreement.

No new metallurgical testwork has been carried out since the previous IQPR of December 2017. The reader is therefore referred to this previous report and Appendix 2 of this report for details on this metallurgical testwork, if required.



Figure 19: The Bald Hill media separation plant

Photo: Tawana

8.1 Metallurgical Recovery Methods

The existing tantalite processing plant previously operated by Haddington has been refurbished and upgraded with an additional dense media separation (DMS) plant added to recover the spodumene.

The Bald Hill Project commenced spodumene concentrate production on 14 March 2018. The mine is currently in ramp-up with the Stage 1 DMS plant performing at name plate throughput with utilisation rates exceeding expectations. The Stage 1 DMS includes a spirals circuit which is producing tantalite pre-concentrates.

The successful Stage 1 DMS plant was constructed on time and on budget by Primero Group (Primero). The JV partners and Primero are undertaking a review of the Stage 1 DMS circuit performance and proposed -1 mm fines circuit design, with the aim of identifying minor design improvements for a possible Stage 2 DMS circuit which will advance the Stage 1 DMS design. The proposed fines circuit and existing slimes thickening facility would be common to both modules.

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Figure 20: Stage 1 DMS plant

Photo: Tawana

More immediate process improvements currently under consideration are to increase mass yield and plant throughput by crushing to a coarser size. Plant performance to date on the -10 mm +1 mm size range has been exceptional and plans are in place to increase the crush size and possibly reduce the bottom size.

Contract crushing services are provided by Cape Crushing and Earthmoving Contractors Pty Ltd on a fixed and variable fee structure, the current contract provides for between 1.55 million tonnes per annum (Mt/a) and 2.5 Mt/a crushing rates and the modular circuit can be expanded with relative ease.

The Bald Hill Project produces high lithium, low iron and low mica, concentrates. The first shipment of spodumene concentrated in early May 2018 averaged 6.3% Li₂O and 0.5% Fe₂O₃ and contained less than 0.4% mica. To date, the quality of concentrate and overall recovery is not sensitive to feed grade and this has allowed a reduction in reserve cut off to 0.3% Li₂O.

Tantalite will be recovered from three streams:

- Primary tantalite ore which will be processed through the existing 320,000 t/a Tantalite Processing Facility (TPF or T1) once it has been refurbished. The TPF comprises a screening and crushing circuit feeding a three-stage spiral circuit. The TPF is expected to come on line in early 2019.
- Tantalite in -1 mm fines from the spodumene plant is currently being recovered in a separate spiral plant (T2) which was commissioned just after the main spodumene plant. Concentrates containing 2–6% Ta₂O₅ are being stored for later processing over tables which were installed in July 2018. This table concentrate will be further upgraded by toll treatment at Nagrom in the interim.
- Gravity pre-concentrates produced from the TPF will be combined with tantalite pre-concentrates from T2 and sent to a concentrate upgrade shed for further upgrading by tabling and magnetic separation.

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The final spodumene concentrate can also contain significant quantities of tantalite, depending on the type of ore being processed. The first shipment contained around 0.8 kg/t (0.08%) tantalite. Plans are currently being finalised to install a relatively low cost stand-alone jigging circuit (T3) to recover the majority of this tantalite before concentrates are shipped.

8.2 Metallurgical Performance

The updated operational plan assumes average spodumene recoveries of 65.8% in Stage 1 and 80% in Stage 2 and an overall tantalite recovery of 65%.

The DMS circuit was commissioned on low grade semi-oxidised ore which had a head grade of 0.3% to 0.9% Li₂O. The -1 mm fines content was higher than design but this was anticipated. Despite this and the low grade, concentrate yields of 4–8% have been achieved at grades in excess of 6% Li₂O.

Pit development has advanced to a stage where this semi-oxidised ore is almost depleted and the yield of concentrate is expected to improve significantly once fresh ore with a grade of >1% Li₂O, is processed from late May 2018 onwards.

Overall, operational metallurgical performance of the DMS circuit during ramp-up has been consistent with the original test work with high grade concentrates being produced and high recoveries to primary concentrates and middlings being achieved. The plant has already achieved feed rates of up to 210 t/hour compared to the design feed rate of 161 t/hour and opportunities for increasing the throughput by increasing the crush size to 14 mm and lowering the bottom cut-off size to 0.8 mm are currently being planned.

Tantalite recovery into pre-concentrate from the T2 spirals has exceeded expectation and is estimated to have averaged about 0.36 kg/t of fines feed for the month of April 2018.

8.3 Concentrates Sales and Transport

The smaller volumes of tantalite concentrate will be packed into 205-litre drums and/or bulka-bags, sealed and exported via WA’s main port at Fremantle near Perth in standard shipping containers.

The spodumene concentrate is being hauled via Binneringie Road to the Port of Esperance. Daily, three to five trucks depart from the Esperance depot and storage facility to complete one cycle between the mine and an off-port bulk storage site per 12-hour shift or two cycles per day. During ship loading, Rotabox/Rotainer containers will be ferried back and forth to the ship loading crane from the bulk storage site or from a container stack at the port.

The Port of Esperance is under the management of Southern Ports Authority and is the ocean-borne export and import hub for the south-eastern corner of WA. Besides mineral exports, such as lithium, nickel and iron ore products and concentrates, the port handles woodchips, agricultural, hydrocarbon and industrial produce and materials.

The first shipment of approximately 3,250 metric tonnes of spodumene concentrate was loaded at the Port of Esperance at the beginning of May 2018 destined for the Port of Zhenjiang in China. A second shipment of spodumene concentrate was shipped later in May with further shipments expected regularly thereafter. The third shipment had also completed. The spodumene concentrate from Bald Hill is sold under offtake agreements with Hong Kong based Burwill Lithium Company Limited (formerly known as Burwill Commodity Limited).

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9 Prefeasibility Study and Operational Plans

During July 2017, Tawana and the consulting firms it engaged (Table 13), contributed to a PFS in the areas of geology, resource, geotechnical, mining, metallurgy, engineering, tailings, and cost estimating, project implementation, operations, and health, safety, environmental and social aspects. The PFS, previously described in detail in the 19 October 2017 resource update announcement, was based on the previously reported CSA Global resource model of June 2017. The PFS recommended that the Bald Hill mine is developed.

Table 13: Main proponents – PFS

Area of focus	Responsibility
Spodumene process plant design, capital and operating cost	Primero
Spodumene metallurgical work	Nagrom and Trinol Pty Ltd
Mining study	Marcus Jacobs and Mark Gell
Logistics	GDC Services Pty Ltd
Geotechnical	Dempers & Seymour Pty Ltd
Tailings storage facility	Klohn Crippen Berger Ltd
Environmental studies	Ecotech (WA) Pty Ltd
Resource estimation	CSA Global
Social, health and safety	Tawana (as owner and operator)

Upon the completion of the latest resource upgrade drilling program and revision of the Mineral Resource estimates, detailed geotechnical analyses were completed, and pit designs based on these geotechnical parameters were used to update the Bald Hill May 2018 Ore Reserve estimate. This new Ore Reserve underpins the next nine years of production at the current processing rate of 1.2 Mt/a.

However, given the large quantity of Inferred Resources awaiting infill drilling, strong market demand and superior economics of increased throughput rates, the JV partners are actively reviewing options for significant expansion in processing capacity and concentrate production.

The Ore Reserve estimation reported in compliance with the JORC Code (2012) for the Bald Hill Project, as published by Tawana on 6 June 2018, is supported by the original PFS and the current operational plans, that have taken into account updated geological, metallurgical, geotechnical, process engineering and mining engineering considerations. It has an overall nominal accuracy of ±25%.

The Bald Hill Project has a clearly positive net present value (NPV) and internal rate of return (IRR). Sensitivity analyses indicates that the Project NPV is robust in terms of cost and revenue variations. The Project is most sensitive to price variations for spodumene concentrates.

All estimates are based on local costs in Australian dollars. Standard industry practices have been used in the estimation process. The Bald Hill Project is currently in the commissioning and early operations phase and therefore recent and relevant costs have been utilised where available.

Capital expenditure estimates are considered to be within -5/+10% accuracy and a substantial amount of the original project capital expenditure has been completed. Operating expenditure estimates are considered to be within ±25% accuracy.

There has been limited lithium production to date so no comprehensive comparison or reconciliation of data has been made. Current initial performance of the process aligns with expectations. There is significant historic tantalum recovery records and these have been used as a basis for estimating future recovery.

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9.1 Geotechnical Analysis

An updated geotechnical analysis was completed by the experienced geotechnical consultant, Gary Dempers from Dempers and Seymour Pty Ltd Geotechnical and Mining Consultants (Dempers and Seymour), in April 2018. The geotechnical analysis identified the following geotechnical domains in Figure 21 and the subsequent pit parameters in Table 14.

The optimisation and pit design that this Ore Reserve estimate is based on is from an earlier geotechnical assessment. An analysis has been completed by the Competent Person, using the revised geotechnical domains and wall parameters in Whittle™ software to compare the difference in waste movement. Minor pit design edits are required but it was concluded that the difference between the old geotechnical parameters and the new geotechnical parameters are not material to the Project.

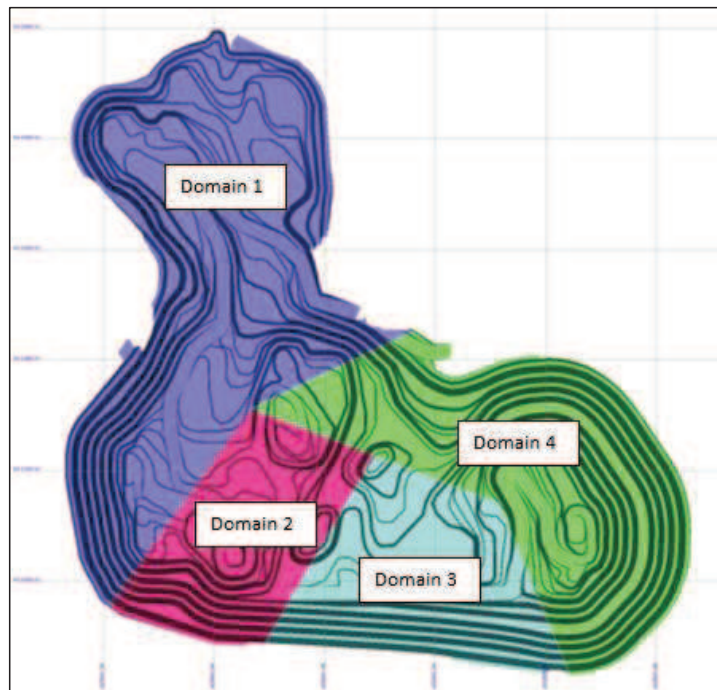


Figure 21: Geotechnical domains as per Dempers and Seymour (May 2018) Bald Hill Slope Design Report

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Table 14: Pit wall parameters as per Dempers and Seymor (May 2018) Bald Hill Slope Design Report

Domain	From	To	Bench height (m)	Berm width (m)	Batter angle (°)	Inter-ramp slope angle (toe to toe)
D1	Surface	270	10	6	50	35
	270	250	20	6	55	45
	250	230	20	6	60	49
	230	150	20	6	65	53
D2	Surface	270	10	6	50	35
	270	250	20	6	55	45
	250	230	20	6	60	49
	230	130	20	6	65	53
D3	Surface	260	10	6	50	35
	260	240	20	6	55	45
	240	160	20	6	60	49
D4	Surface	270	10	6	50	35
	270	250	20	6	55	45
	250	230	20	8	60	49
	230	90	20	8	65	50

Mining and processing has commenced with the first spodumene concentrate produced on 14 March 2018. During April 2018, 810,000 bank cubic metres (BCM) of ore and overburden was mined.

9.2 Financial Evaluation

The Ore Reserve has been estimated with reference to a detailed master budget for the Bald Hill operation. The budget is based on a bottom-up estimation approach, addressing all aspects of the operation from July 2018 to the depletion of the Ore Reserve.

The operating cost budget comprises categories shown in Table 15.

Table 15: Operating cost budget categories

Operating cost category
Site admin/HSE/camp/warehouse
Mining
Crushing
Lithium plant processing
Lithium plant maintenance
Tantalum processing
Lab/Geology/Road maintenance/development
Product transportation
Corporate
Rise and fall (cost escalation)
Rehabilitation

A cash flow model (100% basis) has been used, based on the single DMS 1.2mtpa option, to reflect cash flow from the operations, as of July 2018 to the end of the currently defined life (see Figure 22). The model indicates a positive net cash flow from the Project. The Project capital costs are mostly complete and the final capital cost elements are budgeted for expenditure in 2018/2019 and 2019/2020, total remaining capital expenditure is \$37.4M.

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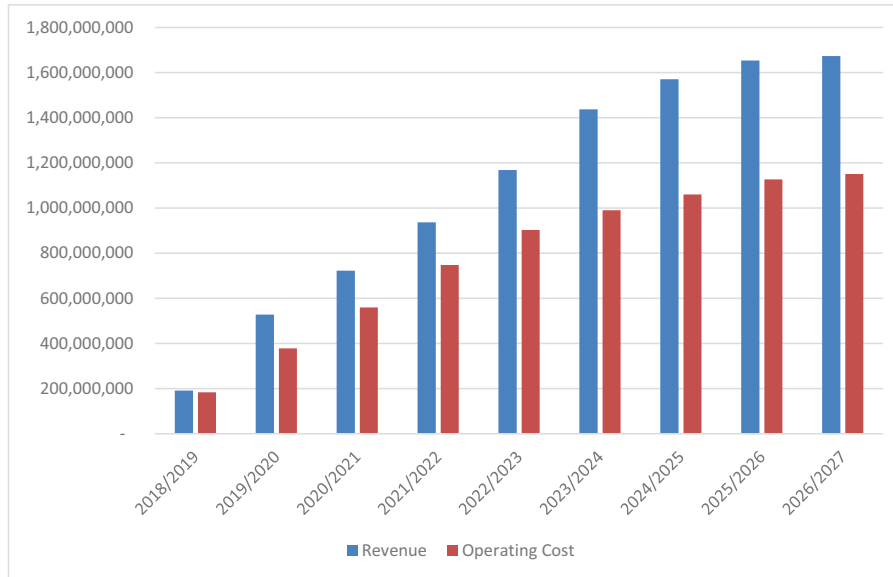


Figure 22: Bald Hill cash flow (AUD) from operations for life of Reserve (July 2018 real)

The key highlights for the financial model (on a 100% of Project basis) are presented in Table 16. Capital expenditure for the Project is complete after 2018/2019.

Table 16: Base Case (1.2mtpa) model parameters

Summary of key parameters from revised financial model		
Revised Life of reserve (LOR)	years	9
LOR ore mined (spodumene)	Mt	11.3
LOR ore mined (tantallite)	Mt	2.0
LOR waste mined	Mt	131.7
LOR strip ratio	(waste: ore)	9.9:1
Plant feed rate (spodumene stage 1)	t/a	1,200,000
Plant feed rate (tantallite)	t/a	320,000
Average spodumene ore feed grade	% Li ₂ O	1.01
Average spodumene recovery (Stage 1)	%	65.8
Average spodumene recovery (Stage 2)	%	80.0
Average spodumene concentrate production (yrs 1-8)	t/a	185,000 (@6% Li ₂ O)
Average tantallite recovery	%	65
Average tantallite production (yrs 1-8)	lbs Ta ₂ O ₅ pa	270,000
Average tantallite sale grade	Ta ₂ O ₅	25%
Product (SC6%) sale price (after royalty)	US\$/t	788
Tantallite forecast price	US\$/lb FOB	70
Forecast FX rate	A\$/US\$	0.75
Average operating costs, Spodumene Concentrate (after tantallite credits)	US\$/t product	568
Average annual EBITDA (years 1-8)	A\$M	66
Average annual EBITDA (years 2-7)	A\$M	84

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10 Mineral Resources

This report, including the resource and reserve estimates, complies with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code (2012)). Key definitions of this code are as follows:

- A “**Mineral Resource**” is a concentration or occurrence of solid material of economic interest in or on the Earth’s crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are subdivided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
- An “**Inferred Mineral Resource**” is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
- An “**Indicated Mineral Resource**” is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Ore Reserve.
- A “**Measured Mineral Resource**” is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proved Ore Reserve or under certain circumstances to a Probable Ore Reserve.
- An “**Ore Reserve**” is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at prefeasibility or feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Reserves are defined is usually the point where the ore is delivered to the processing plant.
- “**Modifying Factors**” are considerations used to convert Mineral Resources to Ore Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

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- A “**Probable Ore Reserve**” is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve.
- A “**Proved Ore Reserve**” is the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors.

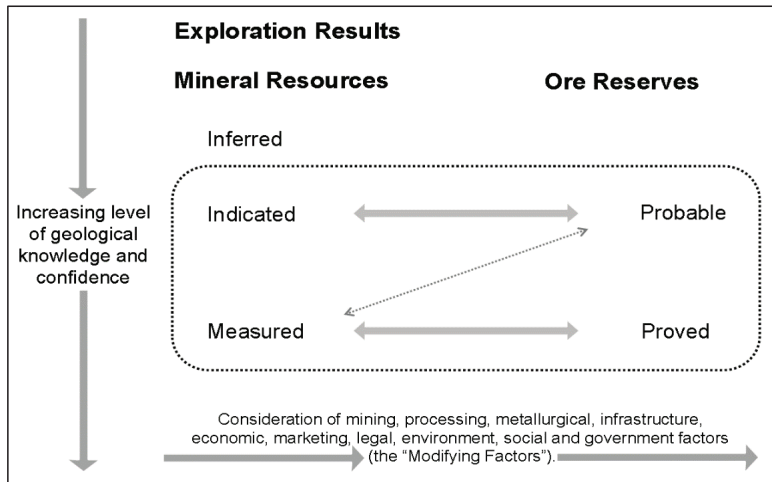


Figure 23: General relationship between Exploration Results, Mineral Resources and Ore Reserves

10.1 Pre-Tawana Resource Modelling

All the pre-Tawana resource modelling and estimation considered for this report was commissioned by AMAL and carried out by Mr Alex Virisheff of AMC Consultants in June 2014. Mr Virisheff is a Fellow of the Australasian Institute of Mining and Metallurgy and an independent contractor/consultant and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (the JORC Code).

The available data at the time, as previously described, was compiled into a series of Microsoft Excel spreadsheets for validation purposes. Assay data was checked against original assay sheets where available and, in particular, where the results were considered potentially erroneous by checking graphically of assays against logged lithologies. Errors generated due to from-to and assaying or lithology overlap errors were rectified when the data from the Microsoft Excel spreadsheets was imported into the software used in the estimation.

Exploration and mining history in the Bald Hill area has shown that tantalite mineralisation is confined to pegmatite intrusions. Geological logs and Ta₂O₅ grades were used to create a series of pegmatite wireframes that constrain the tantalite mineralisation for the purpose of Mineral Resource estimation. Some of the pegmatites are relatively thin so only pegmatites greater than 1.0 m in thickness were considered. The geometry of the pegmatites can change rapidly over short distances and, as such, knowledge of their distribution is critical to a robust estimate.

Closed wireframes of minimum thickness >1.0 m were constructed according to the geological understanding of the areas and AMC restricted the wireframes so that they only contained Ta₂O₅ grades of >= 100 ppm. AMC allowed interstitial lower grades only where the grade intercepts of the pegmatites

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within the wireframe averaged greater than the chosen cut-off of 100 ppm Ta₂O₅. Wireframes were extended halfway between holes and adjacent sections. One-metre drill sample assays from within each of the wireframes separately were interpolated into block models of 10 m(Y) x 10 m(X) x 2 m(Z) (AMC). Wireframe percentages were calculated for each block. Block estimates were made only for Ta₂O₅ using ordinary kriging controlled by anisotropic variogram models which reflected the overall geology. All estimates used ellipsoid sample searches orientated to the variogram directions. Since there were no significant high grade outliers, no top-cuts were applied to the assay data used for interpolating the grades.

Resources reported in the IQPR prepared by AMC which was included in the AMAL’s offer document in 2014 for Creekside are quoted with a lower cut-off for the model cells of 160 ppm Ta₂O₅.

It was assumed that selective open-pit mining methods will be applied, similar to those that operated from 2001 to 2005 with a minimum mining thickness greater than 1 m.

In April 2015, 27,000 tonnes of ore were mined from the Boreline oxide resource and used to commission AMAL’s gravity processing plant at Bald Hill, and have been excluded from the current resource inventory.

Mr Al Maynard of Al Maynard & Associates (AM&A) was the Competent Person responsible for the AMAL IQPR in 2016 in which resource estimates by AMC at Creekside were reported. The Company confirms it is not aware of any new information or data that materially affects the information included on Creekside in the AMAL IQPR of 2016 and the Company confirms that all material assumptions and technical parameters underpinning the AMC Creekside estimates in the AMAL IQPR of 2016 continue to apply and have not materially changed.

AMAL also confirms that the form and context in which the Competent Person’s findings in this report are presented have not been materially modified.

10.2 Tawana Resource Modelling

The mineralisation at Bald Hill was modelled using a combination of lithological logging of the presence of pegmatite, a nominal 3,500 ppm Li₂O lower cut-off, and a nominal minimum 3 m intercept thickness. Within the total mineralisation/pegmatite wireframes, visual appraisal of Li₂O grade continuity, and assessment of the log-probability plot of Li₂O grade distributions indicated the likelihood of higher grade Li₂O domains, occurring internally to the modelled pegmatite body. These high-grade domains were modelled using a nominal 7,500 ppm Li₂O cut-off, and minimum 3 m intercept thickness.

Figure 24 presents an oblique view of the modelled pegmatite bodies.

Based on raw sample length analysis, samples were composited to 3 m (using Surpac) for further statistical and geostatistical analysis. This occurred on a per-domain basis, with composites for the high-grade domain within the pegmatite body being created separately from those for the remaining pegmatite (mineralisation) body.

For the purposes of domain coding, input data selection and estimation, the pegmatite and internal high grade domain boundaries were treated as hard boundaries. Li₂O and Ta₂O₅ were estimated into each mineralised domain via ordinary kriging using two search passes of an oriented ellipsoid. With each successive pass, estimation parameters such as minimum number of informing samples, and restrictions on informing composites contributed from individual drillholes were relaxed. Blocks not estimated after two passes for either variable were assigned the Sichel mean of the composites belonging to that object.

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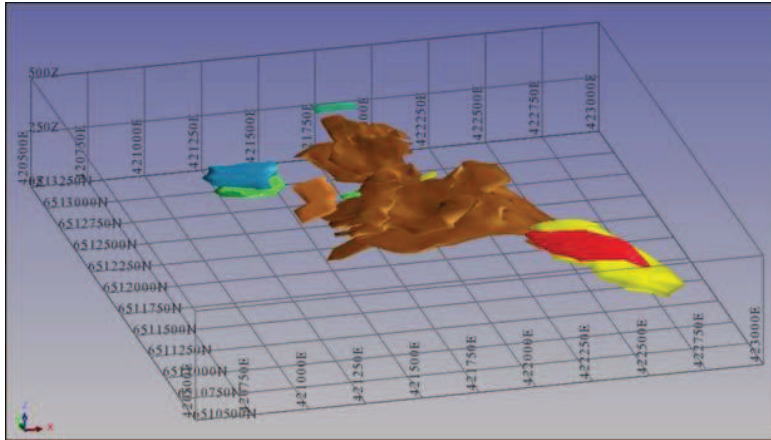


Figure 24: Oblique view of the Bald Hill pegmatite bodies as modelled (looking down from southwest)

10.3 Mineral Resource Classification

The Mineral Resource has been classified in accordance with guidelines contained in the JORC Code. The classification applied reflects the author’s view of the uncertainty that should be assigned to the Mineral Resources reported herein. Key criteria that have been considered when classifying the Mineral Resource are detailed in JORC Table 1 which is contained in Appendix 1.

The Tawana and previous Mineral Resource estimates have been classified as either Indicated or Inferred categories after assessment and understanding of the deposit style, geological and grade continuity, drillhole spacing, input data quality, interpolation parameters used in ordinary kriging, and an assessment of the available density data.

10.4 Mineral Resource Estimates

The resource estimates as at 30 April 2018 for the Bald Hill deposits totalling some 31.2 Mt of tantalite and spodumene resources are summarised in Table 17. Where the Tawana resource modelling at least in part overlays the previous modelling, the previous modelling has been superseded and replaced by the Tawana model. This has meant that the previous resource estimates for Central, Boreline and Hillside have been totally superseded while the previous estimates for Creekside has been retained. It should also be noted that these retained resource estimates do not include Li_2O grades because Li_2O was not assayed at the time they were drilled, but it is expected that these deposits will have Li_2O grades similar to the nearby Tawana resources. The area covered by the Tawana modelling is shown in Figure 25.

The Mineral Resource estimate update for the Bald Hill Project was prepared for Tawana by Competent Person, Dr Matthew Cobb. This Mineral Resource estimate was depleted by Dr Cobb based on Tawana’s April end of month survey. Dr Cobb is a full-time employee of CSA Global and is a Member of the Australasian Institute of Mining and Metallurgy. Dr Cobb has sufficient experience relevant to the style of mineralisation under consideration and to the activity he is undertaking to qualify as a Competent Persons as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

The Mineral Resource estimate has been completed with the inclusion of historical and recent validated drillhole information with a data cut-off date of 30 April 2018. Drilling has continued beyond this date but has not been included in this Mineral Resource estimate or the subsequent Ore Reserve estimate.

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Table 17: Resource summary for Bald Hill outside mined pits at 30 April 2018
(Resources are inclusive of Reserves)

Category	Mineral type	Gross attributable to licence			Net attributable to issuer			
		Tonnes (Mt)	Grade* Ta ₂ O ₅ (ppm)	Grade* Li ₂ O (%)	##Tonnes (Mt)	Grade* Ta ₂ O ₅ (ppm)	Grade* Li ₂ O (%)	*Change from previous update (tonnes %)
Resources – Creekside (carried over from previous IQPR, by AMC 2014) and Central and Boreline (Tawana, May 2018)								
Measured	Tantalum	0.0	0		0.0	0		No change
Indicated	Tantalum	3.3	340		1.7	340		-14%
Inferred	Tantalum	1.4	340		0.7	340		-18%
Total	Tantalum	4.7	340		2.4	340		-15%
Resources – Central and Boreline (Tawana, May 2018)								
Measured	Tantalum + Lithium	0.0	0	0.00	0.0	0	0.00	No change
Indicated	Tantalum + Lithium	14.4	168	1.02	7.2	168	0.51	80%
Inferred	Tantalum + Lithium	12.1	126	0.91	6.1	126	0.46	11%
Total	Tantalum + Lithium	26.5	149	0.97	13.3	149	0.49	40%

Notes:

- # Upgrade of some Inferred Resources from previous estimate to Indicated has resulted in -ve% change in current gross Inferred Resources and +ve% change in Indicated. Despite all the drilling since the previous resource estimate being infill drilling, the overall resource tonnes have increased and grades dropped slightly as the lower cut-off grade for the lithium resources has been reduced from 0.5% Li₂O to 0.3% Li₂O in line with the findings of the PFS.
- ## Since 24 October 2017, Tawana has earned 50% of the total resources and reserves including both their lithium and tantalum content. Previously Tawana had only earned 50% of the lithium content of the resources and reserves (the additional 0.3 Mt difference in the Indicated tonnage derives from Creekside, which is not included in the Tawana tabulation). The reduction of the attributable resource and reserve tonnages reflect this arrangement, not a reduction of the actual resources and reserves.
- Figures above may not sum due to rounding.
- Significant figures do not imply an added level of precision.
- Stockpiles have not been included in this tabulation.
- The depleted Mineral Resource estimates noted above are represented for tabulation purposes only and are not to be considered Ore Reserves and as such do not take into account any mining related aspects beyond those required during estimation.
- * AMC (2014) used 100 ppm Ta₂O₅ lower cut-off grade for Creekside, CSA Global used 200 ppm Ta₂O₅ and 0.3% Li₂O as their lower cut-off grade for all other deposits except Creekside.

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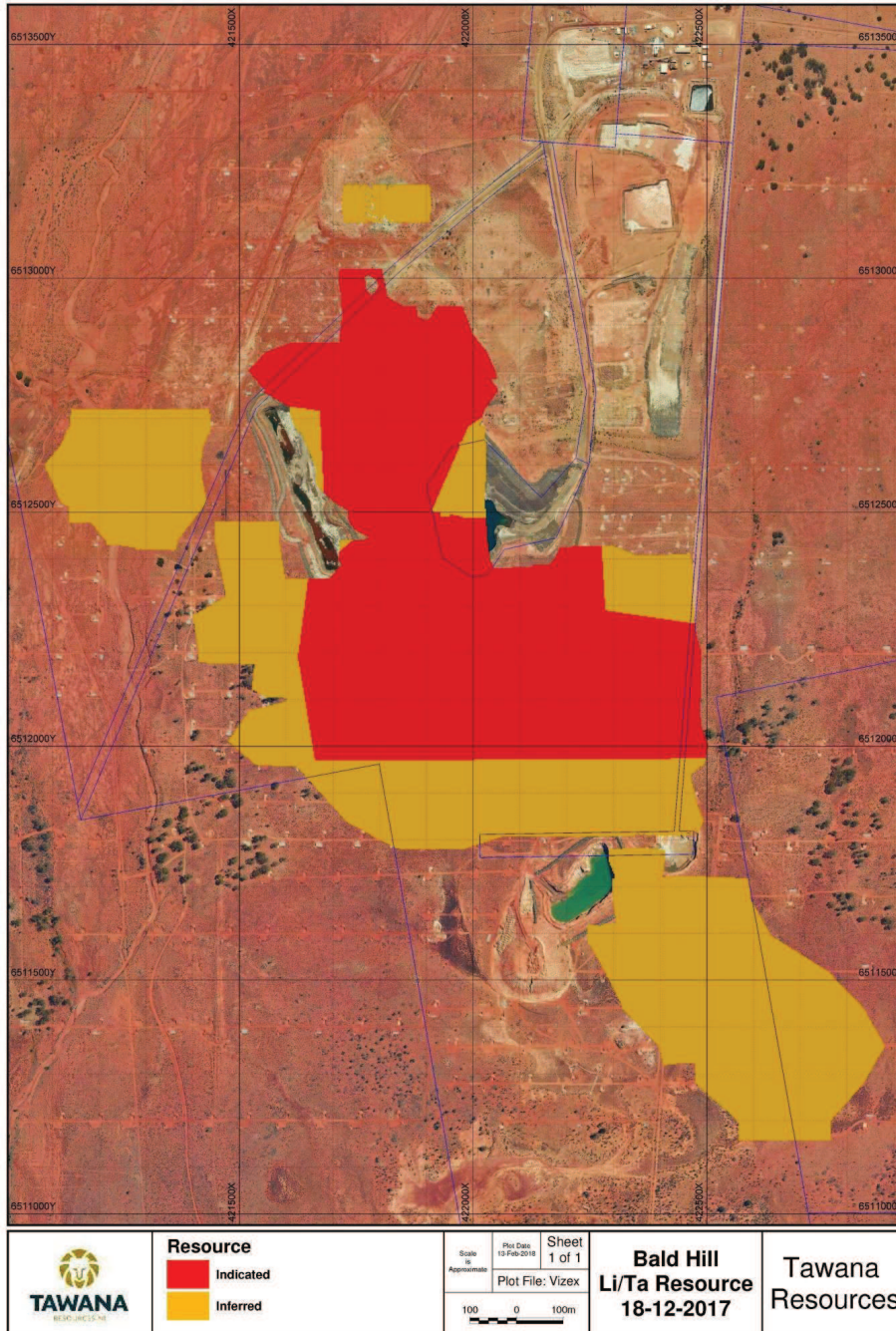


Figure 25: CSA Global Resource model at Central coloured according to resource category

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10.5 Mineral Resource Estimate Summary

This summary is provided in terms of illustrative geological cross-sections, summary statistical and geostatistical data analysis, expanded information on information on modelling, estimation parameters, and model validation parameters. These estimation related parameters have remained consistent in all material terms from the Maiden Mineral Resource estimate declared by Tawana on 14 June 2017. The most recent Mineral Resource estimate update declared on 11 October 2017 varies only in having slightly more data (see Figure 2) allowing an increase in tonnage and confidence categorisation.

10.5.1 Site Visit

Matthew Cobb, Competent Person for the Mineral Resource estimate, completed a site visit to the Bald Hill deposit during July 2017. During this time, the following actions were completed:

- RC chips were inspected
- The RC drill rig which was operating at the time was inspected, including sampling systems
- The controls to the mineralisation were discussed with Tawana’s Exploration Manager and Senior Project Geologist
- Sectional interpretations for Bald Hill were reviewed and discussed
- The collar positions of three holes were checked with a handheld GP instrument and compared with the surveyed coordinates in the drillhole database, with no significant differences
- Geological data collection systems were reviewed
- QA protocols were reviewed.

Data collection systems were found to be consistent with industry good practice. Furthermore, geological controls to the mineralisation were sufficiently understood to enable a Mineral Resource to be reported in accordance with the JORC Code.

10.5.2 Data Collection Techniques

The cut-off date for inclusion of analytical data when preparing the Mineral Resource estimate was 5 October 2017. Drilling has continued beyond this date and it is likely that updates to the current Mineral Resource estimate will be required in the future.

Drilling was a mix of RC, diamond and RC pre-collar holes with a diamond tail. The overwhelming majority of drillholes in the current database are RC holes. Face sampled rock chips are lifted to surface via compressed air and split via a vibrating cone splitter. Bagged sample splits are taken directly off the cone splitter at a nominal 12.5% split per bag.

A description of data collection techniques for all phases of drilling is available in “CSA Global Report R222.2017 – Mineral Resource Estimate, Bald Hill Pegmatite deposit, Western Australia”.

Tawana maintain a QA program through the insertion of coarse field duplicate samples and standards (both in-house and CRMs) into their analytical sample stream, and also through the pulp duplicate and repeat analyses. To ensure data security and relational integrity; reducing the risk of transcription and data entry errors, all data collected by Tawana, including logging, survey and other metadata is managed in a commercial database by third-party company, Rock Solid.

Rock Solid produce routine analytical reports of QC data collected during laboratory analyses of Bald Hill samples, and these reports form the basis of CSA Global’s commentary pertaining to QC. Generally, analytical precision over the period under consideration is acceptable; however, periods of clear (though minor) cyclical analytical bias are evident in the results from all three standards inserted by Tawana, and also in the Nagrom in-house CRM results. Cyclical bias appears to be more prevalent within Ta rather than Li analytical values. Currently, Tawana do not use blanks within their QA program. Tawana make use of

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three standards to monitor analytical bias. Only one of these standards is certified, and has been sourced from analytical standards manufacturer, GeoStats Pty Ltd. The remaining two standards were prepared internally for Tawana by Nagrom, and do not carry certification or associated confidence interval limits.

While there are aspects of Tawana’s QA procedures that offer scope for improvement, it is the opinion of the Competent Person that the dataset presented by Tawana is suitable for use in Mineral Resource estimation.

Please see Section 5 (Drilling) and Section 6 (Sample Preparation and Security) for details.

10.5.3 *Deposit Geology and Mineralisation Controls Summary*

The Bald Hill pegmatite is hosted within the Mount Belches Group; described as a steeply dipping homogenous package of metasediments (schists), greywackes and granitoids. Bedding and foliation are considered coincident. These metasediments are occasionally intruded by hypabyssal dykes of dioritic composition. Pegmatites post-date diorite intrusion and are seen to crosscut them in exposed pit walls.

The Bald Hill pegmatite swarm is considered mineralised in its entirety, with anomalous Li_2O and Ta_2O_5 values occurring throughout, resulting from the crystallisation of spodumene and tantalite as significant phases within the pegmatite mineralogy. The pegmatites vary in width and are generally comprised of quartz-albite-muscovite-spodumene in varying amounts. Late-stage albitisation in the central part of the main outcrop area has resulted in fine-grained, banded, sugary pegmatites with visible fine-grained, disseminated tantalite.

The Bald Hill pegmatite is known to form part of a much larger pegmatite swarm within the local area and has not been sufficiently closed off by current drilling; remaining open to the south.

Please see Section 4 (Geological Setting and Mineralisation) for detailed discussion.

10.5.4 *Quality Assurance*

Please see Section 7.3 for details.

10.5.5 *Geological Modelling and Mining Depletion to end-April 2018*

Please see also Section 10.2).

Preliminary statistical analysis for the Bald Hill deposit was conducted in Supervisor version 8.6 and GeoAccess version 2.1.12.0.5. Typically, both Li_2O and Ta_2O_5 displayed pseudo-lognormal grade distributions within the samples flagged as pegmatite. Bivariate statistical and geostatistical analysis indicates little correlation between Li_2O and Ta_2O_5 grade distributions.

On this basis, and given that the Bald Hill pegmatite typically showed either anomalous Li_2O or Ta_2O_5 values in nearly all drillhole intercepts, mineralisation modelling was tantamount to the geological modelling of the host pegmatite. To that end, Mineralisation at Bald Hill was modelled using a combination of lithological logging of the presence of pegmatite, a nominal 3,500 ppm Li_2O lower cut-off, and a nominal minimum 3 m intercept thickness.

The resultant pegmatite model comprises multiple individual bodies (objects), dominated by a large central object with an elongate north-south strike and an overall sub-horizontal to gentle westerly dip.

Within the total mineralisation/pegmatite wireframes, visual appraisal of Li_2O grade continuity, and assessment of the log-probability plot of Li_2O grade distributions indicated the likelihood of higher grade Li_2O domains, occurring wholly internally to the modelled pegmatite body. These high-grade domains were modelled using a nominal 7,500 ppm Li_2O cut-off, and minimum 3 m intercept thickness.

As described in Section 10.5.3, the Bald Hill pegmatite is hosted entirely within the metasediments of the Mount Belches Formation and intruded by multiple dykes of dioritic composition and of varying thickness.

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Along the eastern margin of the Bald Hill deposit, these dykes are sufficiently thick and continuous to model. Observations in pit walls indicate that the mineralised pegmatite post-dates the diorite dykes.

Wireframes models have been built for the pegmatite using the principles described above, and for the diorite dykes, using logged lithological codes (Figure 26). Surfaces were also generated for regolith profiles, with logged oxidation states being used to define base of complete oxidation (BOCO)/transitional and transitional/fresh weathering boundaries.

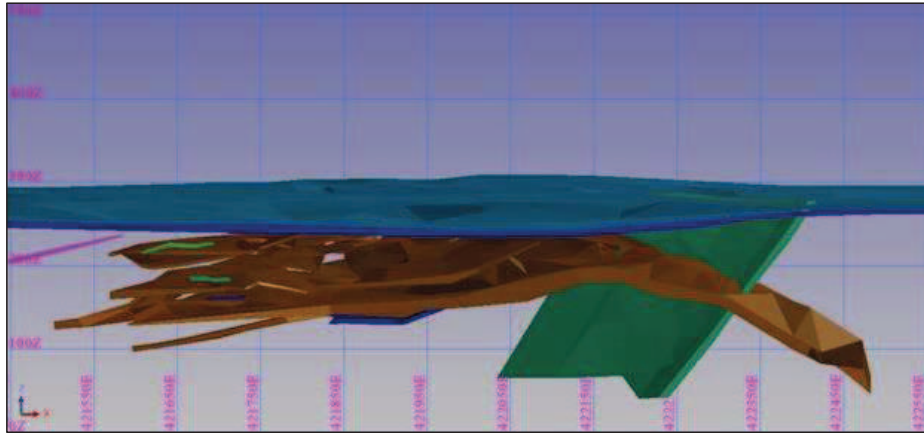


Figure 26: BOCO (light blue), top of fresh rock (dark blue) and diorite dyke modelled surfaces and shapes, in relation to the pegmatite; section view looking north

As outlined in Section 10.2, the mineralisation at Bald Hill was modelled using a combination of lithological logging of the presence of pegmatite, a nominal 3,500 ppm Li₂O lower cut-off, and a nominal minimum 3 m intercept thickness. Within the total mineralisation/pegmatite wireframes, visual appraisal of Li₂O grade continuity, and assessment of the log-probability plot of Li₂O grade distributions indicated the likelihood of higher grade Li₂O domains, occurring internally to the modelled pegmatite body. These high-grade domains were modelled using a nominal 7,500 ppm Li₂O cut-off, and minimum 3 m intercept thickness.

The following techniques were employed whilst interpreting the mineralisation:

- Each cross section was displayed on screen with a clipping window equal to half the distance from the adjacent sections.
- All interpreted strings were snapped to drillhole intervals.
- If a mineralised envelope did not extend to the adjacent drillhole section, it was projected halfway to the next section and terminated. The general direction and dip of the envelopes was maintained.
- The mineralised lenses were extended “up-dip” to breach the topographic surface where necessary, to ensure adequate capture of the mineralised shapes to surface.

Figure 24 presents an oblique view of the modelled pegmatite bodies.

The topographic surface used for the Bald Hill Project was supplied by Tawana and comprises a LiDAR generated surface with a vertical resolution of ± 0.5 m. This surface included areas of historic open pits that have been backfilled. In order to properly define these areas, particularly for waste tonnage calculations, a further set of surfaces comprising final pit surveys were also used, in order to properly capture the volumes of backfill. The final surveyed pit surface for the end of April 2018 was used to deplete the model for mined tonnes.

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10.5.6 Statistical Analysis

The two variables under consideration were Li₂O ppm and Ta₂O₅ ppm. Table 18 and Table 19 summarise the statistical parameters of the low-grade and high-grade domains respectively, and Table 20 presents the percentile values of the two domains.

Table 18: Summary statistics; Bald Hill pegmatite low-grade domain 1 m composites

	Count	Minimum	Maximum	Mean	Median	Variance	Coefficient of variation	Sichel mean
Li ₂ O	2,497	80	28,958	2,974.9	1,938	1,0714,936.02	1.1	3,248
Ta ₂ O ₅	2,487	1	5,833	222.1	156	81,623.94	1.286	239

Table 19: Summary statistics; Bald Hill pegmatite high-grade domain 1 m composites

	Count	Minimum	Maximum	Mean	Median	Variance	Coefficient of variation	Sichel mean
Li ₂ O	2,052	108	67,087	12,987	11,906	65,371,078.01	0.62	14,297
Ta ₂ O ₅	2,052	5	9,556	206	147	98,677.81	1.52	200

Table 20: Percentile values; Bald Hill pegmatite

Percentiles	Low-grade domain		High-grade domain	
	Li ₂ O	Ta ₂ O ₅	Li ₂ O	Ta ₂ O ₅
10	344.00	43.00	3,625.60	50.00
20	603.00	72.00	6,734.12	72.00
30	926.00	100.00	8,590.00	92.00
40	1,335.00	126.90	10,313.00	120.00
50	1,938.00	156.00	11,906.00	147.00
60	2,670.00	197.00	13,690.00	178.00
70	3,531.00	245.00	15,635.48	216.00
80	4,663.20	310.60	18,089.80	277.00
90	6,653.00	437.00	22,468.40	389.00
95	9,301.00	563.65	26,873.80	517.40
97.5	12,318.73	755.73	33,020.90	667.30
99	16,169.96	1,153.72	41,582.48	992.68

Figure 27 to Figure 30 provide examples of the distributions for each of the variables in the largest domain, (object 1) each of the domains.

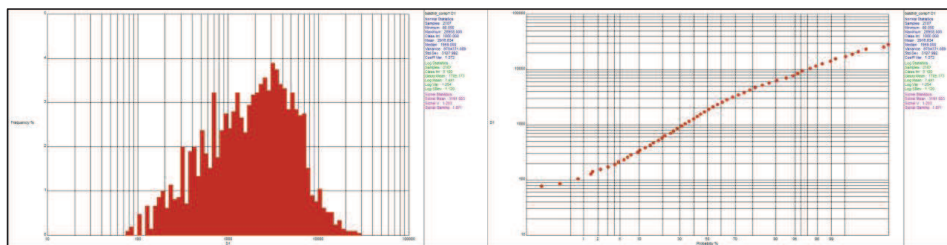


Figure 27: Li₂O composite distribution; low-grade domain (main object)

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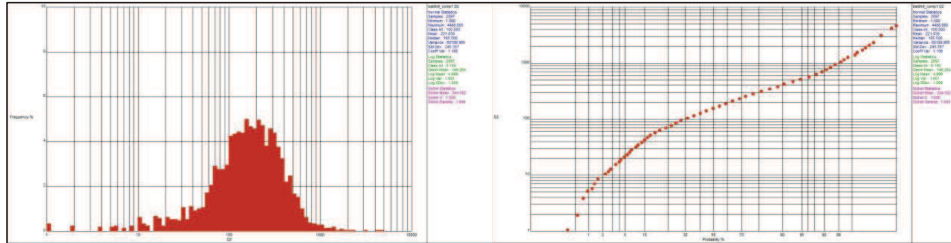


Figure 28: Ta_2O_5 composite distribution; low-grade domain (main object)

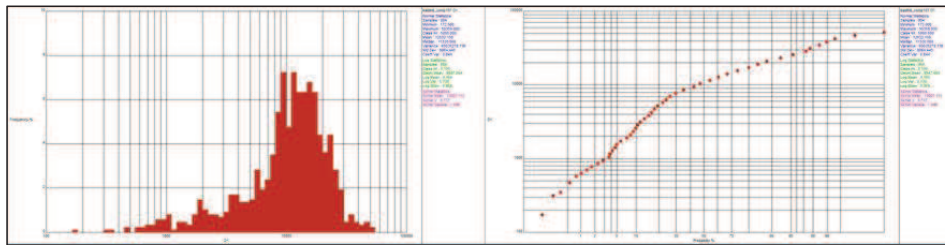


Figure 29: Li_2O composite distribution; high-grade domain (main object)

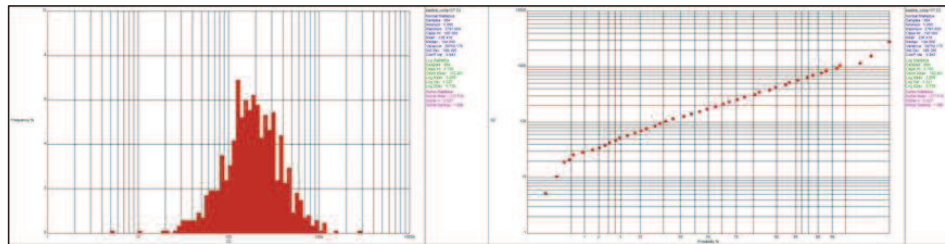


Figure 30: Ta_2O_5 composite distribution; high-grade domain (main object)

Data were reviewed by domain to assess the presence of outliers which, while representing real values within the dataset, may unduly influence the result of estimation through kriging, artificially inflating grades of surrounding blocks. Top-cuts were applied where significant outliers were identified.

Top-cuts were selected following statistical review of the sample population. The cutting strategy was applied based on the following:

- Skewness of the data
- Probability plots
- Spatial position of extreme grades.

The list of top-cuts for both Li_2O and Ta_2O_5 is presented in Table 21 for the low-grade domains and Table 22 for the high-grade domains.

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Table 21: Low-grade pegmatite domain top-cut values, by domain object

Low-grade domain object	Li ₂ O cut (ppm)	Ta ₂ O ₅ cut (ppm)
1	24,000	2,000
2	15,000	2,000
3	10,000	400
4	No cut	No cut
5	20,000	300
11	No cut	No cut
13	No cut	No cut
15	No cut	No cut
17	No cut	No cut
18	No cut	No cut
19	No cut	No cut

Table 22: High-grade domain top-cut values, by domain object

High-grade domain object	Li ₂ O cut (ppm)	Ta ₂ O ₅ cut (ppm)
100	60,000	1,000
101	No cut	No cut
102	No cut	No cut
103	30,000	400
104	No cut	No cut
105	40,000	1,000
106	40,000	4,000
107	No cut	1,300
108	No cut	1,000
109	No cut	No cut
110	40,000	400
111	No cut	500

10.5.7 Variography and Estimation Parameters

Variography for the Bald Hill deposit was conducted using Supervisor™ 8.6 software. Experimental semi-variograms were generated for both Li₂O and Ta₂O₅ utilising the input composites from the most well-informed wireframe objects from both the low-grade halo and the high-grade core domains. Model semi-variograms were fitted to these results along the three principal directions of anisotropy, Figure 31 and Figure 32 illustrate the lithium variograms.

Using the semivariogram model for Li₂O within the high-grade domain, quantitative kriging neighbourhood analysis (QKNA) was used to define an optimal block size. Estimation quality parameters (kriging efficiency and slope of regression) were assessed for a variety of block sizes, in both a well and poorly informed portion of the deposit. The final block size selected was 10 m x 10 m x 5 m (XYZ) which represents approximately half the drillhole spacing in the well-informed portions of the deposit.

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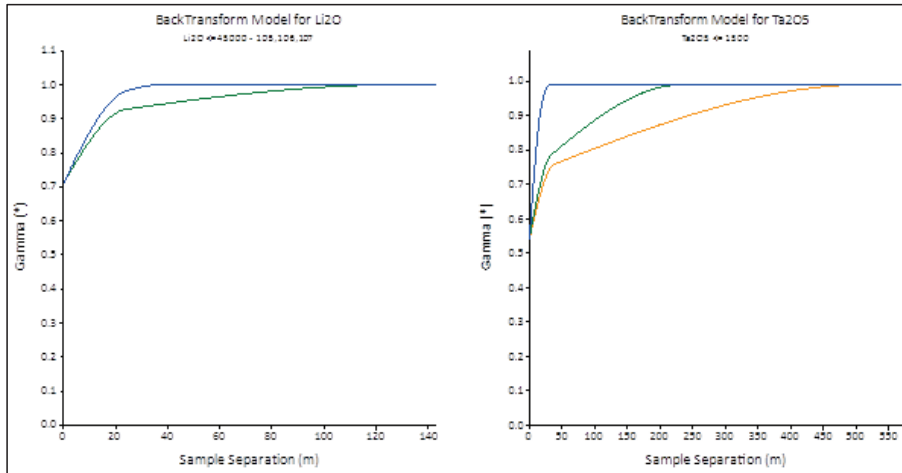


Figure 31: *Li₂O high-grade domain*

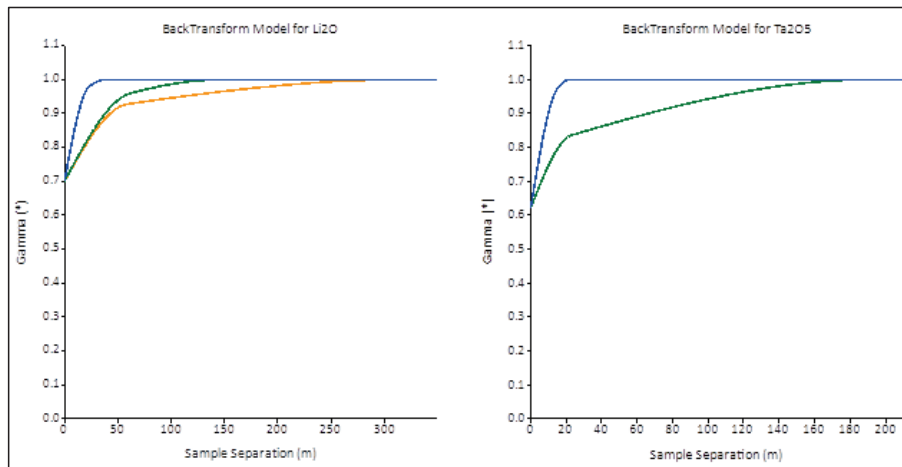


Figure 32: *Li₂O low-grade domain*

The final block size selected was 10 m x 10 m x 5 m (XYZ) which represents approximately half the drillhole spacing in the well-informed portions of the deposit. Based on block size parameters selected during QKNA, a block model was built for the Bald Hill deposit with the dimensions and parameters presented in Table 23, which also lists the attributes of the block model.

The block model was then coded using the appropriate wireframes for mineralisation domain (pegmatite or high-grade domain) and for lithology (pegmatite, host metasediments/diorite dyke). Additionally, the weathering profile surfaces and the topographic surface were used to code the model for oxidation state and air.

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Table 23: Block model, Bald Hill deposit

Parameter	X	Y	Z
Minimum coordinates	420,900	6,511,600	-65
Maximum coordinates	422,800	6,513,500	400
Nominal block size	10	10	5
Minimum block size	2.5	2.5	1.25
Attribute name	Description		
ave_dis_li2o_cut	Average distance Li ₂ O		
ave_dis_ta2o5_cut	Average distance Ta ₂ O ₅		
bd	Bulk density value		
bv_li2o_cut	Block variance Li ₂ O		
bv_ta2o5_cut	Block variance Ta ₂ O ₅		
class	Can be Measured, Indicated, Inferred or unclassified		
class_code	Can be 1, 2, 3 or 0 – Measured to unclassified		
ke_li2o_cut	Kriging efficiency Li ₂ O		
ke_ta2o5_cut	Kriging efficiency Ta ₂ O ₅		
kv_li2o_cut	Kriging variance Li ₂ O		
kv_ta2o5_cut	Kriging variance Ta ₂ O ₅		
lag_li2o_cut	Lagrange multiplier Li ₂ O		
lag_ta2o5_cut	Lagrange multiplier Ta ₂ O ₅		
li2o_cut	Cut Li ₂ O grade		
min	Can be min, waste or air		
min_dis_li2o_cut	Minimum distance Li ₂ O		
min_dis_ta2o5_cut	Minimum distance Ta ₂ O ₅		
negwt_li2o_cut	Negative weights Li ₂ O		
negwt_ta2o5_cut	Negative weights Ta ₂ O ₅		
num_sam_li2o_cut	Number of informing samples Li ₂ O		
num_sam_ta2o5_cut	Number of informing samples Ta ₂ O ₅		
pass_li2o_cut	Estimation pass Li ₂ O cut		
pass_ta2o5_cut	Estimation pass Ta ₂ O ₅ cut		
pod	Wireframe object number		
rock	Can be xms, peg, dio or air		
slope_li2o_cut	Slope of regression li ₂ O		
slope_ta2o5_cut	Slope of regression Ta ₂ O ₅		
ta2o5_cut	Cut Ta ₂ O ₅ grade		
type	Can be fresh, transition, oxide, fill or air		

Subsequent to block size selection, other estimation parameters such as minimum and maximum informing sample counts, search ellipse dimensions and block discretisation point counts were also tested in both the well and poorly informed areas of the deposit for each variable on a per-domain basis. Table 24 presents the resulting search parameters for each variable, per domain.

The south eastern limb of the Bald Hill deposit displays a substantially different dip to that of the bulk of the deposit. Defined by an easting boundary at 422,200 mE, the rotation parameters applied to the search ellipses and semivariogram models were changed to reflect the orientation. The supplementary rotations are presented in Table 25.

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Table 24: Search parameters for Mineral Resource estimation; Bald Hill deposit

Pass	Domain	Variable	Minimum samples	Maximum samples	Maximum per hole	Surpac rotation			Range		
						X	Y	Z	1	2	3
1	High-grade	Li ₂ O	4	26	4	95	5	-9	86	86	25
		Ta ₂ O ₅	4	24	4	345	8	6	342	155	21
	Halo	Li ₂ O	4	24	4	30	10	0	210	97	25
		Ta ₂ O ₅	4	24	4	116	7.5	-13	126	126	14.5
2	High-grade	Li ₂ O	2	26	4	95	5	-9	86	86	25
		Ta ₂ O ₅	2	24	4	345	8	6	342	155	21
	Halo	Li ₂ O	2	24	4	30	10	0	210	97	25
		Ta ₂ O ₅	2	24	4	116	7.5	-13	126	126	14.5

Table 25: Supplementary rotation parameters*; Bald Hill deposit

Domain	Variable	Axis plunge – Surpac rotation (rotation clockwise around axis)		
		X	Y	Z
High-grade	Li ₂ O	95	-20	-9
	Ta ₂ O ₅	345	8	-20
Halo	Li ₂ O	30	-15	0
	Ta ₂ O ₅	116	-20	5

* South-eastern limb

10.5.8 Density

Tawana submitted 65 samples from 12 individual drill holes to Nagrom to test the in-situ bulk densities of both the metasediment host rock and the pegmatites of Bald Hill, via water immersion methods. The average density results for these two rock types are presented in Table 26. In addition to these values, nominal densities were selected for other encountered waste lithologies; diorite and backfill, which are also presented in Table 26.

Table 26: Average density results; Bald Hill host, pegmatite and nominal waste

Lithotype	Density value (t/m ³)
XMS (host metasediment unit)	2.74
Pegmatite	2.65
Diorite (nominal waste)	2.8
Backfill (nominal waste)	1.8

10.5.9 Grade Estimation

For the purposes of domain coding, input data selection and estimation, the pegmatite and internal high-grade domain boundaries were treated as hard boundaries. Li₂O and Ta₂O₅ were estimated into each mineralised domain via ordinary kriging using two search passes of an oriented ellipsoid. With each successive pass, estimation parameters such as minimum number of informing samples, and restrictions on informing composites contributed from individual drillholes were relaxed. Blocks not estimated after two passes for either variable were assigned the Sichel mean of the composites belonging to that object.

10.5.10 Block Model Validation

Post estimation, the Bald Hill block model was validated by:

- Visual on-screen checks of the estimated block grades against input composite grades, on a section-by-section basis, to ensure there were no gross errors within the results
- Generation of swath plots in the X, Y and Z orientations for comparison of swath averages of informing composites against resultant block grades in a quasi-local sense.

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Figure 33 and Figure 34 present typical sections of the Bald Hill Project, showing estimated block grades against input drillhole data.

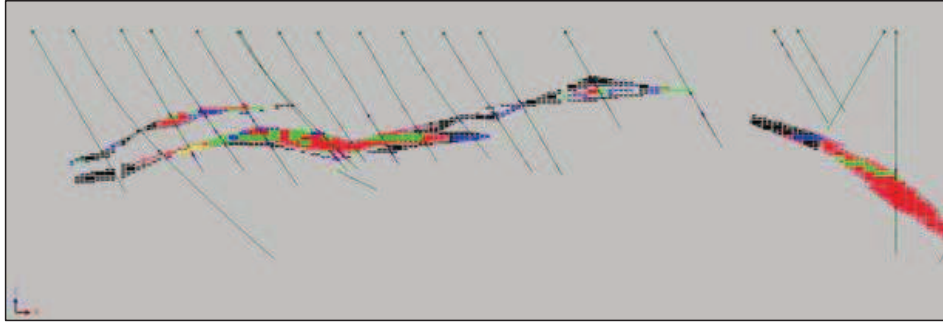


Figure 33: Section 6,512,200 mN; Bald Hill deposit

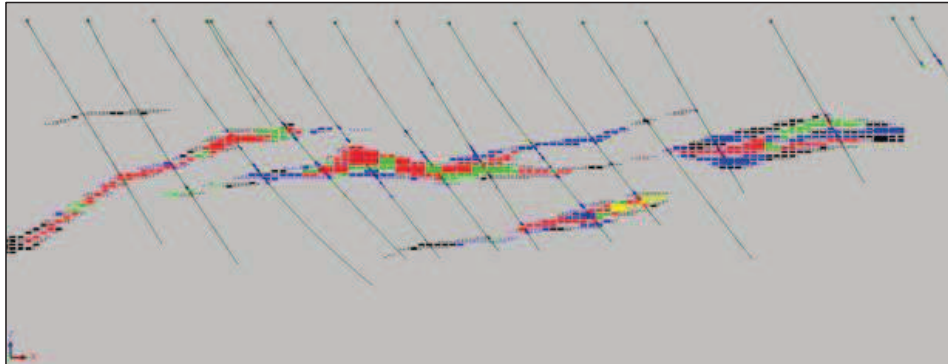


Figure 34: Section 6,512,280 mN; Bald Hill deposit



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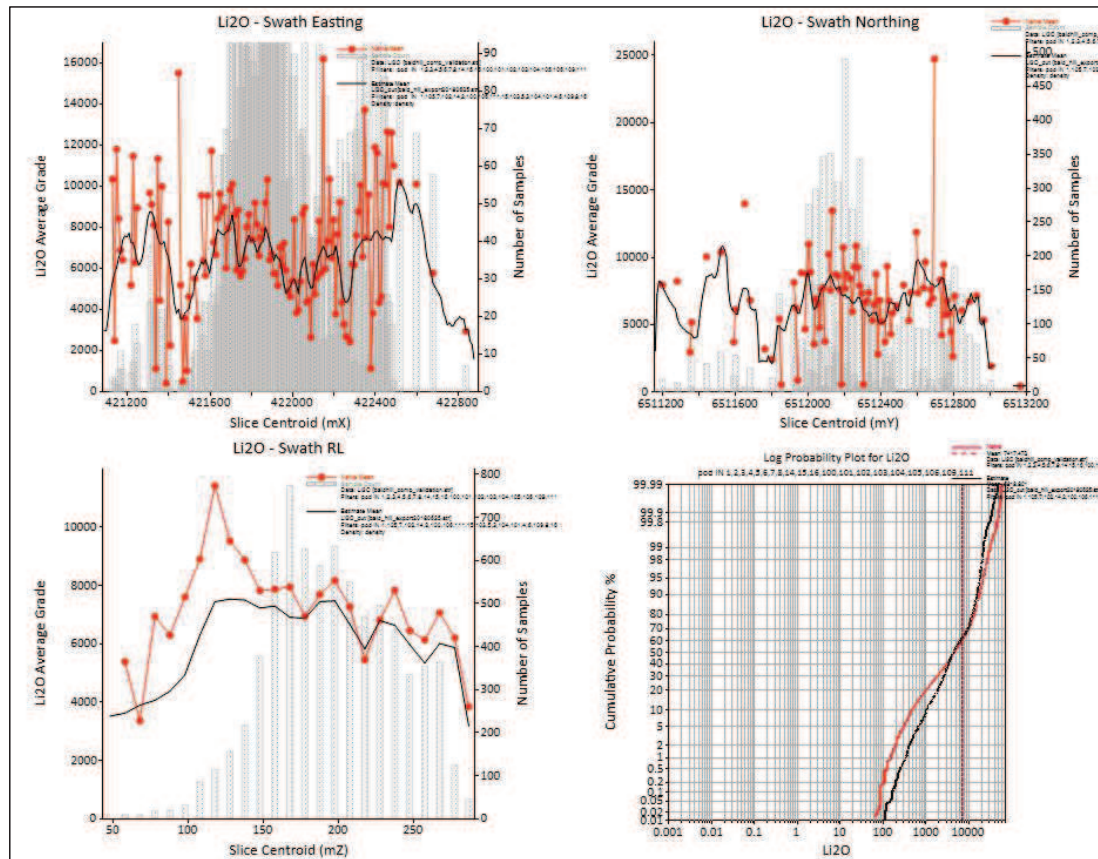


Figure 35: Validation swath plot, Li₂O



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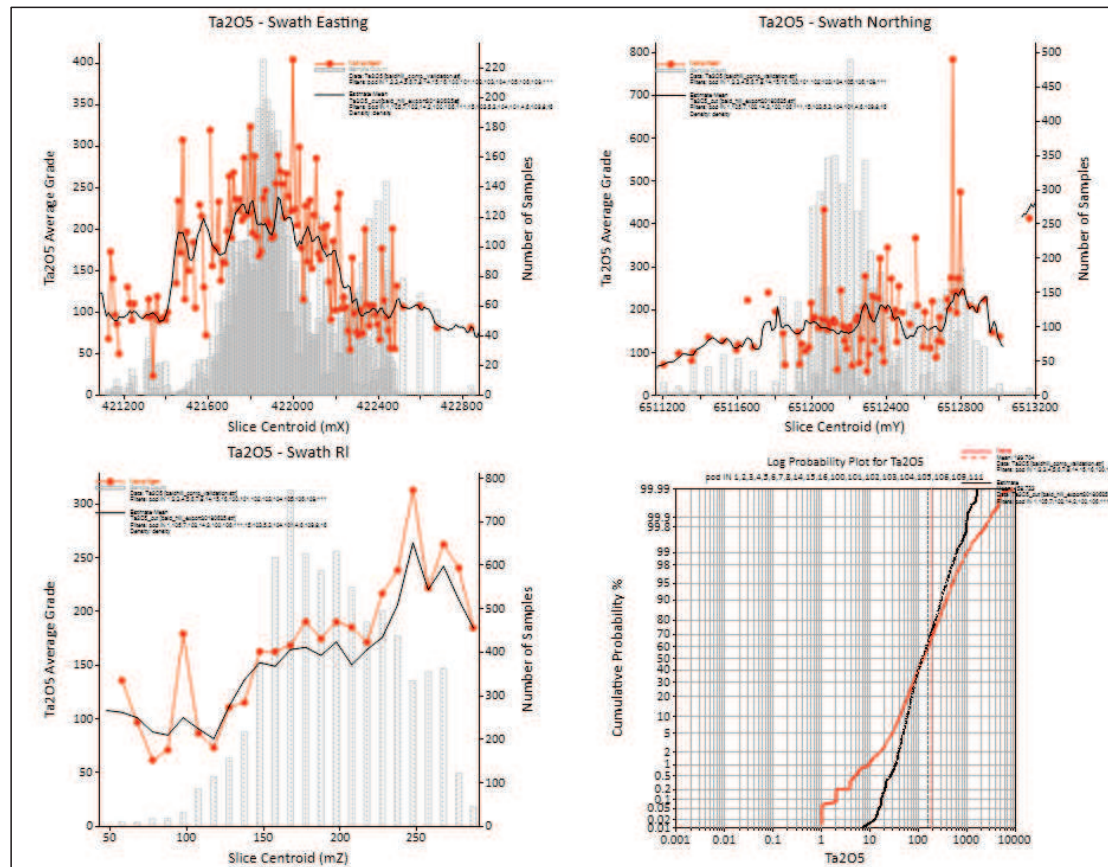


Figure 36: Validation swath plot, Ta₂O₅

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10.5.11 *Eventual Economic Extraction*

Clause 20 of the JORC Code requires that all reports of Mineral Resources must have reasonable prospects for eventual economic extraction, regardless of the classification of the resource.

The Competent Person deems that there are reasonable prospects for eventual economic extraction of mineralisation on the following basis:

- The mineralisation forms continuous coherent zones which should allow mining with only moderate dilution, subject to the adoption of robust grade control processes
- The mineralisation reported lies close to surface and is therefore potentially amenable to open pit mining
- The deposit has been mined successfully in the recent past and all the necessary infrastructure currently exists and mining and mineral processing operations have commenced
- Recent optimisation work indicates that the Bald Hill pegmatite can be extracted profitably under market conditions comparable to those that exist at the time of reporting.

There is some potential to increase the Mineral Resource with additional drilling.

The Mineral Resource has been classified in accordance with guidelines contained in the JORC Code. The classification applied reflects the Competent Person’s (Dr Matthew Cobb, of CSA Global) view of the uncertainty that should be assigned to the Mineral Resources reported herein. Key criteria that have been considered when classifying the Mineral Resource are detailed in JORC Table 1 which is contained in Appendix 2.

This classification is based upon assessment and understanding of the deposit style, geological and grade continuity, drillhole spacing, input data quality, interpolation parameters using in ordinary kriging, and an assessment of the available density data.

The Mineral Resource estimate report is as outlined earlier in Table 17, depleted for mining up to the end of April 2018.

10.6 **Exploration Potential**

Further RC and diamond drilling is warranted at the various deposits on the main mining lease (M15/400) and adjacent tenements to explore for additional resources and improve the understanding of the current resources.

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11 Ore Reserves

Tawana has published an Ore Reserve statement for the Bald Hill Project according to the reporting requirements of the JORC Code (2012) on 6 June 2018 on the ASX. The Ore Reserve is based on the Mineral Resource published on 11 October 2017 on the ASX, modifying factors aligned to the current operating plan and the July 2017 PFS.

The technical details supporting the Ore Reserve estimate are described in Sections 8, 9, 12, 13 and 14 of this document and in the JORC Table 1 included as Appendix 2.

The Tawana Ore Reserve estimates, based on the CSA Global Mineral Resource estimate of 11 October 2017 which was depleted for mining up to the end of April 2018 for lithium and tantalite in the Central area of Bald Hill, are summarised in Table 27.

Table 27: Bald Hill Project Ore Reserves

Category	Mineral type	Gross attributable to licence			Net attributable to issuer			
		Tonnes (Mt)	Grade Ta ₂ O ₅ (ppm)	Grade Li ₂ O (%)	##Tonnes (Mt)	Grade Ta ₂ O ₅ (ppm)	Grade Li ₂ O (%)	#Change from previous update (tonnes %)
Reserves – Central (Tawana, 2018)								
Proved	Tantalum	0.0	0	0.00	0.0	0	0.00	No change
Probable	Tantalum	2.0	313	0.16	1.0	313	0.16	43%
	Subtotal	2.0	313	0.16	1.0	313	0.16	43%
Proved	Tantalum + Lithium	0.0	0	0	0.0	0	0.00	No change
Probable	Tantalum + Lithium	11.3	160	1.01	5.7	160	1.01	163%
	Subtotal	11.3	160	1.01	5.7	160	1.01	163%
TOTAL RESERVES		13.3	183	0.88	6.7	183	0.88	133%

At 24 October 2017, Tawana had earned 50% of the project so the tonnes have been halved to represent the remaining share attributable to AMAL.

Notes:

- Excludes Inferred Resources.
- Excludes mineralised backfill in prior pits.
- Allows for mining ore loss (5%) and dilution (5%).
- Tantalum only reserves are <0.3% Li₂O and >200 ppm Ta₂O₅ cut-offs.
- Tantalum + lithium reserves are >0.3% Li₂O cut-off.

11.1 Basis of Cut-Off Grade Applied

The lithium and tantalum cut-off grade has been calculated using the conventional marginal cut-off grade formula applied within Whittle™. The marginal cut-off grade takes into account all processing costs including General and Administration (G&A) charges, metallurgical recovery, and net product prices for separate spodumene and tantalite concentrates.

The marginal cut-off grade used for these Ore Reserves are 0.3% for Li₂O and 200 ppm for Ta₂O₅. These cut-offs apply for oxide, transitional and fresh material.

11.2 Estimation Methodology

Whittle™ pit optimisation software has been used to identify the preferred pit shell on which the pit design was based for the recovery of oxide, transitional and fresh Indicated Mineral Resources.

Inputs used for the optimisation have been based on the PFS. A detailed open pit mine design has been developed from the initial optimised pit shells to confirm the mined volumes and inform the mining schedule.

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11.3 Competent Person

The information in this report that relates to Ore Reserves is based on information compiled by Mr Daniel Grosso and reviewed by Mr Karl van Olden, both employees of CSA Global. Mr Karl van Olden takes overall responsibility for the Reserves reported in this report as Competent Person. Mr Karl van Olden is a Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as Competent Person in terms of the JORC Code (2012 Edition). The Competent Person, Karl van Olden, has reviewed the Ore Reserve statement and given permission for the publication of this information in the form and context within which it appears.

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12 Mining Methods

Previously all the hard rock mining at Bald Hill has been by conventional open cut methods producing approximately 1.35 Mt of pegmatite ore from six pits. All but three of these pits; Boreline, South and Hillview were backfilled with mining overburden and tailings.

The spodumene and tantalite ore is being mined by contract open pit mining undertaken by SMS Innovative Mining Solutions Pty Ltd. The mining of staged open pits uses a conventional truck/excavator mining method.



Figure 37: Current Stage 1 pit

Photo: Tawana Resources

Current key mining equipment on site includes 1 x 360-t Excavator, 1 x 200-t excavator, 1 x 120-t Excavator, a fleet of Cat785/777 trucks and ancillary equipment including dozers, graders, loaders and water carts. Drill and blast is being undertaken under subcontract by JSW Australia utilising a combination of top hammer and downhole hammer drill rigs. The revised mining schedule identifies the requirement for one addition to the fleet in the 360-t excavator range, for the bulk removal of waste between July 2019 and May 2021.

To minimise ore loss and dilution, ore is being mined in blocks of shallow bench height of 2.5 m with drill and blast limited to 5 m depth in areas containing ore. Bulk waste is mined utilising 5 m to 10 m benches, with bulk waste drill and blast targeting 10 m benches.

The mining sequence provides advance dewatering, grade control drilling and modelling, followed by drill and blast, survey control and load and haul operations, with strong visual controls during ore mining.

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To establish revised mineable quantities and grades a number of optimisations were completed on the Resource model completed by CSA Global using Whittle Four-X pit optimisation software (Whittle). These results were then analysed with a set of current price and costs to determine their respective value and an optimal shell was selected for the study based on both value and risk.

An ultimate pit was designed using only Indicated Mineral Resources. Pit shells created from Whittle™ optimisations inclusive of Inferred Mineral Resources are only used as a guide to infill drilling (for detailed geotechnical information, see Section 9.1).



*Figure 38: Oblique view of latest pit design
(dark magenta = Indicated, light magenta = Inferred, mineral resources)*

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13 Environmental Studies, Permitting and Social or Community Impact

The WA DMIRS promotes best environmental management practices by delivering environmental regulatory and policy services to maximise the responsible development of the State’s mineral resources.

The DMIRS Environment Division assesses mineral exploration and development applications made within WA and audits and inspects mineral activities to ensure their operation is consistent with the principles of responsible and ecologically sustainable exploration and development.

Environmental approvals are granted in accordance with the *Mining Act 1978* (WA). Clearing permits are granted under delegation from the DWER in accordance with the provisions of the *Environmental Protection Act 1986* and the *Environmental Protection (Clearing of Native Vegetation) Regulations 2004*.

The existing tantalum operation at the Bald Hill Project has an existing mine and infrastructure with existing mining, processing, tailings, and environmental approvals. The Bald Hill Project has formal DMIRS approval for the addition of spodumene mining and production activities. The DWER has also approved the revised spodumene mining and production activities. Detailed progress reports are required to be submitted annually by the company to the DMIRS. A mine closure plan was submitted to support the granting of updated approvals. The costs of closure and rehabilitation have been included in the operational budget for the planned operations.

Ongoing variations and additional permitting will be required from the DWER and the DMIRS, for additional clearing, mining pits or pit extensions, waste dumps, tailing facilities, and water. There are no known impediments to extending the currently permitted active mining area and associated infrastructure.

Table 28 details the status of the key permits required for the project development at May 2018, as provided by Ecotec Environmental Management.

Table 28: Summary of major permits and approvals

Document	Regulator	Status	Activity/Comments
Mining Proposal Version 2 October 2017	DMIRS	Approved	Full extent of Central pit. Extended Main and Boreline waste dumps, new North and Rejects waste dumps. Tailings disposal to Boreline pit, reclaim storage in Boreline Extended pit. Revised site layout.
Licence L8830/2014/1	DWER	Approved	1.5 Mt/a production capacity. Power station. Fuel storage – 350,000 litres. In-pit tailings disposal (Boreline and Boreline Extended).
Clearing Permit CPS 6131/3	DMIRS	Approved	Up to 258 ha of clearing on M15/400 and G15/28.
Licence to Take Water GWL174305(1)	DWER	Approved	507,500 kL pa.
Licence L8830 – amendment	DWER	Under assessment	New tailings storage facility (TSF). Increased capacity and revised location of landfill. Increased fuel storage to 780,000 litres. Currently on hold pending provision further information relating to dry stacked tailings.
Mining Proposal Version 3 January 2018	DMIRS	Under assessment	New TSF. Water storage dam. Proposed site layout as per Figure 2.

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Document	Regulator	Status	Activity/Comments
Annual Environmental Report	DMIRS	Submitted on 09/04/2018 and currently under assessment	Online submission. Requires current extent of clearing.
Annual Environmental Report and Annual Audit Compliance Report	DWER	Submitted on 09/04/2018 and currently under assessment	
Mining Rehabilitation Fund Report	DMIRS	To be prepared (due date: 30/06/2018)	Usually completed by Hetherington’s using information supplied by site. Suggest clearing data as at 30/05/2018 be used.
Clearing Permit Report	DMIRS	To be prepared (due date: 31/07/2018)	
Licence Amendment Compliance Report	DWER	Submitted on 10/04/2018 and currently under assessment	Provide a report detailing compliance with the approved plant design and commitments made in the 2017 licence amendment to expand the processing plant.
Future document requirements			
Mining Proposal Version 4	DMIRS	To be prepared	Details of new camp (requires additional/revised tenure – refer to Figure 2). Southern bore field and associated infrastructure.
Licence L8830 - amendment	DWER	To be prepared	WWTP at new camp.
H2 Hydrological Assessment	DWER	To be prepared Due date: 8/9/2018	

13.1 Safety Management Systems

Safety management systems are in place and all statutory approvals have been obtained for construction of Spodumene processing plant.

13.2 Environmental Management Systems

Environmental management systems are in place.

13.3 Tailings Disposal

Initially it is planned to dispose of the processing plant tailings in the already completed Boreline pit. Environmental approval for in-pit tailings disposal has been granted with a works approval being issued.

Another new larger tailings storage dam is being designed with the intention of it being approved and constructed before the Boreline pit is full.

13.4 Radiation Registration for Concentrate Transport and Storage

Bald Hill beneficiation plant has achieved radiation registration. Radiation management plans have been approved and radiation safety officer appointed.

13.5 Statutory Appointments

All necessary statutory appointments have been made, this includes such positions as:

- Registered mine manager
- Radiation safety officer
- Electrical supervisor.

13.6 Native Title Agreements

Agreements with the registered Native Title applicants, the Ngadju people, have been obtained for mining on the main mining licence M15/400 as it was granted prior to the Native Title Act.

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14 Pricing and Revenue

14.1 Tantalite

The price for tantalite concentrate during the last 12 months from the date of this report has ranged between US\$123/kg and US\$159/kg. Prior to 2012, the price was at about US\$80/kg. The marked price increase in early 2012 was due to sudden increased demand in the electronics industry and reduced supply from traditional suppliers, mainly in Australia, as reserves were depleted.

The price AMAL will receive for its tantalite concentrate will depend on several factors including both the tantalum grade of the concentrate and physical and chemical characteristics of its contained tantalite. The concentrate will contain impurities that will dilute the tantalite content and the tantalum content of the mineral tantalite varies depending on its chemical composition. The mineral tantalite $(\text{Fe,Mn})(\text{Ta,Nb})_2\text{O}_6$ has a tantalum content of between 52% Ta_2O_5 and 86% Ta_2O_5 depending mainly on its Nb (niobium) content which is in solid solution with tantalum.

Other factors that could affect the price received for AMAL’s concentrate, due to possible problems for the refinery producing pure products from the concentrate, include:

- Levels of deleterious elements in the concentrate such as uranium, thorium, arsenic and antimony
- The presence of nuisance minerals like clay
- And the size of the tantalite grains.

Historically, the concentrate produced at Bald Hill by Haddington, and more recently by AMAL in their tantalite plant commissioning trials, was a high quality concentrate with very low levels of uranium, thorium, arsenic and antimony as well as clay. As a result, the Bald Hill tantalite concentrate had been sold at a premium price to Greenbushes Limited so it could be blended with poorer quality, inferior concentrates from other sources to produce a smelter feed that had acceptable smelting properties.

AMAL with Tawana have a non-binding term sheet with HC Starck for the supply of a minimum 600,000 pounds of contained tantalum pentoxide to December 2020. The Parties are still in the process of negotiating the terms of a binding definitive agreement.

14.2 Spodumene

The price for lithium carbonate, produced from spodumene, has risen considerably since late-2015. This rapid price increase was possibly due to sudden increased demand in the electronics industry for battery manufacture along with probable market speculation.

Battery applications are expected to drive growth for lithium consumption in the foreseeable future. Electric vehicle developments will head this growth underpinned by consumption of portable electronics, like tablets, storage batteries for solar power systems and power tools – the vast majority of which use lithium-ion technology.

The manufacture of ceramics and glass will continue to require lithium concentrates, especially in Asia where the industry is seeing rapid growth. Industrial applications like lithium’s use in grease (predominately lithium hydroxide), aluminium and continuous castings will continue to underpin the industry, fluctuating in line with global industrial activity.

AMAL with Tawana have negotiated a binding offtake with Burwill for the supply of spodumene concentrate from the Bald Hill Project over an approximate initial five-year term. The key terms of the offtake are as follows:

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-
- A fixed price for all production for 2018 and 2019 of US\$880/t (FOB Esperance) for 6% Li₂O with price adjustment increment/decrement of US\$15/t based on grade variation of 0.1%.
 - From 2020 to 2023, the sales price and volumes are to be negotiated based upon prevailing market conditions at the time.

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15 Other Relevant Data and Information

There is no other data not included or referred to in this report and known to CSA Global that would assist with the understanding of the Bald Hill Project.

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16 Risks

The following risk analysis has been adopted by the Competent Person in assigning risk factors to various aspects. Risk has been classified from major to minor as follows:

- **Major Risk:** The factor poses an immediate danger of a failure which, if uncorrected, will have a material effect (>15% to 20%) on the Project cash flow and performance and could potentially lead to project failure.
- **Moderate Risk:** The factor, if uncorrected, could have a significant effect (10% to 15%) on the Project cash flow and performance unless mitigated by some corrective action.
- **Minor Risk:** The factor, if uncorrected, will have little or no effect (<10%) on project cash flow and performance.

The likelihood of a risk event occurring within a nominal seven-year timeframe has been considered as:

- **Likely:** Will probably occur
- **Possible:** May occur
- **Unlikely:** Unlikely to occur.

The degree or consequence of a risk and its likelihood are combined into an overall risk assessment, as shown below.

Table 29: Risk assessment guidelines

Likelihood of risk (within 7 years)	Consequence of risk		
	Minor	Moderate	Major
Likely	Medium	High	High
Possible	Low	Medium	High
Unlikely	Low	Low	Medium

This section identifies the areas that Competent Person regards as the major risks associated with an investment in the Bald Hill Project.

Table 30: Summary of project risks

Risk issue likelihood consequence	Likelihood	Consequence rating	Risk
Geological Resource tonnes and grades significantly not achieved beyond the limits implied by the JORC resource classifications	Unlikely	Moderate	Low
Mining risk Orebody continuity	Unlikely	Moderate	Low
Non-technical	Unlikely	Moderate	Low
Legislative changes	Possible	Moderate	Low
Economic conditions Commodity price	Possible	Moderate	Medium
Loss of demand	Unlikely	Major	Medium
Inflation increase	Possible	Moderate	Medium
Change in interest rate	Possible	Moderate	Medium
Sovereign risk	Unlikely	Moderate	Low
Environmental Unexpected unauthorised ecological damage	Unlikely	Moderate	Low
Extra costs in environment restoration	Possible	Minor	Low
Contamination of local water system	Possible	Minor	Low

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Risk issue likelihood consequence	Likelihood	Consequence rating	Risk
Capital and operating costs			
Capital costs	Possible	Moderate	Medium
Operational risk			
Operating costs	Possible	Major	Medium

The main risks can be described generally as follows, and are summarised specifically with respect to the Bald Hill Project in Table 30:

- Resource risk due to changes in geological interpretation, assumed mining and processing parameters and new geological information and or sampling data.
- Commodity prices and exchange rates are constantly changing in response to changes in market demand.
- Risks inherent in exploration and mining include, among other things, successful exploration and identification of Ore Reserves, satisfactory performance of mining operations if a mineable deposit is discovered and competent management.
- Risks associated with obtaining renewal of tenements upon expiry of their current term, including the grant of subsequent titles where applied for over the same ground. The grant or refusal of tenements is subject to ministerial discretion and there is no certainty that the renewal of tenements will be granted.
- The risk of material adverse changes in the government policies or legislation of WA that may affect the level and practicality of mining activities.
- Environmental management issues with which the AMAL may be required to comply from time to time. There are very substantive legislative and regulatory regimes with which the AMAL needs to comply for land access and mining which can lead to significant delays.
- Native Title is believed to be extinguished over the mining leases. The status of Native Title over the other leases and licences that make up AMAL’s tenement package has not been determined by the Competent Person as they do not cover the reported resource and planned mining areas.
- Poor weather conditions over a prolonged period which might adversely affect mining and exploration activities and the timing of earning revenues.
- Unforeseen major failures, breakdowns or repairs required to key items of mining and processing equipment, mining plant and equipment or mine structure resulting in significant delays, notwithstanding regular programs of repair, maintenance and upkeep.

This is not an exhaustive list. Further clarification of the risk categories in Table 30 are as detailed in Sections 16.1 to 16.5.

16.1 Geological Risk

Estimates of Mineral Resources may change when new information becomes available or new modifying factors arise. Interpretations and assumptions on the geology and controls on the mineralisation on which Resource or Reserve estimates based on may be found to be inaccurate after further mapping, drilling and sampling or through future production. Any adjustment could affect the development and mining plans, which could materially and adversely affect the potential revenue from the project and the valuation of the Project. If the Resources are overestimated in either quantity or quality of ore, the profitability of the Project will be adversely affected. If however the quantity or quality is underestimated the profitability of the Project will be enhanced.

Geological risk is unlikely to present a significant threat to the Bald Hill Project as there is sufficient confidence in the estimates, as evidenced by the declared Probable Ore Reserves and the significant amounts of Indicated Mineral Resources mining and mineral processing has commenced at the Bald Hill

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Project. Mineral value fluctuations, dilution, grade and mining losses all could potentially impact the Mineral Resource estimate, but the quantum of the change is not anticipated to be significant.

16.2 Mining Risk

Mining risks include the uncertainties associated with projected continuity of an ore deposit, fluctuations in grades and values of the product being mined, and unforeseen operational and technical problems.

Mining may be adversely affected or hampered by a variety of non-technical issues such as limitations on activities due to seasonal changes, industrial disputes, land claims, legal challenges associated with land ownership, environmental matters, mining legislation and many other factors beyond the control of AMAL, including many that are partly or wholly unforeseeable.

Changes in the WA mining law and regulations may affect the feasibility and profitability of any mining operations. However, in the context of the Bald Hill Project, no significant or material changes are foreseeable, and the mining risks have been assessed to be low.

16.3 Economic Conditions

AMAL’s project is prospective for mainly tantalite (tantalum), spodumene (lithium) and various other minerals as perceived by the Company. Therefore, it would be reasonable to expect that AMAL’s market appeal, and in the event it commences mining any of the other commodities besides tantalite and spodumene, its revenue will be affected by the price of such minerals. Mineral and metal prices and currency exchange rates may fluctuate widely and are affected by numerous industry factors beyond AMAL’s control.

General economic conditions may affect inflation and interest rates, which in turn may impact upon AMAL’s operating costs and financing. Other factors that may adversely affect the AMAL’s activities in WA include changes in government policies, natural disasters, industrial disputes, and social unrest. Some of these risks include:

- In the context of the Bald Hill Project, there is low sovereign risk in WA, and no immediate risk is apparent.
- Changes in global economic conditions are less easy to predict as they are dependent on global economic demand. This risk has been assessed as medium.

16.4 Taxation

Changes to tax legislation and regulation or their interpretation may affect the value of mine output. This is out of AMAL’s control, but Australia is generally considered to be a stable taxation environment and no sudden changes are anticipated.

16.5 Unforeseeable Risks

There are likely to be risks that CSA Global is unaware of or do not fully appreciate at any point in time. Over time or with the benefit of hindsight, these sometimes become apparent. Such risks may be related to legislation, regulation, business conditions, land access, conflicts and disputes at a local or international level, data issues and a variety of other unforeseen eventualities.

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17 Interpretation and Conclusions

During the past 12 months, the Bald Hill Project has evolved to a very active spodumene-tantalite project, which has commenced mining and shipment of concentrate.

Tawana and the consulting firms it engaged with their appropriate Competent Persons, contributed to an update of the Ore Reserves in the areas of geology, resource, geo-technical, mining, metallurgy, engineering, tailings, cost estimating, project implementation, operations, and health, safety, environmental and social aspects. As a result, new Ore Reserves were reported for the area modelled for Tawana (Table 31).

Table 31: Resource and Reserve summary for Bald Hill outside mined pits as at 30 April 2018

(Resources are inclusive of Reserves)

JORC category	Mineral type	Gross attributable to licence			Net attributable to issuer			
		Tonnes (Mt)	Grade* Ta ₂ O ₅ (ppm)	Grade* Li ₂ O (%)	##Tonnes (Mt)	Grade* Ta ₂ O ₅ (ppm)	Grade* Li ₂ O (%)	#Change from previous update (tonnes %)
Reserves – Central (Tawana, 2017)								
Proved	Tantalum	0.0	0	0.00	0.0	0	0.00	No change
Probable	Tantalum	2.0	313	0.16	1.0	313	0.16	43%
	Subtotal	2.0	313	0.16	1.0	313	0.16	43%
Proved	Tantalum + Lithium	0.0	0	0	0.0	0	0.00	No change
Probable	Tantalum + Lithium	11.3	160	1.01	5.7	160	1.01	163%
	Subtotal	11.3	160	1.01	5.7	160	1.01	163%
TOTAL RESERVES		13.3	183	0.88	6.7	183	0.88	133%
Resources – Creekside (carried over from previous IQPR, by AMC 2014) and Central and Boreline (Tawana, June 2018)								
Measured	Tantalum	0.0	0		0.0	0		No change
Indicated	Tantalum	3.3	340		1.7	340		-14%
Inferred	Tantalum	1.4	340		0.7	340		-18%
TOTAL		4.7	340		2.4	340		-15%
Resources – Central and Boreline (Tawana, June 2018)								
Measured	Tantalum + Lithium	0.0	0	0.00	0.0	0	0.00	No change
Indicated	Tantalum + Lithium	14.4	168	1.02	7.2	168	0.51	80%
Inferred	Tantalum + Lithium	12.1	123	0.90	6.1	126	0.46	11%
TOTAL		26.5	149	0.96	13.3	149	0.49	40%

The upgrade of some Inferred Resources from the previous estimate to Indicated has resulted in -ve% change in current gross Inferred Resources and +ve% change in Indicated. However, despite all the drilling since the previous resource estimate being infill drilling, the overall resource tonnes have increased and grades dropped slightly as a result of the lower cut-off grade for the spodumene resources being reduced from 0.5% Li₂O to 0.3% Li₂O in line with the findings of the PFS.

Since 24 October 2017, Tawana has earned 50% of the total resources and reserves including both their lithium and tantalum content. Previously Tawana had only earned 50% of the lithium content of the resources and reserves (the additional 0.3 Mt difference in the Indicated tonnage derives from Creekside, which is not included in the Tawana tabulation). The reduction of the attributable resource and reserve tonnages reflect this arrangement, not a reduction of the actual resources and reserves.

* AMC (2014) used 100 ppm Ta₂O₅ lower cut-off grade for Creekside, CSA Global used 200 ppm Ta₂O₅ and 0.3% Li₂O as their lower cut-off grade for all other deposits except Creekside.

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Key changes as a result of the most recent Ore Reserve update are:

- High-grade Indicated Resources increased to 10.6 Mt at 1.25% Li₂O, additional Indicated low-grade Resource of 3.8 Mt at 0.39% Li₂O added by reduction of lower lithium cut-off grade from 0.5% Li₂O down to 0.3% Li₂O due to improved actual processing performance than predicted in the July 2017 PFS.
- Lithium Ore Reserve of 11.3 Mt at 1.0% Li₂O and 160 ppm Ta₂O₅ – representing an increase of 105% in contained lithium from the July 2017 Reserve estimate and previously announced by AMAL on 8 August 2017.
- Tantalum Ore Reserve of 2.0 Mt at 313 ppm Ta₂O₅ – an increase of 43% from the July 2017 Reserve estimate and previously announced by AMAL on 8 August 2017.
- Ore Reserve underpins the nine years of lithium concentrate production at an average of 183,000 t/a..

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18 Bald Hill Project Recommendations

The following recommendations are made with respect to further evaluating and increasing confidence in the Project:

- Further drilling is recommended to infill the existing wider spaced drilling on the periphery of the current Central resource block currently drilled on an 80 m x 80 m grid to a grid spacing of 40 m x 40 m to raise the confidence of the Inferred Resource estimates in these areas to Indicated
- Further drilling is warranted to extend the known resources in all directions from the Tawana modelled resource, with extensions to the south and southeast most likely to be relatively shallow with high lithium and tantalum grades
- It may be possible to further refine some of the economic modifying factors with subsequent revisions and updates of the Ore Reserves, Monitoring of any potential mining loss or dilution in on going production records will allow these considerations.
- Debottlenecking studies are recommended to investigate increased production through the existing plant.
- Studies are also recommended to investigate the possibility of improving recovery from treatment of fines, and increase throughput, with an additional DMS circuit.

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19 Abbreviations and Acronyms

%	percent
°	degrees
°C	degrees Celsius
AHM	Australian Height Datum
AM&A	AI Maynard and Associates
AMAL	Alliance Mineral Assets Limited
AMC	AMC Consultants
ASX	Australian Securities Exchange
BCM	bank cubic metres
BOCO	base of complete oxidation
cm	centimetre(s)
CRM	certified reference material
CSA Global	CSA Global Pty Ltd
DD	diamond core drilling
DMIRS	Department of Mines, Industry Regulation and Safety
DMS	dense media separation
DTM	digital terrain model
DWER	Department of Water and Environmental Regulation
EL	exploration licence
FOB	free on-board
g	gram(s)
G&A	General and Administration (costs)
GPL	general purpose licence
GPS	global positioning system
GSWA	Geological Survey of Western Australia
Gwalia	Gwalia Consolidated Limited
ha	hectare(s)
Haddington	Haddington International Resources Limited
HRM	HRM Resources Australia Limited
ICP-MS	inductively coupled plasma – mass spectrometry
IQBR	Independent Qualified Persons Report
IRR	internal rate of return
JV	joint venture
kg	kilogram(s)
km, km ²	kilometres, square kilometres
L	miscellaneous licence

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lb	pounds
Lithco	Lithco No.2 Pty Ltd
Living Waters	Living Waters Mining (Australia) Pty Ltd
LOR	life of Reserve
m, m ² , m ³	metre(s), square metre(s), cubic metre(s)
ML	mining lease
mm	millimetre(s)
Mt	million tonnes
Mt/a	million tonnes per annum
NPV	net present value
NTA	Native Title Act 1993 (Commonwealth)
PFS	prefeasibility study
PL	prospecting licence
POW	Program of Works
Primero	Primero Group
QA	quality assurance
QAQC	quality assurance and quality control
QC	quality control
QKNA	quantitative kriging neighbourhood analysis
RAB	rotary air blast
RC	reverse circulation
RCD	reverse circulation with diamond core tails
RL	retention licence
Rock Solid	Rock Solid Data Consultancy
SD	standard deviation
SHRIMP	sensitive high-resolution ion microprobe
t/a	tonnes per annum
t/m ³	tonnes per cubic metre
Tawana	Tawana Resources NL
TDS	total dissolved salts
TOFR	top of fresh rock
TPF	tantalite processing facility
USGS	United States Geological Survey
WA	Western Australia
XRF	x-ray fluorescence

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20 Director and Independent Qualified Person Statements

20.1 CSA Global Director – Mr Aaron Green

I, Aaron Green, confirm that I am a Director of CSA Global Pty Ltd (CSA Global) and that I directly supervised the production of the report titled “Independent Qualified Person’s Report of the Bald Hill Tantalum and Lithium Project, Western Australia” dated 9 August 2018, in accordance with SGX Catalist Rule 442.

A handwritten signature in blue ink, appearing to read 'A. Green', is written over a horizontal line. The signature is somewhat stylized and partially overlaps the line.

Electronic signature for duplication
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Electronic signature for duplication
Electronic signature for duplication
Electronic signature for duplication

Aaron Green
Director of CSA Global
9 August 2018

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20.2 Competent Person for Mineral Resources and Ore Reserves

20.2.1 Competent Person for Mineral Resources

I, Matthew Cobb, confirm that I am a Principal Consultant Geologist of CSA Global Pty Ltd (CSA Global) and that I am the Independent Qualified Person responsible for the report titled “Independent Qualified Person’s Report of the Bald Hill Tantalum and Lithium Project, Western Australia” with an effective date of 9 August 2018, in accordance with SGX Catalist Rule 442.

I confirm that CSA Global’s directors, substantial shareholders and their associates and I are independent of Alliance Mineral Assets Limited (AMAL), its directors, and substantial shareholders. In addition, my firm’s partners, directors, substantial shareholders and their associates and I have no interest, direct or indirect, in AMAL and will not receive benefits other than remuneration paid to CSA Global in connection with the Independent Qualified Person’s Report (IQPR). Remuneration paid to CSA Global in connection with the IQPR is not dependent on the findings of this report.

I have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition).

I am a Competent Person as defined by the JORC Code (2012 Edition) and meet all the requirements for an Independent Qualified Person under the Catalist Rule 442, having greater than five years’ experience that is relevant to the style of mineralisation and type of deposit described in this report for which I am accepting responsibility.

I also verify that this report is based on and fairly and accurately reflects, in the form and context in which it appears, the information in my supporting documentation relating to Mineral Resources for which I am accepting responsibility.

I am a Member of the Australasian Institute of Mining and Metallurgy in good standing. I have not been found in breach of any relevant rule or law and am not denied or disqualified from membership of, subject to any sanction imposed, the subject of any disciplinary proceedings or the subject of any investigation which might lead to a disciplinary action by any regulatory authority or any professional association.

I have reviewed the report, to which this Consent Statement applies, and I consent to the release of this report.

A handwritten signature in black ink, appearing to read 'Matthew Cobb', with a horizontal line extending to the right from the end of the signature.

9 August 2018

Matthew Cobb, Competent Person

Principal Consultant Geologist of CSA Global

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20.2.2 Competent Person for Ore Reserves

I, Karl van Olden, confirm that I am a Principal Mining Engineer and Manager of Mining of CSA Global Pty Ltd (CSA Global) and that I am the Independent Qualified Person responsible for the report titled “Independent Qualified Person’s Report of the Bald Hill Tantalum and Lithium Project, Western Australia” with an effective date of 9 August 2018, in accordance with SGX Catalist Rule 442.

I confirm that CSA Global’s directors, substantial shareholders and their associates and I are independent of Alliance Mineral Assets Limited (AMAL), its directors, and substantial shareholders. In addition, my firm’s partners, directors, substantial shareholders and their associates and I have no interest, direct or indirect, in AMAL and will not receive benefits other than remuneration paid to CSA Global in connection with the Independent Qualified Person’s Report (IQPR). Remuneration paid to CSA Global in connection with the IQPR is not dependent on the findings of this report.

I have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition).

I am a Competent Person as defined by the JORC Code (2012 Edition) and meet all the requirements for an Independent Qualified Person under the Catalist Rule 442, having greater than five years’ experience that is relevant to the style of mineralisation and type of deposit described in this report for which I am accepting responsibility.

I also verify that this report is based on and fairly and accurately reflects, in the form and context in which it appears, the information in my supporting documentation relating to Ore Reserves for which I am accepting responsibility.

I am a Fellow the Australasian Institute of Mining and Metallurgy in good standing. I have not been found in breach of any relevant rule or law and am not denied or disqualified from membership of, subject to any sanction imposed, the subject of any disciplinary proceedings or the subject of any investigation which might lead to a disciplinary action by any regulatory authority or any professional association.

I have reviewed the report, to which this Consent Statement applies, and I consent to the release of this report.


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9 August 2018

Karl van Olden, Competent Person

Principal Mining Engineer and Manager of Mining of CSA Global

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21.1 Tawana ASX Announcements

[Lithium Ore Reserve Increase at Bald Hill](http://tawana.com.au/wp-content/uploads/sites/37/2018/06/01988118.pdf) Jun 6, 2018 – <http://tawana.com.au/wp-content/uploads/sites/37/2018/06/01988118.pdf>

[TAW and AMAL complete First Shipment of Lithium Concentrate](http://tawana.com.au/wp-content/uploads/sites/37/2018/05/01978393.pdf) May 3, 2018 – <http://tawana.com.au/wp-content/uploads/sites/37/2018/05/01978393.pdf>

[First Bald Hill lithium concentrate on its way to Esperance port | The West Australian](https://thewest.com.au/business/mining/first-bald-hill-lithium-concentrate-on-its-way-to-esperance-port-ng-b88815804z) April 26, 2018 – <https://thewest.com.au/business/mining/first-bald-hill-lithium-concentrate-on-its-way-to-esperance-port-ng-b88815804z>

[Bald Hill Lithium Haulage Commences April 24, 2018](http://tawana.com.au/wp-content/uploads/sites/37/2018/04/01973908.pdf) – <http://tawana.com.au/wp-content/uploads/sites/37/2018/04/01973908.pdf>

[Bald Hill Plant Achieves Key Milestones](http://spcagent.co/tawana/wp-content/uploads/sites/37/2018/03/1786495.pdf) March 29, 2018 – <http://spcagent.co/tawana/wp-content/uploads/sites/37/2018/03/1786495.pdf>

[Lithium Production Commences at Bald Hill](http://tawana.com.au/wp-content/uploads/sites/37/2018/03/140318-Lithium-Production-Commences-at-Bald-Hill_final.pdf) March 14, 2018 – http://tawana.com.au/wp-content/uploads/sites/37/2018/03/140318-Lithium-Production-Commences-at-Bald-Hill_final.pdf

[Commissioning Commences at Bald Hill Lithium Plant](http://spcagent.co/tawana/wp-content/uploads/sites/37/2018/02/01950770.pdf) February 15, 2018 – <http://spcagent.co/tawana/wp-content/uploads/sites/37/2018/02/01950770.pdf>

[Significant Exploration Results Continue at Bald Hill](http://spcagent.co/tawana/wp-content/uploads/sites/37/2017/12/01930677.pdf) December 6, 2017 – <http://spcagent.co/tawana/wp-content/uploads/sites/37/2017/12/01930677.pdf>

21.2 Worldwide Web

21.2.1 Geoscience Australia

<http://www.australianminesatlas.gov.au/aimr/commodity/tantalum.html>

21.2.2 Wikipedia

<http://en.wikipedia.org/wiki/Tantalite>

<http://en.wikipedia.org/wiki/Tantalum>

<http://en.wikipedia.org/wiki/Lithium>

<http://en.wikipedia.org/wiki/Kalgoorlie>

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Appendix 1: JORC Code Table 1 – Bald Hill Fenceline Resource (for post-2014 drilling prior to Tawana drilling)

Section 1: Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<p><i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i></p> <p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></p> <p><i>In cases where ‘industry standard’ work has been done this would be relatively simple (e.g. ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i></p>	<p>1983–1988</p> <p>Surveying, mapping and analysis of costeans, reverse circulation (RC), rotary air blast (RAB) drillholes. Costeans sampled along walls.</p> <p>2–3 kg drill samples collected at 1 m intervals.</p> <p>Samples jaw crushed and riffle split to 100–150 g for pulverising by roll milling and ring grinding.</p> <p>X-ray fluorescence (XRF) determination of Ta₂O₅, Nb₂O₅ and Sn by SGS Australia.</p> <p>No evidence of certified standards or blanks. Field duplicates submitted at 1:25 in drilling and 1:10 costeaning.</p> <p>Assays greater than 800 ppm Ta₂O₅ repeated by laboratory.</p> <p>Check assays completed at Greenbushes Analytical Laboratories (1996–1999)</p> <p>2000–2009</p> <p>RC and RAB samples collected at 1 m intervals in intersected pegmatites.</p> <p>Samples riffle split to two 2.5 kg samples pulverised and analysis at laboratory as duplicates. Average of assays in database.</p> <p>Field duplicates added to end of 2004 drilling.</p> <p>Certified blanks and standards of appropriate Ta₂O₅ grade reported in laboratory results.</p> <p>Repeat analyses on approximately 10% of samples (2001–2013).</p> <p>2014</p> <p>RC samples at 1 m intervals.</p> <p>Samples split to 3–4 kg pulverised and analysis at laboratory.</p> <p>Standards of appropriate grade and lab repeats reported in laboratory results.</p> <p>Field duplicates taken and submitted for analysis at 1:10 in drilling.</p>
Drilling techniques	<p><i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></p>	<p>RC and RAB drilling conducted in line with general industry standards.</p> <p>Most drilling is vertical.</p>

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Criteria	JORC Code explanation	Commentary
Drill sample recovery	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p> <p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p> <p><i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p>	<p>Chip recovery or weights for RC and RAB drilling were not conducted. Not possible to establish if relationship between sample recovery and sample grades exists.</p> <p>Tantalite is relatively fine-grained.</p> <p>Opportunity for sample bias is considered negligible.</p>
Logging	<p><i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p>	<p>Geological logs exist for all drillholes with lithological codes via an established reference legend.</p> <p>Drillholes have been geologically logged in their entirety but assays have generally only been submitted through and adjacent to the pegmatites.</p>
Subsampling techniques and sample preparation	<p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p> <p><i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	<p>RC samples were collected at 1 m intervals and riffle split on-site to produce a subsample less than 5 kg.</p> <p>The RC drilling samples are considered robust for sampling the tantalite mineralisation.</p> <p>It appears most samples were dry.</p> <p>Sampling is in line with general sampling practices of that time.</p> <p>Field duplicates, laboratory standards and laboratory repeats were used to monitor analyses.</p> <p>Sample size for RC drilling is considered appropriate for the tantalite mineralisation.</p>
Quality of assay data and laboratory tests	<p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p> <p><i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></p> <p><i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i></p>	<p>The XRF assay technique is considered to be robust. Standards, blanks and duplicates were submitted in varying frequency throughout the exploration campaigns.</p> <p>Bald Hill operated as a producing mine until 2006, during which verification of assay results from drilling was conducted.</p> <p>No geophysical methods were used to determine assay results.</p>
Verification of sampling and assaying	<p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p> <p><i>The use of twinned holes.</i></p> <p><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></p> <p><i>Discuss any adjustment to assay data.</i></p>	<p>The correlations made between closely spaced holes are considered reasonable.</p> <p>The Ta₂O₅ assays show a marked correlation with the pegmatite intersections via elevated downhole grades.</p> <p>Drill logs exist for all holes either as electronic files or hardcopy.</p> <p>All drilling data has been loaded to a database and rigorously validated prior to use.</p> <p>Graphical verification was made to see that elevated Ta₂O₅ assays correlated with the assigned downhole lithology.</p>

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Criteria	JORC Code explanation	Commentary
Location of data points	<i>Accuracy and quality of surveys used to locate drillholes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control.</i>	Collar coordinates were derived from a 1983 50 m x 50 m local grid. This was resurveyed in 1996. The drilling coordinates prior to 2014 have been transformed to produce GDA94 coordinates. Current drilling is surveyed via a differential global positioning system (GPS) to produce GDA94 coordinates. The area is of low relief and topographic control is of reasonable accuracy.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied.</i>	Boreline area. The majority of the drillholes are nominally spaced at 20 m x 20 m on a rectangular grid rotated approximately 35° to the east. Some of the holes prior to 2014 are closer spaced. The spacing of holes is considered adequate for the Mineral Resource estimation and classification. There is no evidence of sample compositing.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	The majority of drilling is vertical. The tantalite-bearing pegmatites are generally flat to shallowly dipping in nature. Therefore, the majority of drilling intercepts are assumed to be only marginally greater than true width, with minimal opportunity for sample bias.
Sample security	<i>The measures taken to ensure sample security.</i>	The procedures applied were aligned to the industry practices prevailing at the time of sample collection, despatch, and analysis. Given the relative grade and value of the commodity, the procedures are considered to be adequate.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	Prior to 1989 Fugro Spatial Solutions Pty Ltd were commissioned to confirm collar locations of a selected number of drillholes.

Section 2: Reporting of Exploration Results (for post-2014 drilling prior to Tawana drilling)

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	The portfolio of mineral tenements, comprising mining leases, exploration licences, prospecting licences, miscellaneous licences, a general-purpose lease, and a retention licence are in good standing.
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	Alluvial tantalite has been mined periodically from the early 1970s. Gwalia Consolidated Limited (Gwalia) undertook exploration for tantalite-bearing pegmatites from 1983 to 1998. Work included mapping, costeaning, and several phases of drilling using RAB, RC and diamond methods. The work identified mineral resources that were considered uneconomic at the time. Haddington entered agreement to develop the resource and mining commenced in 2001 and continued until 2005.

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Criteria	JORC Code explanation	Commentary
		<p>Haddington International Resources Limited (Haddington) continued with exploration until 2009.</p> <p>Living Waters Mining (Australia) Pty Ltd (Living Waters) acquired the Project in 2009 and continued with limited exploration to the north of the main pit area.</p>
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	<p>The Bald Hill area is underlain by generally north-striking, steeply dipping Archaean metasediments (schists and greywackes) and granitoids.</p> <p>Felsic porphyries and pegmatite sheets and veins have intruded the Archaean rocks. Generally, the pegmatites parallel the regional foliation, occurring as gently dipping sheets and as steeply dipping veins.</p> <p>The pegmatites vary in width and are generally comprised quartz-albite-orthoclase-muscovite-spodumene in varying amounts. Late-stage albitisation in the central part of the main outcrop area has resulted in fine grained, banded, sugary pegmatites with visible fine grained, disseminated tantalite. A thin hornfels characterised by needle hornblende crystals is often observed in adjacent country rocks to the pegmatitic intrusives. Tantalite generally occurs as fine disseminated crystals commonly associated with fine-grained albite zones, or as coarse crystals associated with cleavelandite.</p> <p>Weathering of the pegmatites yields secondary mineralised accumulations in alluvial/eluvial deposits.</p>
Drillhole information	<p><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:</i></p> <ul style="list-style-type: none"> • <i>easting and northing of the drillhole collar</i> • <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar</i> • <i>dip and azimuth of the hole</i> • <i>down hole length and interception depth</i> • <i>hole length.</i> <p><i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></p>	<p>All drillholes have northing and easting collar coordinates in GDA94.</p> <p>Although most drillholes have a collar elevation (relative to mean sea level), there were 127 drillholes with no collar elevation and a further 74 drillholes where there was mismatch with the topography digital terrain model (DTM). The collar elevations for these 201 drillholes were derived from the topography DTM.</p> <p>The majority of drilling is vertical. There are 132 (~60°) angled drillholes in the database. For 38 angled drillholes, the set up survey is duplicated at the bottom of the drillhole. A total of 54 drillholes in the database have no downhole survey and were treated as vertical.</p> <p>For costeans, an azimuth with a zero or small dip is recorded to define their orientation. The orientation and lengths were validated against available maps and electronic datasets.</p> <p>AMC conducted checks of the collar locations, drillhole depths, geological logging, assay results for a portion of the database from reports, and electronic datasets.</p>
Data aggregation methods	<p><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i></p> <p><i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></p> <p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p>	<p>No aggregated intercepts are reported.</p> <p>Metal equivalents have not been used.</p>

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Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	<p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.</i></p> <p><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. ‘down hole length, true width not known’).</i></p>	<p>The majority of drilling completed at Bald Hill was vertical holes. The tantalite-bearing pegmatites are generally flat to shallowly dipping in nature. Therefore, the majority of drilling intercepts are assumed to be only marginally greater than true width.</p>
Diagrams	<p><i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.</i></p>	<p>Drilling locations are shown in the report.</p>
Balanced reporting	<p><i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i></p>	<p>Not applicable.</p>
Other substantive exploration data	<p><i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></p>	<p>The water table in the mine site area is at least 15 m below ground surface and confined to steeply dipping, north-south trending shear zones. Local water bore analyses indicate hypersaline water with total dissolved salts (TDS) >200,000 mg/L and pH 5.8–6.95.</p>
Further work	<p><i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></p> <p><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></p>	<p>Further RC and diamond drilling is warranted at the various deposits to explore for additional resources and improve the understanding of the current resources prior to mining.</p>

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Appendix 2: JORC Code Table 1 (Central Resources and Boreline – Tawana drilling only)

Section 1: Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i>	Drilling consists of ~99% RC, RC with diamond core tails (RCD) and diamond drilling (DD) for a total 1,128 holes for 104,465.89 m of drilling in the Bald Hill Project database. The Bald Hill Mineral Resource is based on assay data from 699 RC holes, 17 RCD holes and 12 DD holes. RC cuttings were continuously sampled at 1 m intervals through all pegmatite intercepts including 2 m of waste above and below each intercept. DD core is typically continuously sampled at 2 m intervals through pegmatite intercepts. Where required by changes in lithology, mineralisation, or alteration, core samples may be shorter or longer than the typical 2 m.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	The majority of drillhole collars are accurately surveyed using RTK differential GPS equipment. Drill samples are logged for lithology, weathering, structure (diamond core), mineralogy, mineralisation, colour and other features. Half diamond core was collected and placed in marked plastic sacks, and shipped to the assay laboratory. RC samples were collected and placed in marked plastic bags which were placed in sacks and then shipped to the assay laboratory.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i>	Drill samples were jaw crushed and riffle split to 2–2.5 kg for pulverising to 80% passing 75 microns. Prepared samples are fused with sodium peroxide and digested in dilute hydrochloric acid. The resultant solution is analysed by ICP by Nagrom Laboratory in Perth. The assay technique is considered to be robust as the method used offers total dissolution of the sample and is useful for mineral matrices that may resist acid digestions.
Drilling techniques	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i>	RC was drilled using 4.5-inch (140 mm) rods with a nominal 5.9-inch (150 mm) diameter hole. Diamond core used PQ, NQ2 or HQ3 diameter core. Core was oriented where possible. All DD holes and ~98% of RC drillholes are angled; the remainder were drilled vertically.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	Chip recovery or weights for RC drilling were not recorded. Core recovery is very good through the mineralised zones and estimated to be greater than 90%.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	RC drilling generally utilised an external booster to keep samples dry and maximising recoveries. The majority of RC holes are shallow (<150 m) with very few wet samples encountered.

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Criteria	JORC Code explanation	Commentary
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	No relationship between grade and recovery has been identified.
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	Geological logs exist for all drillholes with lithological codes via an established reference legend. Drill samples were logged for lithology, weathering, structure (diamond core), mineralogy, mineralisation, colour and other features. Logging and sampling has been carried out to “industry standards” to a level sufficient to support the Mineral Resource estimate.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i>	Drillholes have been geologically logged in their entirety. Where logging was detailed, the subjective indications of spodumene content were estimated and recorded.
	<i>The total length and percentage of the relevant intersections logged.</i>	All drillholes are logged in full, from start to finish of the hole.
Subsampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Where sampled, core is cut in half onsite using a core saw, to produce two identical halves.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	Dry RC samples were collected at 1 m intervals and riffle or cone split on-site to produce a subsample less than 5 kg.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Sample preparation is according to industry standard, including oven drying, coarse crush, and pulverisation to 80% passing 75 microns.
	<i>Quality control procedures adopted for all subsampling stages to maximise representivity of samples.</i>	Subsampling is performed during the preparation stage according to the assay laboratories’ internal protocol.
	<i>Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.</i>	Field duplicates, laboratory standards and laboratory repeats are used to monitor analyses.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Sample sizes are considered to be appropriate and correctly represent the style and type of mineralisation.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	The assay technique is considered to be robust as the method used offers total dissolution of the sample and is useful for mineral matrices that may resist acid digestions.
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	None were used.
	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	Standards and duplicates were submitted in varying frequency throughout the exploration campaign and internal laboratory standards, duplicates and replicates are used for verification.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Significant intersections have been verified by alternative Tawana Resources NL personnel and by CSA Global Pty Ltd Competent Person Matthew Cobb. The Ta and Li assays show a marked correlation with the pegmatite intersections via elevated downhole grades.
	<i>The use of twinned holes.</i>	Twinning of holes undertaken to date show reasonable continuity and representivity of the mineralised intervals.

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	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Drill logs exist for all holes as electronic files and/or hardcopy (all 2017 logging has been input directly to field logging computers). Digital log sheets have been created with inbuilt validations to reduce potential for data entry errors. All drilling data has been loaded to a database and validated prior to use.
	<i>Discuss any adjustment to assay data.</i>	For the Mineral Resource estimate, adjustments were made to a number of downhole surveys. These adjustments were made where angled holes were blocked well before the end of hole, or where downhole surveys had not yet been undertaken but surveys had been completed for nearby holes. Where the drillhole was blocked, the last survey was copied to the end of hole depth. Where no down hole survey was completed or the hole was blocked at surface, the downhole surveys from a nearby hole, drilled by the same rig (and preferably same driller), was copied and applied to the hole. Some of these holes may need to be re-entered, cleaned and surveyed in the future. All changes were marked as “nominal” in the database. In all cases, corrections to downhole surveys were reviewed against surrounding drillholes and pegmatite intervals to ensure error was minimised.
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	Prior to drilling, collar coordinates are situated using handheld GPS (considered accurate to within 4 m). Following drilling, accurate surveying using RTK differential GPS is undertaken by trained site personnel. Hole collars are preserved until completion of downhole surveying. A significant portion of holes are surveyed using downhole digital instruments dominated by gyroscopic tools.
	<i>Specification of the grid system used.</i>	Grid used is MGA 94 Zone 51.
	<i>Quality and adequacy of topographic control.</i>	Topographical survey is generated from detailed airborne survey with points generated on a 1 m x 1 m grid. Areas mined have been defined by final mine surveys.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	Drilling has been conducted on a 40 m x 40 m grid extending to 80 m x 80 m on the peripheries of the deposit, with a 140 m x 80 m area in the northern portion of the deposit drilled out at 20 m x 20 m.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	The spacing of holes is considered of sufficient density to classify the Mineral Resource as “Indicated” or “Inferred” in accordance with the JORC Code.
	<i>Whether sample compositing has been applied.</i>	There has been no sample compositing.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	Drilling has been angled to achieve the most representative intersections through mineralisation. The majority of drilling is angled. Some vertical holes have been drilled in areas where access is limited or the pegmatites are interpreted to be flat lying.

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	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	The spodumene tantalite-bearing pegmatites are generally flat to shallowly dipping in nature. The true width of pegmatites is generally considered 80–95% of the intercept width, with minimal opportunity for sample bias.
Sample security	<i>The measures taken to ensure sample security.</i>	The drill samples are taken from the rig by experienced personnel, stored securely and transported to the laboratory by a registered courier and handed over by signature.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	No audits have been undertaken to date.

Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	The Bald Hill Resource is situated on mining lease M15/400 comprising 501 ha. M15/400 is 100% owned by Australian incorporated, Singapore Exchange listed Alliance Mineral Assets Limited (AMAL). The mining lease is subject to an earn-in agreement between AMAL and Tawana Resources NL (Tawana). There are no other third-party interests or royalties. Government royalties are 5% for spodumene or tantalite mineral concentrates.
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	The portfolio of mineral tenements, comprising mining leases, exploration licences, prospecting licences, miscellaneous licences, a general-purpose lease, and a retention licence are in good standing.
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	Alluvial tantalite has been mined periodically from the early 1970s. Gwalia undertook exploration for tantalite-bearing pegmatites from 1983 to 1998. Work included mapping, costeaning, and several phases of drilling using RAB, RC, and DD methods. The work identified Mineral Resources that were considered uneconomic at the time. Haddington entered an agreement to develop the resource and mining commenced in 2001 and continued until 2005. Haddington continued with exploration until 2009. Living Waters acquired the Project in 2009 and continued with limited exploration to the north of the main pit area.
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	The Bald Hill area is underlain by generally north-striking, steeply dipping Archaean metasediments (schists and greywackes) and granitoids. Felsic porphyries and pegmatite sheets and veins have intruded the Archaean rocks. Generally, the pegmatites crosscut the regional foliation, occurring as gently dipping sheets and as steeply dipping veins. The pegmatites vary in width and are generally comprised quartz-albite-muscovite-spodumene in varying amounts. Late-stage albitisation in the central part of the main outcrop area has resulted in fine-grained, banded, sugary pegmatites with visible fine-grained, disseminated tantalite. A thin hornfels

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		<p>characterised by needle hornblende crystals is often observed in adjacent country rocks to the pegmatite intrusives. Tantalite generally occurs as fine disseminated crystals commonly associated with fine-grained albite zones, or as coarse crystals associated with cleavelandite.</p> <p>Weathering of the pegmatites yields secondary mineralised accumulations in alluvial/elluvial deposits.</p>
Drillhole information	<p>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:</p> <ul style="list-style-type: none"> • easting and northing of the drillhole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar • dip and azimuth of the hole • downhole length and interception depth • hole length. 	Not applicable – not reporting exploration results.
	<p>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</p>	Not applicable – not reporting exploration results.
Data aggregation methods	<p>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</p>	Not applicable – not reporting exploration results.
	<p>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</p>	Not applicable – not reporting exploration results.
	<p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	Not applicable – not reporting exploration results.
Relationship between mineralisation widths and intercept lengths	<p>These relationships are particularly important in the reporting of Exploration Results.</p>	Not applicable – not reporting exploration results.
	<p>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</p>	<p>The majority of drilling is angled. Some vertical holes have been drilled in areas where access is limited or the pegmatites are interpreted to be flat lying.</p> <p>The spodumene tantalite-bearing pegmatites are generally flat to shallowly dipping in nature. The true width of pegmatites is generally 85–95% of the intercept width, with minimal opportunity for sample bias.</p>
	<p>If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. ‘downhole length, true width not known’).</p>	Not applicable – not reporting exploration results.
Diagrams	<p>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.</p>	Not applicable – not reporting exploration results.
Balanced reporting	<p>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</p>	Not applicable – not reporting exploration results.

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Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	Metallurgical testwork has been conducted by the analytical laboratory Nagrom. Nagrom has extensive experience with tantalite and spodumene extraction testwork and has ISO9001:2008 accreditation. Results have demonstrated that the Bald Hill pegmatite is amenable to the production of Li and Ta concentrates.
Further work	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	Further RC and diamond drilling is warranted at the deposit to explore for additional resources and improve the understanding of the current resources prior to mining.
	<i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	Diagrams have been included in the body of this report.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	<i>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.</i>	Logging is completed onto templates using standard logging codes into Toughbook laptops. Analytical results are imported directly into the database by a database specialist. The central database, from which the extract used for Mineral Resource estimation was taken, is managed by Tawana. Upon receipt of the extract, CSA Global validated the database for internal integrity as part of the import process for modelling in Surpac.
	<i>Data validation procedures used.</i>	Data were validated for internal database integrity as part of the import process for use in Surpac. This includes logical integrity checks for data beyond the hole depth maximum, and overlapping from-to errors within interval data. Visual validation checks were also made for obviously spurious collar or downhole survey values, collars which were not assigned a proper RL value, and collars which may lack substantial downhole survey data.
Site visits	<i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i>	CSA Global Pty Ltd Competent Person for the Tawana resource and reserve update announcements; Matthew Cobb, has visited site and reviewed the drilling, sample collection, and logging data collection procedures, along with conducting a review of the site geology. The outcome of the site visit was that data has been collected in a manner that supports reporting a Mineral Resource estimate in accordance with the JORC Code, and controls to the mineralisation are well understood.
	<i>If no site visits have been undertaken indicate why this is the case.</i>	Not applicable.

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Geological interpretation	<i>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</i>	The geological model developed is based on lithological logging of pegmatites within a metasedimentary host, with occasional hypabyssal intrusions of dioritic composition. The deposit geology is very well understood based on previous mining history and open pit exposures, and this is reflected in the generally high confidence in both the mineralisation and geological interpretations.
	<i>Nature of the data used and of any assumptions made.</i>	The input data used for geological modelling has been derived from the qualitative and quantitative logging of lithology, alteration, geochemical composition of samples returned from RC and DD drilling.
	<i>The effect, if any, of alternative interpretations on Mineral Resource estimation.</i>	The geological model developed has a solid lithological basis, and is controlled by the presence of visually distinct pegmatite within drillholes. Pegmatite structures have been modelled as predominantly low angle/sub-horizontal structures on the basis of a high density of input drillhole data and confirmation of the interpretation on the basis of mapping. The data do not readily lend themselves to alternative interpretations, and it is unlikely that such alternatives would yield a more geologically reasonable result.
	<i>The use of geology in guiding and controlling Mineral Resource estimation.</i>	The model developed for mineralisation is geologically driven; controlled by the presence or absence of pegmatite.
	<i>The factors affecting continuity both of grade and geology.</i>	Geological continuity is controlled by the preference for fractionated pegmatitic fluids to follow preferential structural pathways through the host rocks (an intercalated pile of metasediments and metavolcanics). Grade within this pegmatite is controlled by numerous factors such as fluid residence time, degree of fluid fractionation and pegmatite thickness.
Dimensions	<i>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</i>	The Bald Hill Mineral Resource comprises one large, main, sub horizontal pegmatite body, striking north-south, with a strike length of 1,070 m, and a width at its widest point of 775 m. This main body is surrounded by several smaller discrete pegmatite bodies, sub-parallel to the main, which result in a total strike length for the whole resource of 1,245 m, and a total width of 990 m. The Mineral Resource has a total vertical depth of 195 m, beginning 20 m below the natural surface and plunging gently to the south along its entire strike length.
Estimation and modelling techniques	<i>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</i>	The Bald Hill Mineral Resource has been estimated using ordinary kriging in a Surpac block model. The variables Li ₂ O ppm and Ta ₂ O ₅ ppm were estimated independently in a univariate sense. The pegmatites on which this Mineral Resource was defined was domained internally on the basis of a 7,500 ppm Li ₂ O cut-off, which itself was determined from exploratory data analysis as a point of inflection within the Li ₂ O grade distribution. This resulted in a high-grade core of Li ₂ O mineralisation surrounded by lower grade pegmatite, and is an interpretation supported by the petrogenetic model for the formation of Li ₂ O bearing pegmatites. Samples were composited to 1 m intervals based on assessment of the raw drillhole sample intervals. Various high grade cuts were used for both Li ₂ O

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		<p>(ranging from 10,000 ppm to 50,000 ppm) and Ta₂O₅ (ranging from 300 ppm to 4,000 ppm) based on statistical review of each object. Composites for some objects remained uncut depending on the statistical review.</p> <p>High and low grade domains were estimated independently with hard boundaries assumed between domains. Parameters for estimation and search ellipsoids were determined from quantitative kriging analysis performed within the Supervisor™ software package, which was also used to define semivariogram models for each variable. The parameters defined for the largest, most populated domains (main mineralised body and its high-grade core) were used to inform all smaller subsidiary domains during estimation.</p> <p>A two search pass strategy was employed, with successive searches using more relaxed parameters for selection of input composite data, and a greater search radius. Blocks not informed for any given variable after two passes were assigned the Sichel mean of the input data from that particular domain.</p> <p>All geological modelling and grade estimation was completed using Surpac software.</p>
	<i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i>	This Mineral Resource estimate is an incremental update from previous recent estimates, and compares well, with only the expected minor incremental changes to grades and tonnages. Historical estimates for the Bald Hill deposit focussed on Ta ₂ O ₅ only, and as such are not directly comparable to the current estimate for which Li ₂ O is the primary target variable.
	<i>The assumptions made regarding recovery of by-products.</i>	The only significant by-product to be considered is Ta ₂ O ₅ which has been estimated within the domains defined by Li ₂ O.
	<i>Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).</i>	No deleterious elements have been identified or estimated.
	<i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i>	<p>Block model dimensions used for the Bald Hill Mineral Resource estimate were 10 m x 10 m x 5 m (XYZ) sub-celled to 2.5 m x 2.5 m x 1.25 m for resolution of volumes at lithological boundaries. This compares to an average drillhole spacing of 20 m within the more densely informed areas of the deposit. This 20 m spacing increases to up to 80 m between drillholes in less well informed portions of the deposit.</p> <p>Kriging neighbourhood analysis (KNA) was conducted within the Supervisor™ software package to test a variety of block sizes in both well and poorly informed areas of the deposit. The chosen block size represents the smallest block size that yields a robust set of estimation statistics, which are comparable to the results also yielded from larger blocks sizes.</p>
	<i>Any assumptions behind modelling of selective mining units.</i>	No assumptions were made regarding selective mining units.
	<i>Any assumptions about correlation between variables.</i>	The two variables under consideration; Li ₂ O and Ta ₂ O ₅ are uncorrelated within both the pegmatite as a whole, and within the high-grade domain (correlation coefficient of -0.04). Consequently, no correlation between variables was considered. Both variables were treated in a univariate sense.

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	<i>Description of how the geological interpretation was used to control the resource estimates.</i>	The nature of the mineralised body is such that the definition of the pegmatite host also defines the mineralisation. Within that, and based on a combination of petrogenetic process and statistical appraisal, an internal high-grade Li ₂ O domain was defined.
	<i>Discussion of basis for using or not using grade cutting or capping.</i>	Domained data for both variables were assessed using histogram and log probability plots to define potential top-cuts to data. Where the Competent Person observed likely breaks in the continuity of the grade distributions, a top-cut was chosen and applied. This was conducted on a per-domain basis.
	<i>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</i>	The results of estimation into the block model for the Bald Hill Mineral Resource were validated visually and statistically. Estimated block grades were compared visually in section against the corresponding input data values. Additionally, trend plots of input data and block estimates were compared for swaths generated in each of the three principal geometric orientations (northing, easting and elevation).
Moisture	<i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</i>	Tonnages are reported on a dry basis.
Cut-off parameters	<i>The basis of the adopted cut-off grade(s) or quality parameters applied.</i>	Modelling of mineralisation for the resource was based on a combination of pegmatite lithological logging. Within this mineralisation shape, a higher grade core was defined on the basis of a 7,500 ppm Li ₂ O cut-off. The Mineral Resource is reported using a 0.5% Li ₂ O cut-off which approximates a conservative cut-off grade used for potential open pit mining as determined from preliminary pit optimisations.
Mining factors or assumptions	<i>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</i>	The methods used to design and populate the Bald Hill Mineral Resource block model were defined under the assumption that the deposit is likely to be mined via open pit methods.
Metallurgical factors or assumptions	<i>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</i>	The material targeted for extraction predominantly comprises the mineral spodumene, for which metallurgical processing methods are well established. No specific detail regarding metallurgical assumptions have been applied in the estimation of the current Mineral Resource, however at the current level of detail available, the Competent Person for this report believes with sufficient confidence that metallurgical concerns will not pose any significant impediment to eventual economic extraction.

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Environmental factors or assumptions	<i>Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</i>	No assumptions have been made regarding waste products; however the Mineral Resource has previously been mined by open pit methods with a processing facility, stacked waste dumps and tailings storage facilities on site. It is reasonable to assume that in the presence of this infrastructure, the creation and storage of waste products on site will not be of concern for future mining activities.
Bulk density	<i>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.</i>	In situ bulk densities for the Bald Hill Mineral Resource have been assigned on a lithological basis for both mineralisation and waste, based on historical values derived from mining and values taken from those used in similar deposits and lithologies. The Competent Person considers the values chosen to be suitably representative.
	<i>The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vughs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.</i>	Densities have been assigned on a lithological basis based on a total of 44 metasediment and 25 pegmatite core samples measured at the Nagrom laboratory and values derived from surrounding deposits and rock types.
	<i>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</i>	Bulk densities have been applied on a lithological unit basis. Values assigned were as follows: <ul style="list-style-type: none"> • Fresh pegmatite mineralisation 2.65 t/m³ • Transitional pegmatite 2.5 t/m³ • Fresh diorite 2.8 t/m³ • Transitional diorite 2.6 t/m³ • Fresh metasediments 2.74 t/m³ • Transitional metasediments 2.6 t/m³ • Oxide metasediments 2.2 t/m³ • Waste fill 1.8 t/m³. Additional bulk density testwork utilising drill core across the mineralised zones and less common waste units is recommended for future estimates.
Classification	<i>The basis for the classification of the Mineral Resources into varying confidence categories.</i>	The Mineral Resource has been classified as Indicated and Inferred on a qualitative basis; taking into consideration numerous factors such as drillhole spacing, estimation quality statistics (kriging slope of regression), number of informing samples used in the estimate, average distance to informing samples in comparison to the semivariogram model ranges, and overall coherence and continuity of the modelled mineralisation wireframes.
	<i>Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</i>	The classification reflects areas of lower and higher geological confidence in mineralised lithological domain continuity based on the intersecting drill sample data numbers, spacing and orientation. Overall mineralisation trends are reasonably consistent within the various lithology types over numerous drill sections.
	<i>Whether the result appropriately reflects the Competent Person’s view of the deposit.</i>	The Mineral Resource estimate appropriately reflects the Competent Person’s views of the deposit.

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Audits or reviews	<i>The results of any audits or reviews of Mineral Resource estimates.</i>	Internal audits were completed by CSA Global which verified the technical inputs, methodology, parameters and results of the estimate. The current model has not been audited by an independent third party.
Discussion of relative accuracy/ confidence	<i>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</i>	The Mineral Resource accuracy is communicated through the classification assigned to the deposit. The Mineral Resource estimate has been classified in accordance with the JORC Code (2012 Edition) using a qualitative approach. All factors that have been considered have been adequately communicated in Section 1 and Section 3 of this Table.
	<i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i>	The Mineral Resource statement relates to a global estimate of in-situ tonnes and grade.
	<i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i>	The deposit has been historically mined for tantalite (Ta ₂ O ₅); however, no accounting for Li ₂ O had been undertaken, and therefore no production records are available for comparison to the current estimate.

Section 4: Estimation and Reporting of Ore Reserves

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	<i>Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve. Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.</i>	The Mineral Resource estimate was compiled by Dr Matthew Cobb of CSA Global Pty Ltd in R148.2018 Bald Hill Mineral Resource Update February 2018. The Mineral Resource estimate was depleted by Dr Matthew Cobb in R276.2018 Bald Hill Mineral Resource Estimate – April 2018 Depletion. The Mineral Resource estimate is reported inclusive of the Ore Reserve estimate.
Site visits	<i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case.</i>	Mr Karl van Olden of CSA Global, who estimated the reserves visited the Bald Hill Project in May 2018 and inspected the locations of the open pit, waste dumps, transport corridors, and processing plants.
Study status	<i>The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves. The Code requires that a study to at least Prefeasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.</i>	A prefeasibility study (PFS) was prepared and released in July 2017 by Tawana for a 1.2 Mt/a spodumene dense media separation (DMS) circuit adjacent to the existing tantalite processing facility (TPFS). The PFS addressed mining and processing costs, geotechnical parameters and placement of waste material. The additional studies completed in July 2018 and actual project construction and commissioning costs have produced more recent mining and processing costs and first indication of plant performance. An initial optimisation study and pit design was completed in December 2017 by CSA Global which was updated in May 2018. Tawana also completed a detailed mining schedule and cost model in May 2018. An updated geotechnical analysis was completed by Dempers and Seymour Pty Ltd (Dempers and Seymour) in April 2018.

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Criteria	JORC Code explanation	Commentary
		The work undertaken to date has addressed all material Modifying Factors required for the conversion of a Mineral Resources estimate into an Ore Reserve estimate and has shown that the mine plan is technically feasible and economically viable.
Cut-off parameters	<i>The basis of the cut-off grade(s) or quality parameters applied.</i>	The economic cut-off grade has been estimated as 3,000 ppm for Li ₂ O and 200 ppm for Ta ₂ O ₅ based on relevant processing costs and metallurgical recoveries, a fixed 6% Li ₂ O concentrate price of A\$1,170 and Ta ₂ O ₅ price of A\$87/lb.
Mining factors or assumptions	<p><i>The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).</i></p> <p><i>The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.</i></p> <p><i>The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc), grade control and pre-production drilling.</i></p> <p><i>The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).</i></p> <p><i>The mining dilution factors used.</i></p> <p><i>The mining recovery factors used.</i></p> <p><i>Any minimum mining widths used.</i></p> <p><i>The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.</i></p> <p><i>The infrastructure requirements of the selected mining methods.</i></p>	<p>Input parameters for pit optimisations were; mining costs based on mining contract rates; mineral processing costs and recoveries both from site and the Primero Group Limited (Primero) PFS; commodity prices of A\$1,170 for a 6% Li₂O concentrate price and a A\$87/lb Ta₂O₅ price. These input parameters were reviewed by CSA Global. They are considered appropriate for the current lithium and tantalum world markets. An updated resource block model for the Bald Hill deposit was optimised using Whittle™ software. The current pit design is considered suitable for Ore Reserve estimation.</p> <p>Geotechnical analysis has been undertaken by Dempers and Seymour after the initial design was completed. Some areas of the design require minor adjustment to align with the latest geotechnical recommendations. These changes will not impact on the value of the pit or the Ore Reserve estimate. The proposed pit slopes are considered likely to be stable for the current pit designs.</p> <p>The mineral resource model was estimated by CSA Global. The resource block model was used for optimisation and mine planning after inclusion of additional attributes. The block model has block sizes of 10 m x 10 m x 5 m for the pit designs which is considered suitable for the proposed mining method and equipment. All pit designs have catch berms every 20 vertical metres and are appropriate for a 5 m bench height.</p> <p>Fixed values for mining dilution and recovery of 7.5% and 92.5% were adopted for both the optimisation and determination of Ore Reserves. A grade of 0% Li₂O and 0% Ta₂O₅ was assumed for dilution material. These levels are considered suitable for the deposit geometry, mining method, and size of mining equipment.</p> <p>A minimum mining width of 30 m was used in the pit design.</p> <p>Inferred Mineral Resources have not been included in the pit design or Ore Reserves. Inferred material has been included in the mining schedule and treated as waste, Inferred mined material does not make a material impact on the Bald Hill Project’s overall financial viability.</p> <p>Mine infrastructure is mostly in place and the Project is in operation.</p>

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<p>Metallurgical factors or assumptions</p>	<p><i>The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.</i></p> <p><i>Whether the metallurgical process is well-tested technology or novel in nature.</i></p> <p><i>The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.</i></p> <p><i>Any assumptions or allowances made for deleterious elements.</i></p> <p><i>The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.</i></p> <p><i>For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?</i></p>	<p>For spodumene ore the economic analysis has only considered Phase one processing, comprising dense media gravity separation (DMS) of the 1 mm to 10 mm fraction after P100 crushing to 10 mm. This process is considered the lowest risk methodology for the coarse grained, spodumene pegmatite of the Bald Hill Project. To further reduce processing risk the DMS circuit will treat 1–5.6 mm and 5.6–10 mm separately, with partial mica removal from the 1–5.6 mm fraction using a reflux classifier (RFC). -1 mm material (spodumene fines) along with low-grade DMS concentrates (middlings) will be treated at a later date through a spodumene fines circuit (LFS). For tantalite ore, the PFS has only considered tantalite recovery from direct ore feed to the existing tantalite spiral plant and from additional spirals to remove a portion of the tantalite from the spodumene fines prior to stockpiling for future treatment through the LFS. Testwork has shown additional tantalite concentrate recovery can be obtained from treatment of DMS concentrate through jigs; however, this has not been considered by the PFS.</p> <p>All technologies proposed are proven and well tested with easily sourced components. The spodumene processing plant is commissioned and producing within design specifications.</p> <p>Samples used for metallurgical testwork were sourced from existing open pits and 10 diamond core holes distributed across the Indicated Resource area. Variability test work and mineralogy was undertaken, and a composite drill core sample was used for design purposes. A bulk sample collected from open pit material was processed to obtain approximately 1.5 tonnes of spodumene concentrates averaging 6.23% Li₂O for downstream testwork by lithium converters. The variability, composite and bulk samples all show the same metallurgical characteristics with no apparent variation or domaining across the deposit. About 99% of the Resources are fresh rock and the remaining 1% is transitional to fresh rock.</p> <p>For spodumene concentrates, potential deleterious elements have been observed at low concentrations in concentrates or are non-existent. Key deleterious minerals and elements are; lepidolite and petalite, not present in testwork; iron, concentrates to date contain less than the 0.8% total Fe and 8% moisture content, being the key contractual requirements; mica, concentrates to date contain less than 3% mica and The Port of Esperance allows a limit of 5% mica. Detailed mineral product quality and safety chemical and micro mineral analysis undertaken on concentrates for the Port of Esperance returned favourable results.</p> <p>A bulk sample was processed through a DMS250 at Nagrom. A total 3,887 kg of material was treated through the DMS after removal of fines and partial mica for recovery of 1,490 kg of combined concentrates averaging 6.23% Li₂O at a recovery of 95.9% of contained lithium in the DMS feed or net recover of 84.9% after taking into account lithium contained in fines and RFC rejects. The iron content of the combined concentrate was 0.21%. This is a significantly better result than the composite testwork used for engineering mass balance and PFS recoveries.</p>
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Criteria	JORC Code explanation	Commentary
		<p>The exceptionally high recoveries were due in part to the higher than expected head grade of the bulk sample feed resulting in middlings being able to be blended with primary concentrates and grades in excess of 6% being maintained.</p> <p>The Ore Reserve has been based on being able to produce concentrates of at between 5.5% and 7.0% Li₂O.</p>
Environmental	<i>The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.</i>	<p>The site is a “brownfields” site with existing workings and infrastructure. The mine has environmental approvals for the pre-existing open pit, waste rock dumps, and tailings facility. The Bald Hill Project has formal Department of Mines, Industry Regulation and Safety (DMIRS) approval for the addition of spodumene production. The Department of Water and Environmental Regulation (DWER) has approved a license to take water, the 1.5 Mt/a production capacity, power station, fuel storage, and in pit tailings disposal. Additional approvals for the larger open pit, waste rock dumps, and the long-term tailings facility are still under assessment. Studies have shown that there are no significant additional environmental impacts for the spodumene circuit or extensions to the existing permitted pits.</p>
Infrastructure	<i>The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.</i>	<p>The Bald Hill project is located in the Goldfields region of Western Australia where suitable infrastructure is available for mining projects. A sealed highway and unsealed public road with RAV-7 approval provides access from the port of Esperance to within 1.8 km of the plant site where an existing private access road has been upgraded for the increased traffic load. Process water requirements are available from water resources within the mine area, as per the existing water permits. Potable water is transported to site until the new mine camp is constructed. Power is produced on site using diesel generators. Product will be shipped via the port of Esperance located approximately 360 km south of Bald Hill via road. The site will operate on a fly-in/fly-out basis to Kalgoorlie with a village constructed to house operations personnel whilst on site. During construction and operations a combination of the existing village and a leased neighbouring village will be used.</p>
Costs	<p><i>The derivation of, or assumptions made, regarding projected capital costs in the study.</i></p> <p><i>The methodology used to estimate operating costs.</i></p> <p><i>Allowances made for the content of deleterious elements.</i></p> <p><i>The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co-products.</i></p> <p><i>The source of exchange rates used in the study.</i></p> <p><i>Derivation of transportation charges.</i></p> <p><i>The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.</i></p> <p><i>The allowances made for royalties payable, both Government and private.</i></p>	<p>Remaining Project capital expenditure was derived using actual site data where available or from the PFS. The Primero PFS was based on budget pricing and Primero’s database of recent project costs. Tawana provided the projected operating costs and has been reviewed by CSA Global.</p> <p>Updated mine operating costs have been based on actual site data. Processing costs are a combination of site data where available and the PFS.</p> <p>Due to the low concentration of Fe and mica in the concentrates, no allowance has been made for deleterious elements.</p> <p>Exchange rates were applied based on external sources and at current levels.</p>

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Criteria	JORC Code explanation	Commentary
		<p>Transport and port charges were derived from quotations by reputable contractors and include storage and re-handling costs.</p> <p>Based on the offtake agreement, concentrates must contain 5.5% Li₂O.</p> <p>Allowances were made for State Government royalties. No other royalties are payable for production from M15/400.</p>
Revenue factors	<p><i>The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.</i></p> <p><i>The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.</i></p>	<p>Exchange rate of 0.75 A\$:US\$. Transportation and port loading charges have been allowed for. Spodumene revenue factors were: variable head grade averaging 1.04% Li₂O over five years of the mine life after dilution and ore loss; processing recoveries applied at 65% for the first year and then 80%. Tantalite revenue factors were: direct tantalite feed averaging 327 ppm Ta₂O₅ over five years of the mine life with a recovery of 65% to saleable concentrates. Secondary production of 39,000 kg of Ta₂O₅ from the spodumene circuit fines.</p> <p>AMAL has a binding offtake agreement to sell their share of the spodumene concentrate and a non-binding term sheet in relation to selling its share of the tantalite concentrate. The commodity pricing for spodumene concentrate is based on a price of US\$880/t (FOB Esperance) for 6% Li₂O fixed for a two-year period. The key terms of the agreement are: a fixed price for all production for 2018 and 2019 of US\$880/t (FOB Esperance) for 6% Li₂O with price adjustment increment/decrement of US\$15/t based on grade variation of 0.1%; from 2020 to 2023 the sales price and volumes are to be negotiated and agreed based on prevailing market conditions at the time. For the purposes of the estimate, reference prices of US\$800/t for 2020, US\$800/t for 2021 and US\$750/t for 2022 and beyond at 6% Li₂O concentrates.</p> <p>The commodity price for tantalite is based on a price of US\$60/lb (FOB Esperance) for +25% Ta₂O₅. The assumed spot price is US\$70/lb for 2018 to 2020, then US\$60/lb from 2021 to 2023 and a premium (based on historical sales from Bald Hill) of US\$5/lb has been assumed due to the low radiation and past sales history from the Bald Hill mine.</p>
Market assessment	<p><i>The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.</i></p> <p><i>A customer and competitor analysis along with the identification of likely market windows for the product.</i></p> <p><i>Price and volume forecasts and the basis for these forecasts.</i></p> <p><i>For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.</i></p>	<p>Medium and long-term supply and demand modelling for spodumene concentrates is difficult to predict due to the rapid growth in demand and promise of supply. AMAL has signed a binding offtake agreement for their share of all the production for the first two years which includes substantial prepayments.</p> <p>Lithium demand growth will likely be driven by demand for electric cars and energy storage systems. There are several large Lithium projects that are expected to come into production in late 2018 and 2019. These may result in a period of oversupply from 2020. However, based on history, supply has significantly lagged in analysts' predictions.</p> <p>The commodity pricing for spodumene concentrates is based on a price of US\$880/t (FOB Esperance) for 6% Li₂O</p>

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Criteria	JORC Code explanation	Commentary
		Concentrates produced during bulk metallurgical testwork are within the contractually acceptable limits of grade and impurities.
Economic	<i>The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc. NPV ranges and sensitivity to variations in the significant assumptions and inputs.</i>	The economic analysis is based on cash flows driven by the production schedule. The cash flow projections include: initial and sustaining capital estimates; mining, processing and concentrate logistics costs to the customer based on FOB pricing; revenue estimates based on concentrate pricing adjusted for fees, charges and royalties; and a 10% discount factor. Sensitivity analyses were generated by varying the salient economic variables. The Project is most sensitive to grade, recovery of lithium and exchange rate. The Bald Hill Project is robust against a 20% negative change to recovery, grade, metal pricing, foreign exchange rates, capital or operating costs.
Social	<i>The status of agreements with key stakeholders and matters leading to social licence to operate.</i>	The site is a brownfields operation however over time the larger project footprint will have a marginal impact on pastoral leases. Tawana is working with the lessee to mitigate impacts. The licence pre-dates Native Title however Tawana has been in dialog with the Ngadju Native Title Group on neighbouring tenements.
Other	<i>To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves: Any identified material naturally occurring risks. The status of material legal agreements and marketing arrangements. The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.</i>	No material naturally occurring risks have been identified. AMAL has a binding offtake agreement for the supply of spodumene concentrate from the Bald Hill Project. Apart from the Bald Hill JV agreements that govern the Bald Hill Project, there are no other relevant material legal agreements. There are no apparent impediments to obtaining all government approvals required for the Bald Hill Project.
Classification	<i>The basis for the classification of the Ore Reserves into varying confidence categories. Whether the result appropriately reflects the Competent Person’s view of the deposit. The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).</i>	Probable Ore Reserves were determined from Indicated Resources as per the JORC (2012) guidelines. The Bald Hill Project has no Measured Resource, therefore there are no Proved Ore Reserves. Mr Karl van Olden, the Competent Person for the Ore Reserve estimation, have reviewed the work undertaken to date and considers that it is sufficiently detailed and relevant to the deposit to allow those Ore Reserves derived from Indicated Mineral Resources to be classified as Probable. Zero (0) % of Probable Ore Reserves have been based on Measured Mineral Resources.
Audits or reviews	<i>The results of any audits or reviews of Ore Reserve estimates.</i>	The PFS capital costs and operating estimate, and scope of work were externally reviewed. Ore Reserve estimates have been reviewed internally. Mine design, scheduling, and financial model has been reviewed by CSA Global. No material flaws have been identified and the Ore Reserve is considered appropriate for a PFS level of study.

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Criteria	JORC Code explanation	Commentary
<p>Discussion of relative accuracy/confidence</p>	<p><i>Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.</i></p> <p><i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i></p> <p><i>Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.</i></p> <p><i>It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i></p>	<p>This Ore Reserve estimation is supported by the PFS and the current operational plans that have taken into account geological, metallurgical, geotechnical, process engineering and mining engineering considerations. It has a nominal accuracy of +25%.</p> <p>The Bald Hill project has an internal rate of return (IRR) and net present value (NPV) which makes it robust in terms of cost variations. The Project is most sensitive to price variations for spodumene concentrates.</p> <p>All estimates are based on local costs in Australia dollars. Standard industry practices have been used in the estimation process. The Bald Hill Project is currently in the commissioning and early operations phase and therefore recent and relevant costs have been utilised where available.</p> <p>Capital expenditure estimates are considered to be within -5/+10% accuracy and a substantial amount of the original project capital expenditure has been completed. Operating expenditure estimates are considered to be within 25% accuracy.</p> <p>There has been limited spodumene production via DMS to date so no comprehensive comparison or reconciliation of data has been made. Current initial performance of the process aligns with expectations. There are significant historic tantalite recovery records and these have been used as a basis for estimating future recovery.</p>

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Independent Valuation Report – Bald Hill Lithium and Tantalum Mine, Western Australia

Report Prepared for

Alliance Mineral Assets Limited



Report Prepared by



SRK Consulting (Australasia) Pty Ltd

AMN001

August 2018

APPENDIX B – INDEPENDENT VALUATION REPORT

Independent Valuation Report – Bald Hill Lithium and Tantalum Mine, Western Australia

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August 2018

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APPENDIX B – INDEPENDENT VALUATION REPORT

Executive Summary

Alliance Mineral Assets Limited (Alliance or the Company) has a 50% interest in the Bald Hill Lithium and Tantalum Project (Project or Joint Venture) in the Kambalda district of Western Australia.

Alliance has entered into a Scheme Implementation Agreement with its Australian-listed joint venture partner, Tawana Resources NL (Proposed Transaction), pursuant to which Tawana will propose a scheme of arrangement to its shareholders under which Alliance will acquire all of the issued share capital in Tawana (the Scheme).

SRK Consulting (Australasia) Pty Ltd (SRK) has been appointed by Alliance to provide an Independent Valuation Report (IVR) for inclusion with documentation associated with the Scheme. SRK has not been appointed to comment on the fairness and reasonableness of the Proposed Transaction.

Summary of principal objectives

The objective of this IVR is to provide an independent assessment of the techno-economic assumptions that would likely be considered by the market as part of a potential investment or transaction process involving the Project and the Project's related tenure.

This Report has been prepared in accordance with the Australasian Code for Public Reporting of Technical Assessment and Valuation of Mineral Assets – VALMIN Code (2015), which incorporates the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – JORC Code (2012).

Outline of work program

The following aspects were considered by SRK in the preparation of this IVR:

- Discussion and enquiry with key personnel from the Joint Venture
- High-level review of technical reports and supporting documentation prepared by and/ or on behalf of the Joint Venture
- Compilation of comparable sales and joint venture transactions
- Valuation of the mineral assets.

For the purposes of this IVR, SRK has completed a high-level review of recent technical work conducted at the Project to determine its validity from a valuation perspective. SRK has not carried out any Mineral Resource estimation activities for the purposes of its IVR. When valuing the Project and the Project's related tenure, SRK has considered methods commonly used to value mineral assets at a similar stage of project maturity.

All monetary figures used in this IVR are expressed in Australian dollar (A\$) terms. The final valuation is presented in Australian dollars. This IVR has adopted an effective valuation date of 20 July 2018.

Overview

SRK has completed a high-level review of the stated Mineral Resource and Ore Reserve estimates for the Project to determine their validity from a valuation perspective. SRK has not performed, nor does it accept the responsibilities of a Competent Person as defined by the JORC Code (2012) in respect of the Mineral Resources and Ore Reserve estimates presented in this IVR. In SRK's opinion, the Mineral Resource and Ore Reserve estimates for the Project are acceptable as a reasonable representation of global grades and tonnages and are suitable for valuation purposes.

SRK's representative, Karen Lloyd, undertook a one-day site inspection at the Project on 11 May 2018.

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In addition, SRK has reviewed the proposed mine plan and associated assumptions with respect to mining, processing and cost estimation contained within the Bald Hill financial model (Model) as supplied to SRK by the Joint Venture.

Where warranted, SRK has modified production, capital and operating cost projections for valuation purposes. These modifications are considered reasonable, based on the available technical data and SRK's experience with similar assets at the same development stage.

When valuing the exploration assets associated with the Project, SRK has considered methods commonly used to value mineral assets at these stages of development. These methods are outlined in this IVR.

SRK's recommended valuation ranges and preferred values are detailed in the Valuation section (Section 7) of this IVR and are summarised in Table ES-1. SRK has produced a Market Value as defined by the VALMIN Code (2015).

SRK has recommended preferred values and value ranges for the Project and the Project's related tenure on the basis of their perceived potential. SRK has considered Market, Income and Cost based methods of assessment to arrive at a valuation range based on the Mineral Resources and Ore Reserves reported at the Project.

Table ES-1: Summary of SRK's valuation of the Project's resources and related tenure as at 20 July 2018 on a 100% equity basis

Stage	Low (A\$M)	High (A\$M)	Preferred (A\$M)
Production: Reserves considered in the Life of Mine cashflow model	261	392	327
Production: Resources additional to those considered in the cashflow model	113.4	183.1	148.3
Advanced Exploration	0.18	0.43	0.31
Early Stage Exploration	1.8	6.0	6.0

Note: Any discrepancies between values in the table are due to rounding.

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Disclaimer

The opinions expressed in this IVR have been based on the information supplied to SRK Consulting (Australasia) Pty Ltd (SRK) by the Joint Venture. The opinions in this IVR are provided in response to a specific request from Alliance Mineral Assets Limited (Alliance) to do so. SRK has exercised all due care in reviewing the supplied information. Whilst SRK has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. SRK does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in this IVR apply to the site conditions and features as they existed at the time of SRK's investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this IVR, about which SRK had no prior knowledge nor had the opportunity to evaluate.

APPENDIX B – INDEPENDENT VALUATION REPORT

1 Introduction and Scope of Report

Alliance Mineral Assets Limited (Alliance) has a 50% interest in the Bald Hill Lithium and Tantalum Project (Project or Joint Venture) in the Kambalda district of Western Australia.

Alliance has entered into a Scheme Implementation Agreement with its Australian-listed joint venture partner, Tawana Resources NL (Proposed Transaction), pursuant to which Tawana will propose a scheme of arrangement to its shareholders under which Alliance will acquire all of the Tawana shares (Scheme).

SRK Consulting (Australasia) Pty Ltd (SRK) has been appointed by Alliance to provide an Independent Valuation Report (IVR) for inclusion with documentation associated with the Scheme. SRK has not been requested by Alliance to provide comment on the fairness and reasonableness of the Proposed Transaction.

As defined in the VALMIN Code (2015), mineral assets comprise all property including (but not limited to) tangible property, intellectual property, mining and exploration tenure and other rights held or acquired in relation to the exploration, development of and production from those tenures. This may include plant, equipment and infrastructure owned or acquired for the development, extraction and processing of Minerals relating to that tenure.

For this valuation, the Project and associated tenure was classified in accordance with the categories outlined in the VALMIN Code (2015), these being:

- **Early Stage Exploration Projects** – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.
- **Advanced Exploration Projects** – Tenure holdings where considerable exploration has been undertaken and specific targets have been identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.
- **Pre-Development Projects** – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.
- **Development Projects** – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a pre-feasibility study (PFS).
- **Production Projects** – Tenure holdings – particularly mines, wellfields and processing plants that have been commissioned and are in production.

SRK has classified the Project as a Production Project, with Advanced Exploration and Early Stage Exploration Projects classified on the Project's related tenure.

APPENDIX B – INDEPENDENT VALUATION REPORT

1.1 Nature of the brief and summary of principal objectives

This IVR was initiated by Alliance.

The objective of this IVR is to provide an independent technical assessment and valuation of the Project and its associated tenure. SRK was engaged to review the project assumptions contained in the Bald Hill financial model (Model) and provide a technical assessment of the inputs into this cashflow model.

Key areas reviewed by SRK include:

- Mineral Resources and Ore Reserves incorporated in the Model
- Reasonableness of any timing assumptions incorporated in the Model
- Mining physicals (including tonnes of ore mined, ore grade mined and waste material)
- Processing physicals
- Operating costs
- Capital expenditure
- Any other relevant technical assumptions not specified above.

In addition, SRK was requested to provide an independent valuation of exploration and identified resources outside of the life of mine (LOM) schedule components associated with the Project and its related tenure on an unfunded basis.

SRK has selected the most appropriate valuation technique for the Project, based on the maturity of the Project and the available information. This IVR expresses an opinion regarding the value of the Project as directed in SRK's mandate from Alliance and does not comment on the 'fairness and reasonableness' of any transaction between the owners of these mineral interests and any other parties.

1.2 Reporting standard

This IVR has been prepared to the standard of, and is considered by SRK to be, a Technical Assessment and Valuation Report under the guidelines of the VALMIN Code (2015). It should be noted that the authors of this IVR are Members or Fellows of either the Australasian Institute of Mining and Metallurgy (AusIMM) or the Australian Institute of Geoscientists (AIG) and, as such, are bound by both the VALMIN and JORC Codes. For the avoidance of doubt, this IVR has been prepared according to:

- The 2015 edition of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (VALMIN Code)
- The 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

As per the VALMIN Code (2015), a first draft of the IVR was supplied to Alliance to check for material error, factual accuracy and omissions before the final report was issued. SRK's scope of work was limited to the second draft of the IVR after a round of edits by Alliance. The final report was issued following review of any comments by the Joint Venture.

For the purposes of this IVR, value is defined as 'market value', being the amount of money (or the cash equivalent or some other consideration) for which a mineral asset should change hands on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing, wherein the parties each acted knowledgeably, prudently and without compulsion.

APPENDIX B – INDEPENDENT VALUATION REPORT

1.3 Work program

This assignment commenced in May 2018, with a review of publicly available data and other information sourced by SRK from literature, as well as subscription databases such as S&P Market Intelligence (formerly SNL) database services. Company information was uploaded to an online dataroom and SRK consultants worked through the datasets, the Model and completed research on comparable market transactions to assist with the valuation.

In accordance with Section 11.1 of the VALMIN Code (2015), Karen Lloyd of SRK undertook a site visit to the Project on 11 May 2018.

1.3.1 Legal matters

SRK has not been engaged to comment on any legal matters.

SRK notes that it is not qualified to make legal representations as to the ownership and legal standing of the mineral tenements that are the subject of this valuation. SRK has not attempted to confirm the legal status of the tenements with respect to joint venture agreements, local heritage or potential environmental or land access restrictions.

SRK has sighted documentation obtained by Alliance from DLA Piper Australia, an independent legal firm. The document, dated 20 July 2018, indicates that the Joint Venture has the legal rights to the minerals which are the subject of this IVR. SRK has made all reasonable enquiries into this status as at 20 July 2018.

1.4 Key data sources

Data and information relating to the assets as used by SRK during the preparation of this IVR are referenced throughout the IVR.

1.5 Effective date

The effective date of this IVR is 20 July 2018.

1.6 Project team

This IVR has been prepared by a team of consultants from SRK's offices within Australia. Details of the qualifications and experience of the consultants who have carried out the work in this IVR who have extensive experience in the mining industry and are members in good standing of appropriate professional institutions, are set out below.

- **Karen Lloyd, Associate Principal Consultant (Project Evaluation), BSc(Hons), MBA, FAusIMM**

Karen has more than 20 years international resource industry experience gained with some of the major mining, consulting and investment houses globally. She specialises in independent reporting, mineral asset valuation, project due diligence, and corporate advisory services. Karen has worked in funds management and analysis for debt, mezzanine and equity financing and provides consulting and advisory in support of project finance. She has been responsible for multi-disciplinary teams covering precious metals, base metals, industrial minerals and bulk commodities in Australia, Asia, Africa, the Americas and Europe.

Karen is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) and has the appropriate relevant qualifications, experience, competence and independence to be considered a 'Specialist' and 'Competent Person' under the VALMIN (2015) and JORC (2012) Codes, respectively.

APPENDIX B – INDEPENDENT VALUATION REPORT

- **Scott McEwing, Principal Consultant (Mining), BE (Mining), FAusIMM(CP)**

Scott has over 20 years' mining experience in both open pit and underground mining. Scott is a mining engineer who works in due diligence, project management and with technical mine planning arenas. Scott has been SRK's project manager for the delivery of several large multi-discipline feasibility studies. His technical skills include mine planning, optimisation and design. He is proficient in the use of computerised mining software packages – Whittle and MineSight, in particular. Scott has practical experience in both production and planning roles in Australia at Golden Grove and Boddington Gold Mine, and in New Zealand at the Martha Mine. Whilst being a consultant with SRK, Scott has been seconded to several mining operations across a number of commodities.

Scott is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM). He has the appropriate relevant qualifications, experience, competence and independence to be considered a 'Specialist' and 'Competent Person' under the VALMIN (2015) and JORC (2012) Codes, respectively.

- **Simon Walsh, Associate Principal Consultant (Process Engineering), BSc, MBA (Hons) GAICD, MAusIMM(CP)**

Simon has extensive design and operational expertise across a range of mineral processing and hydrometallurgical processes, with particular experience in lithium processing. His broad range of experience covers both management, supervisory and technical roles in plant operations, commissioning, process simulation, project studies, detailed engineering design, metallurgical testwork management and competent person reporting.

Simon is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM). He has the appropriate relevant qualifications, experience, competence and independence to be considered a 'Specialist' and 'Competent Person' under the VALMIN (2015) and JORC (2012) Codes, respectively.

- **Jeames McKibben, Principal Consultant (Project Evaluation), BSc(Hons), MBA, MAusIMM(CP), MAIG, MRICS**

Jeames is an experienced international mining professional having operated in a variety of roles including consultant, project manager, geologist and analyst over more than 24 years. He has a strong record in mineral asset valuation, project due diligence, independent technical review and deposit evaluation. As a consultant, he specialises in mineral asset valuations and Independent Technical Reports for equity transactions and in support of project finance. Jeames has been responsible for multi-disciplinary teams covering precious metals, base metals, bulk commodities (ferrous and energy), industrial minerals and other minerals in Australia, Asia, Africa, North and South America and Europe. He has assisted numerous mineral companies, financial, accounting and legal institutions and has been actively involved in arbitration and litigation proceedings. Jeames has experience in the geological evaluation and valuation of mineral projects worldwide.

Jeames is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM), a Member of the Australian Institute of Geoscientists (MAIG), and a Member of the Royal Institution of Chartered Surveyors (MRICS). Jeames has the appropriate relevant qualifications, experience, competence and independence to be considered a 'Specialist' and 'Competent Person' under the VALMIN (2015) and JORC (2012) Codes, respectively.

APPENDIX B – INDEPENDENT VALUATION REPORT

1.7 Limitations, reliance on information, declaration and consent

1.7.1 Limitations

SRK's opinion contained herein is based on information provided to SRK by the Joint Venture throughout the course of SRK's investigations as described in this IVR, which in turn reflects various technical and economic conditions at the time of writing. Such technical information as provided by the Joint Venture was taken in good faith by SRK. SRK has not independently verified Mineral Resources or Ore Reserve estimates by means of recalculation.

This IVR includes technical information which requires subsequent calculations to derive subtotals, totals, averages and weighted averages. Such calculations may involve a degree of rounding. Where such rounding occurs, SRK does not consider them to be material.

As far as SRK has been able to ascertain, the information provided by the Joint Venture was complete and not incorrect, misleading or irrelevant in any material aspect.

Alliance has confirmed in writing to SRK that full disclosure has been made of all material information and that to the best of its knowledge and understanding, the information provided by the Joint Venture was complete, accurate and true and not incorrect, misleading or irrelevant in any material aspect. SRK has no reason to believe that any material facts have been withheld.

1.7.2 Statement of SRK independence

Neither SRK, nor any of the authors of this IVR, has any material present or contingent interest in the outcome of the IVR, nor any pecuniary or other interest that could be reasonably regarded as capable of affecting their independence or that of SRK.

SRK has no prior association with Alliance regarding the mineral assets that are the subject of this IVR. SRK has no beneficial interest in the outcome of the technical assessment capable of affecting its independence.

1.7.3 Indemnities

As recommended by the VALMIN Code (2015), Alliance has provided SRK with an indemnity under which SRK is to be compensated for any liability and/ or any additional work or expenditure resulting from any additional work required:

- which results from SRK's reliance on information provided by either of the Joint Venture parties not providing material information; or
- which relates to any consequential extension workload through queries, questions or public hearings arising from this IVR.

1.7.4 Consent

SRK consents to this IVR being included, in full, in Alliance's documents in the form and context in which the technical assessment is provided, and not for any other purpose. SRK provides this consent on the basis that the technical assessment expressed in the Executive Summary and in the individual sections of this IVR is considered with, and not independently of, the information set out in the complete IVR.

1.7.5 Consulting fees

SRK's estimated fee for completing this IVR is based on its normal professional daily rates plus reimbursement of incidental expenses. The fees are agreed based on the complexity of the assignment, SRK's knowledge of the assets and availability of data. The fee payable to SRK for this engagement is estimated at approximately A\$36,000. The payment of this professional fee is not contingent upon the outcome of this IVR.

APPENDIX B – INDEPENDENT VALUATION REPORT

2 Project Overview

2.1 Location, access and climate

The Project is located approximately 105 km south-southeast of Kalgoorlie and about 56 km east of Widgiemooltha in the Goldfields-Esperance region of Western Australia.

Access to the Project is via National Highway 94 (Coolgardie to Esperance Highway), to Widgiemooltha and then via 65 km of the unsealed Binneringie Road from Widgiemooltha (Figure 2-1).

The region surrounding the Project experiences a semi-arid climate. The closest weather stations (Norseman, Balladonia, and Kalgoorlie-Boulder) record annual rainfall averages between 225 mm and 260 mm. Rainfall is most consistent during the winter months. However, isolated thunderstorms and remnants of tropical cyclones in the summer months provide sporadic and heavy downfalls that produce substantial runoff.

The site is accessible all year round except during those periods of high rainfall when the gravel road may be closed by the shire council for short periods as a damage prevention measure.

Temperatures in the summer months commonly exceed 35 °C, and minimum temperatures during winter commonly drop below 5 °C with occasional frosts.

Relief in the area is typically low, with the dominantly granitic rocks forming an irregular terrain interspersed by sheet wash zones and deep regolith cover. Other minor sedimentary and mafic to ultramafic rocks are overlain by extensive sandplains.

SRK understands that there are no records of Priority or Threatened Ecological Communities within the Project area and that there are no Protected matters within the Project area.

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Figure 2-1: Project location

Source: Tawana.

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2.2 Ownership and tenements

During 2017, Tawana (through its wholly owned entity, Lithco No. 2 Pty Ltd) completed the expenditure requirements necessary to earn a 50% interest in the Project (tenements, processing plant and infrastructure), and entered a 50:50 Joint Venture with Alliance.

The Project comprises four granted mining leases and two pending mining lease applications, 12 granted exploration licences, one granted general purpose lease, 10 granted miscellaneous licences and two pending miscellaneous licence applications, four granted prospecting licences and one granted retention licence (Table 2-1).

Table 2-1: Tenement schedule

Name	Type	Status	Granted	Expiry	Area (ha)
E15/1058	Exploration Licence	Live	12-Mar-09	11-Mar-19	2,520.00
E15/1066	Exploration Licence	Live	20-Aug-09	19-Aug-19	6,440.00
E15/1067	Exploration Licence	Live	20-Aug-09	19-Aug-19	6,440.00
E15/1161	Exploration Licence	Live	25-Jan-11	24-Jan-21	280.00
E15/1162	Exploration Licence	Live	10-Jan-11	9-Jan-21	840.00
E15/1166	Exploration Licence	Live	31-Aug-10	30-Aug-20	1,400.00
E15/1212	Exploration Licence	Live	2-May-11	1-May-21	2,800.00
E15/1353	Exploration Licence	Live	5-Aug-13	4-Aug-18	20,171.20
E15/1492	Exploration Licence	Live	23-Feb-17	22-Feb-22	14,280.00
E15/1493	Exploration Licence	Live	24-Feb-17	23-Feb-22	7,280.00
E15/1555	Exploration Licence	Live	16-Mar-17	15-Mar-22	5,600.00
E15/1556	Exploration Licence	Live	16-Mar-17	15-Mar-22	4,480.00
G15/28	General Purpose Lease	Live	25-May-17	24-May-38	1.43
L15/264	Miscellaneous Licence	Live	11-Oct-06	10-Oct-27	3.85
L15/265	Miscellaneous Licence	Live	11-Oct-06	10-Oct-27	2.33
L15/266	Miscellaneous Licence	Live	11-Oct-06	10-Oct-27	1.44
L15/267	Miscellaneous Licence	Live	11-Oct-06	10-Oct-27	3.56
L15/268	Miscellaneous Licence	Live	11-Oct-06	10-Oct-27	5.77
L15/269	Miscellaneous Licence	Live	11-Oct-06	10-Oct-27	7.19
L15/270	Miscellaneous Licence	Live	11-Oct-06	10-Oct-27	7.49
L15/348	Miscellaneous Licence	Live	5-Sep-14	4-Sep-35	3.16
L15/365	Miscellaneous Licence	Live	19-Jul-17	18-Jul-38	15.49
L15/366	Miscellaneous Licence	Live	19-Jul-17	18-Jul-38	61.52
L15/380	Miscellaneous Licence	Pending			104.00
L15/384	Miscellaneous Licence	Pending			234.35
M15/1305	Mining Lease	Live	29-Dec-00	28-Dec-21	97.89
M15/1308	Mining Lease	Live	29-Dec-00	28-Dec-21	92.53
M15/1470	Mining Lease	Live	13-May-10	12-May-31	400.00
M15/1840	Mining Lease	Pending			972.69
M15/1851	Mining Lease	Pending			570.30
M15/400	Mining Lease	Live	8-Sep-88	7-Sep-30	501.00
P15/5862	Prospecting Licence	Live	15-Oct-14	14-Oct-18	13.56

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Name	Type	Status	Granted	Expiry	Area (ha)
P15/5863	Prospecting Licence	Live	15-Oct-14	14-Oct-18	180.24
P15/5864	Prospecting Licence	Live	15-Oct-14	14-Oct-18	93.30
P15/5865	Prospecting Licence	Live	15-Oct-14	14-Oct-18	15.74
R15/1	Retention Licence	Live	9-Jun-10	8-Jun-19	973.00

SRK has sighted documentation obtained by Alliance from DLA Piper Australia, an independent legal firm. The document, dated 20 July 2018, indicates that the Joint Venture has the legal rights to the minerals which are the subject of this IVR. SRK has made all reasonable enquiries into this status as at 20 July 2018.

Further to discussion with the Joint Venture, SRK notes that the Joint Venture plans to renew Exploration Licence E15/1353 prior to its expiry on 4 August 2018.

2.3 Native title

The Project area falls within the Native Title Determination of the Ngadju people, who have traditional ownership of 102,000 km² of land surrounding the town of Norseman, including exclusive title over approximately 45,000 km².

Mining Lease Application M15/1840 over the Retention Licence R15/1, which contains the known Creekside and Fenceline prospects, is now subject to stakeholder consultations with the Ngadju people.

Regional Standard Heritage Agreements (RHSAs) and Heritage Agreements are in place for certain exploration licences and prospecting licences. The current Native Title status of the tenements is summarised in Table 2-2, which is an extract from the Tawana Bald Hill Lithium and Tantalum Mine Feasibility Study (Feasibility Study) dated July 2017, subsequently amended to incorporate additional information from DLA Piper Australia's report dated 20 July 2018.

Table 2-2: Summary of native title and Aboriginal Heritage agreements

Name	Native Title Status
M15/1470	Deferred Production Agreement
P15/5862	RSHA between Alliance and the Ngadju people
P15/5863	RSHA between Alliance and the Ngadju people
P15/5864	RSHA between Alliance and the Ngadju people
P15/5865	RSHA between Alliance and the Ngadju people
E15/1058	RSHA between Alliance and the Ngadju people
E15/1066	RSHA between Alliance and the Ngadju people
E15/1067	RSHA between Alliance and the Ngadju people
E15/1161	RSHA between Living Waters Mining (Australia) Pty Ltd and the Ngadju people
E15/1162	RSHA between Living Waters Mining (Australia) Pty Ltd and the Ngadju people
E15/1166	RSHA between Living Waters Mining (Australia) Pty Ltd and the Ngadju people
E15/1212	RSHA between Living Waters Mining (Australia) Pty Ltd and the Ngadju people
E15/1353	RSHA between Alliance and the Ngadju people
E15/1492	Heritage Agreement between Alliance and the Ngadju people
E15/1493	Heritage Agreement between Alliance and the Ngadju people
E15/1555	Heritage Agreement between Alliance and the Ngadju people
E15/1556	Heritage Agreement between Alliance and the Ngadju people

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2.4 Royalties and material contracts

2.4.1 Royalties

Royalties will be distributed to the Western Australian government at the rate of 5.0% of the royalty value of the concentrate produced. This rate is the ad valorem rate which applies to concentrate material as defined under the *Mining Regulations 1981* (Regulation 85).

SRK understands that the Company has assumed the obligation to pay to Maxwell Peter Strindberg and ABEH Pty Ltd (ACN 098 110 233), the previous holders of M15/1305, M15/1308, E15/756, E15/1058, E15/1066, E15/1067, P15/4156, P15/4157, P15/4696, P15/4697, P15/4698, P15/4699 and P15/4700, royalties in respect of those tenements and any future mining tenements in respect of the land the subject of those tenements (together Royalty Tenements) of:

- 1 2.5% of the gross proceeds of sale, net of GST, of all finished processed material of tantalum and tin mined and extracted from the land the subject of the Royalty Tenements
- 2 5% of the gross proceeds of sale, net of GST, of all other finished processed materials mined and extracted from the land the subject of the Royalty Tenements.

SRK understands this royalty is currently payable in respect of M15/1305, M15/1308, M15/1470, E15/1353, P15/5862, P15/5863, P15/5864 and P15/5865.

In addition, John Walter Graham, Sonny Graham, Katie Ray and Jack Schultz for and on behalf of the Ngadju people and Maxwell Peter Strindberg have entered into the Deferred Production Agreement in respect of M15/1470. As at 20 July 2018, SRK understands that the Company has neither assumed nor been approached to assume Strindberg's obligations under the Deferred Production Agreement. The Company may be required or elect to do so in future.

The Deferred Production Agreement requires Maxwell Peter Strindberg to pay:

- 1 An amount equivalent to a designated percentage of a spot price, calculated with reference to the average LBMA London PM Fix, in respect of the relevant quarter (converted to Australian dollars with reference to Reserve bank of Australia (RBA) rates), in respect of any gold produced from M15/1470, being:
 - a. 0.75% up to A\$600
 - b. 1.00% between A\$600 and A\$800
 - c. 1.25% between A\$801 and A\$1,000
 - d. 1.50% between A\$1,001 and A\$1,200
 - e. 1.75% over A\$1,201
- 2 An amount equivalent to 30% of the royalty payable to the State of Western Australia in respect of any other mineral.

2.4.2 Material contracts

Lithium Concentrate Offtake Agreement

Each of the Joint Venture parties has a separate long-term exclusive lithium concentrate offtake contract in place at the Project. The contracts were executed in October 2017 by each Joint Venture party with Burwill Commodity Limited (now Burwill Lithium Company Limited), a wholly owned subsidiary of Burwill Holdings Limited (Burwill) and listed on the Stock Exchange of Hong Kong Limited (Stock Code 0024).

Under the terms of the agreements, Burwill will pay a fixed price for all production up to 31 December 2019 of US\$880/t free-on-board (FOB) Esperance for 6% Li₂O.

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From 2020 to 2023, the sales price and volumes are to be negotiated and will be agreed based on prevailing market conditions.

SRK has not undertaken a detailed review of the terms of the contracts and for the purposes of the IVR, has assumed the contracts are suitable to allow site operations to continue unimpeded by contractual constraints should the Transaction proceed.

Tantalum Concentrate Offtake Agreement

In January 2018, each of the Joint Venture parties signed a non-binding, in-principle term sheet for the offtake of tantalum concentrate with HC Starck Group, a Munich-based subsidiary of Bayer AG.

In-principle terms agreed include the purchase of a minimum of 600,000 lb of tantalum concentrate in aggregate from April 2018 to 31 December 2020, or all of the standard grade tantalum concentrate produced at the Project until 31 December 2020 if the total is less than 600,000 lb, at a price to be agreed. The buyer may also purchase any other tantalum materials from the Project, including low-grade concentrate and off-specification material.

Service Agreements

There are various service agreements in place at the Project. SRK has not undertaken a detailed review of these contracts and for the purposes of the IVR, has assumed that the contracts are suitable to allow site operations to continue unimpeded by contractual constraints should the Transaction proceed. These agreements provide for the operation and maintenance (O&M) of the concentrate plant, mining and drill and blast operations, diesel fuel supply, catering and janitorial services, electrical power, crushing and screening services and concentrate haulage.

2.5 History

The Project area has a long history of exploration and production. During the 1970s, small amounts of tin and tantalum were periodically mined from multiple shallow oxide pits by private operators.

The Gwalia Group (Gwalia) undertook tantalum exploration around the Project during the 1980s, including geological mapping, costeaning, and several drilling campaigns, though low prices for tantalum precluded a development decision.

In 2001, further to sterilisation drilling for waste dumps and tailings dams, Haddington International Resources Limited (Haddington) announced a resource of 1,140,000 t at 472 ppm Ta₂O₅. In 2001, Haddington received approval from the Western Australian Department of Environmental Protection for the construction of a 200,000 tpa processing plant and associated infrastructure to support a 4-year mine life and deliver about 145,000 lb of tantalite to the Sons of Gwalia Ltd's (SoG) Greenbushes treatment plant.

Haddington undertook larger-scale shallow open pit mining between July 2001 and March 2006. Mining was from several small pits. A total of 1.35 Mt of ore was processed through a gravity plant with a throughput rate of 340,000 tpa. A total 4,000 t of concentrate containing 364 t of tantalum pentoxide was sold.

The mine was placed on care and maintenance on 31 March 2006 after Haddington's licence agreement with SoG expired and it stopped taking third party concentrates. Haddington continued its exploration efforts until 2009.

On 12 September 2009, Living Waters Mining (Australia) Pty Ltd acquired the Project's tenure, as well as tenure to the north of the main pit area where it continued exploration.

In 2011, ownership was transferred to HRM Resources Australia Limited (HRM). HRM continued with exploration, especially testing for extensions of the Boreline, North and South open pits.

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In 2014, HRM was re-named Alliance Mineral Assets Limited and listed on the Catalist of the Singapore Exchange Securities Trading Limited on 25 July 2014.

On 4 February 2015, Alliance announced that it had commenced trial mining from the Boreline Pit. Alliance refurbished and upgraded the processing plant previously operated by Haddington and commissioned the facilities during late 2015 and early 2016.

Although Haddington had noted that the pegmatite ore contained 30%–50% spodumene, lithium was not assayed for or recovered until Alliance noted high levels of spodumene in tantalum concentrates during recommissioning of the Haddington plant in 2015.

On 3 June 2016, Alliance announced that it had executed a binding term sheet with Lithco No. 2 Pty Ltd (Lithco) for, inter alia, a Farm-In and Joint Venture arrangement regarding joint exploration and exploitation of lithium and other minerals at the Project.

On 24 October 2016, Tawana announced that it had entered into an option agreement to acquire all the shares in Lithco for an option fee of A\$25,000 and 50,000,000 Tawana shares.

On 17 November 2016, it was announced that Lithco had intercepted multiple mineralised pegmatites over a large area, indicating significant resource potential. Lithco completed initial metallurgical testwork, and a concept study on a spodumene concentrator followed shortly thereafter.

In January 2017, it was announced that a Feasibility Study into the potential redevelopment of the Project had commenced.

In February 2017, the Farm-In agreement was finalised. Key terms were:

- 1 Expenditure Commitment: By 31 December 2017 (or a later date as agreed), to spend a minimum of A\$7,500,000 on exploration, evaluation and feasibility for 50% of all rights to lithium minerals from the tenements comprising the Project
- 2 Capital Expenditure: By 31 December 2019, a capital expenditure of A\$12,500,000 was required for upgrading and converting the plant for processing ore derived from the Project, infrastructure costs, pre-stripping activities and other expenditures including operating costs.

Completion of the Expenditure Commitment and Capital Expenditure entitled Lithco to a 50% interest in the Project (all minerals from the tenements and the processing plant and infrastructure at Bald Hill).

In July 2017, the results of a Pre-Feasibility Study were announced. Key metrics were:

- 1 Forecast annual production of approximately 155,000 tpa of spodumene concentrate from the dense media separation (DMS) circuit, and 260,000 lb of tantalum pentoxide from the existing Tantalum Processing Facility (TPF) per year
- 2 A maiden Lithium Ore Reserve of 4.3 Mt at 1.18% Li₂O and 208 ppm Ta₂O₅, representing approximately 90% conversion of existing Indicated Resources and an additional tantalum Ore Reserve of 1.4 Mt at 317 ppm Ta₂O₅
- 3 An initial starter pit life of 3.6 years, with further growth for the Project expected from infill and extensional drilling
- 4 An additional 8.2 Mt at 1.14% Li₂O Inferred Resources not included in the Pre-Feasibility Study, which indicate potential for a 10-year mine life prior to resource growth
- 5 Long-lead items have been ordered, and construction mobilisation has commenced under an early works contract; production scheduled for the 2018 March quarter
- 6 A Project internal rate of return (IRR) of 185% and payback period of approximately 12 months
- 7 A capital cost of A\$42M (excluding pre-production operating costs), with A\$37.5M already committed from Tawana earnings (A\$12.5M) and off-take contractual pre-payments (A\$25M)

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- 8 Average EBITDA for the starter pit of approximately A\$83M per annum
- 9 Operating cashflow for the starter pit of approximately A\$223M
- 10 NPV_{10%} of the starter pit of A\$150M, with potential to increase further to conversion of the Inferred Resources and the inclusion of a low-cost lithium fines circuit
- 11 Estimated life-of-pit operating cash costs of A\$508/t (US\$381/t) of spodumene concentrate free-on-board (FOB) (including tantalum pentoxide by-product credits), resulting in a 100% pre-tax margin.

In August 2017, it was announced that construction of the lithium plant had commenced following the Engineering, Procurement and Construction (EPC) contract award to Primero Group Limited (Primero) to build a 1.2 Mtpa DMS circuit.

In February 2018, the Joint Venture announced that commissioning of the DMS circuit had commenced. In addition:

- 1 Power plant operations had commenced.
- 2 The Motor Control Centre/ Low Voltage (MCC/ LV) switch room was commissioned.
- 3 Dry commissioning had commenced.
- 4 Crushing and stockpiling of ore had commenced.
- 5 Average mining movements were approximately 20,000 m³ per day.
- 6 Practical completion had been achieved.
- 7 Ferrosilicon media had been introduced to the plant and stabilised.
- 8 Crushing had commenced after commissioning, and 20,000 t of crushed ore was stockpiled.

On 14 March 2018, the Joint Venture announced that lithium production had commenced following commissioning of the DMS circuit.

On 6 June 2018, the Joint Venture announced a production update as well as a resource/ reserve upgrade.

Production update

- Stage 1 DMS circuit achieved 50% of nameplate throughput for month 1 and 75% for month 2 of ramp-up, producing a premium high-quality lithium concentrate.
- Tantalum pre-concentrate recoveries from lithium circuit are exceeding initial expectations.
- Mining was averaging approximately 30,000 BCM (bank cubic metres) per day.
- Logistics, including power, fuel management, concentrate haulage and ship loading were functioning as expected.
- Several shipments were completed in May, June and July 2018.

Resource and reserve upgrade

- Lithium Total Resources of 26.5 Mt at 1.0% Li₂O (using 0.3% Li₂O grade cut-off)
- Lithium Indicated Resources of 14.4 Mt at 1.02% Li₂O (an increase of 55% in contained lithium from October 2017)
- Ore Reserve of 11.3 Mt at 1.0% Li₂O and 160 ppm Ta₂O₅ – representing an increase of 105% in contained lithium from the July 2017 Ore Reserve estimate and supporting a 9-year mine life at a processing rate of 1.2 Mtpa
- Tantalum Ore Reserve of 2.0 Mt at 313 ppm Ta₂O₅ – representing an increase of 43% from the July 2017 Ore Reserve estimate.

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2.6 Project metrics

Summary Project metrics are:

- 1 The Project comprises four granted mining leases and two pending mining lease applications, 12 granted exploration licences, one granted general purpose lease, 10 granted miscellaneous licences and two pending miscellaneous licence applications, four granted prospecting licences and one granted retention licence, totalling 769 km².
- 2 Ore Reserve of 11.3 Mt at 1.0% Li₂O and 160 ppm Ta₂O₅ supporting a 9-year mine life at a processing rate of 1.2 Mtpa.
- 3 Total Lithium Resources of 26.5 Mt at 1.0% Li₂O (using 0.3% Li₂O grade cut-off).
- 4 The mine currently consists of an open pit, a DMS circuit and spiral circuits, waste rock dumps, stores, a camp (including administrative and living quarters) and associated infrastructure. Lithium concentrate is hauled via Binneringie Road to the Port of Esperance. Tantalum concentrates will be packed into 205 L drums and/ or bulka bags and exported via Fremantle in standard shipping containers once the tantalum circuit has been commissioned (currently anticipated by end of 2018).
- 5 Each of the Joint Venture parties has a separate long-term exclusive lithium concentrate offtake contract in place at the Project. The contracts were executed in October by each Joint Venture party with Burwill Commodity Limited (now Burwill Lithium Company Limited), a wholly owned subsidiary of Burwill Holdings Limited (Burwill) and listed on the Stock Exchange of Hong Kong Limited (Stock Code 0024). Under the terms of the agreements, Burwill will pay a fixed price for all production up to 31 December 2019 of US\$880/t (FOB Esperance) for 6% Li₂O. From 2020 to 2023, the sales price and volumes are to be negotiated and will be agreed based on prevailing market conditions..
- 6 In-principle terms for the sale of tantalum concentrate have been agreed between each of the Joint Venture parties and the HC Starck Group. These include the purchase of a minimum of 600,000 lb of tantalum concentrate in aggregate from April 2018 to 31 December 2020, or all of the standard grade tantalum concentrate produced at the Project until 31 December 2020 if the total is less than 600,000 lb.
- 7 There are several service agreements in place at the Project. These agreements provide for the operation and maintenance of the concentrate plant, mining and drill and blast operations, diesel fuel supply, catering and janitorial services, electrical power, crushing and screening services and concentrate haulage.
- 8 Development drilling is underway to determine the grade and continuity of pegmatite-hosted lithium beyond the current Mineral Resource estimate area.

2.7 Site inspection

In accordance with Section 11.1 of the VALMIN Code (2015), SRK undertook a site visit to the Project on 11 May 2018. The site visit included meetings with site personnel to discuss the operating performance to date, a tour of the open pit and dam, and inspection of fixed plant. The site layout is presented in Figure 2-3. SRK is satisfied that the Project is operating under appropriate safety and management plans, and SRK has no reason to believe that the planned LOM production and operating targets cannot be achieved.

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Of note, there were three key observations:

- Testwork to support the commissioning of the tantalum circuit is ongoing, with results expected by the end of 2018. As a result, the tantalum ore being recovered as a by-product through the lithium concentrator is currently being stored in bulka bags on site, awaiting processing.
- The recirculation of water via historical oxide pits, waterlines and sump-supplied water to the concentrating facilities and mining operation. This system will provide sufficient water for uninterrupted operations until the end of 2018. SRK understands that preliminary cost estimates for the establishment of a borefield and associated infrastructure have been developed and are subject to more detailed study.
- Tailings from the concentrating facilities are being discharged into an historical pit (Boreline). This pit has almost reached capacity, and capital expenditure to lift the pit crest will be required in the coming months. SRK understands that preliminary cost estimates for the establishment of a dedicated tailings storage facility (TSF) and associated infrastructure have been developed and are awaiting final approval.



Tailings discharge into Boreline Pit



Water re-circulation via historical pits and lines



Mining excavations to provide additional sump capacity



Run of Mine stockpile fingers

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Safety signage



Communications tower



Panoramic view of the pit



Blast hole drilling



Lithium concentrate stockpile

Figure 2-2: Photos taken during SRK's site visit

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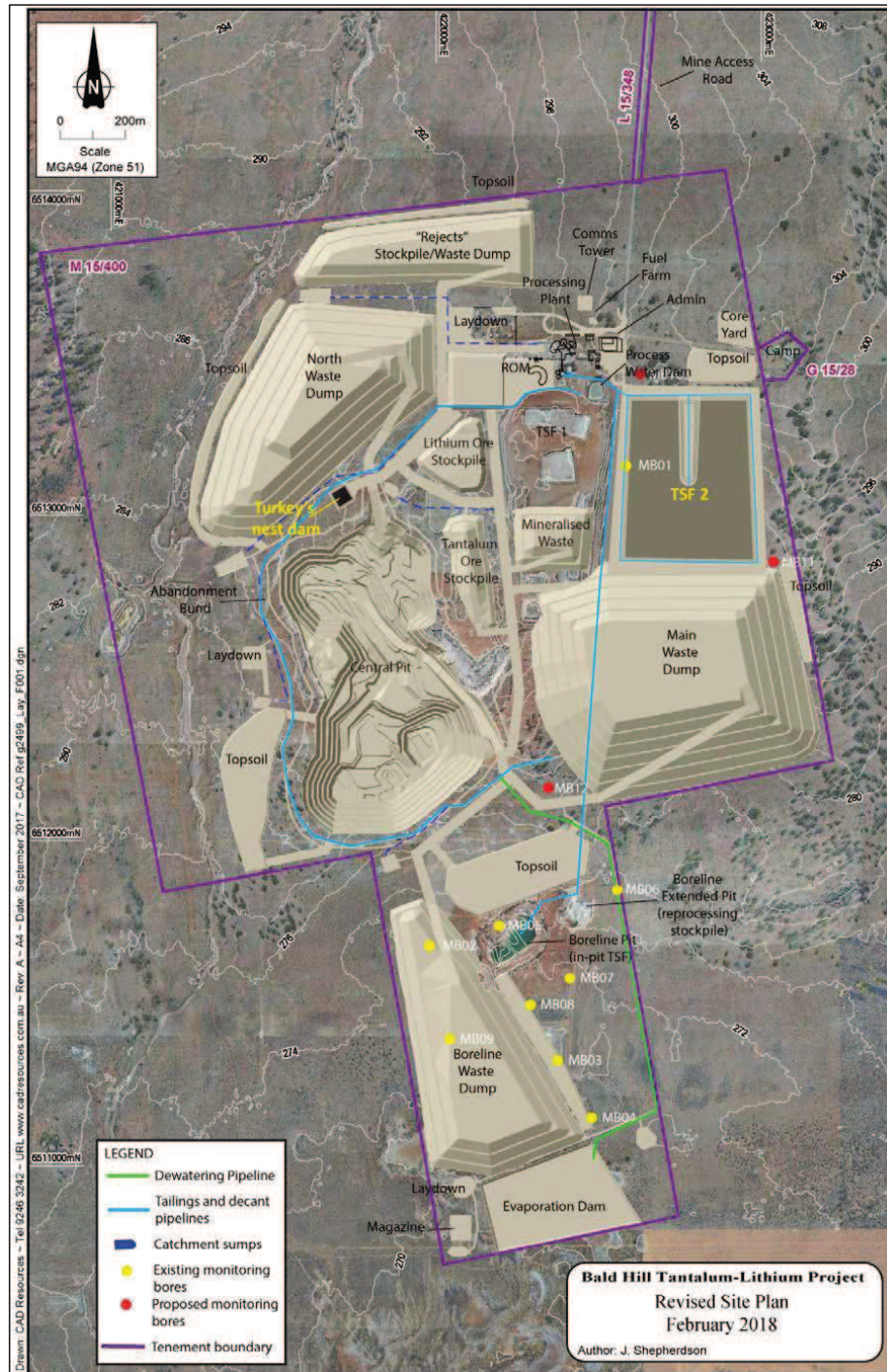


Figure 2-3: Site layout

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2.8 Geological setting

2.8.1 Regional geology

The Bald Hill lithium and tantalum mine lies within the Kurnalpi Terrane of the Eastern Goldfields Province in the Yilgarn Craton of Western Australia. The Kurnalpi Terrane comprises the Archean-aged Mount Belches Formation, a metasedimentary sequence of rocks including interbedded wackes and mudstones (Painter & Groenewald, 2001). The Mount Belches Formation contains graded beds, sedimentary structures, Bouma Sequences and channels. Several granitic intrusions within the region are low-calcium and high-calcium monzogranites and granodiorites which have intruded this metasedimentary sequence (Hall & Jones, 2008). Pegmatite dykes intrude the metasedimentary rocks of the Mount Belches Formation. Pegmatites contain feldspar, muscovite, quartz, tantalite and spodumene at Bald Hill. Quartz veins, typically milky white, commonly intrude the metasedimentary units as vein arrays.

Regionally, the units have been metamorphosed to lower amphibolite grade. Local contact metamorphism with hornfels and metasomatism of the Mount Belches Formation is due to the intrusion of granitic plutons, dykes, quartz veins and the Binneringie Dyke (Painter & Groenewald, 2001).

The Proterozoic Widgiemooltha Dyke Suite with the Binneringie Dyke (a gabbroic dyke), cross-cuts the region for approximately 600 km in an east-northeasterly direction (Hall & Jones, 2008).

Cover sequences of the Eucla Basin overlie Archean basement rocks with recent sediments of calcrete and colluvium (Hall & Jones, 2008).

Deformation within the Bald Hill area has been recognised in the Archean basement and is summarised by Hall & Jones (2008) as D₁ to D₅:

- D₁: Recumbent folding and thrusting
- D₂: Tight upright folding from east–northeast to west–southwest crustal shortening
- D₃–D₄: Regional-scale faults and shear zones (only recognised on aeromagnetic images)
- D₅: Albany–Fraser Orogen-related warping and drag folds of D₂ structures.

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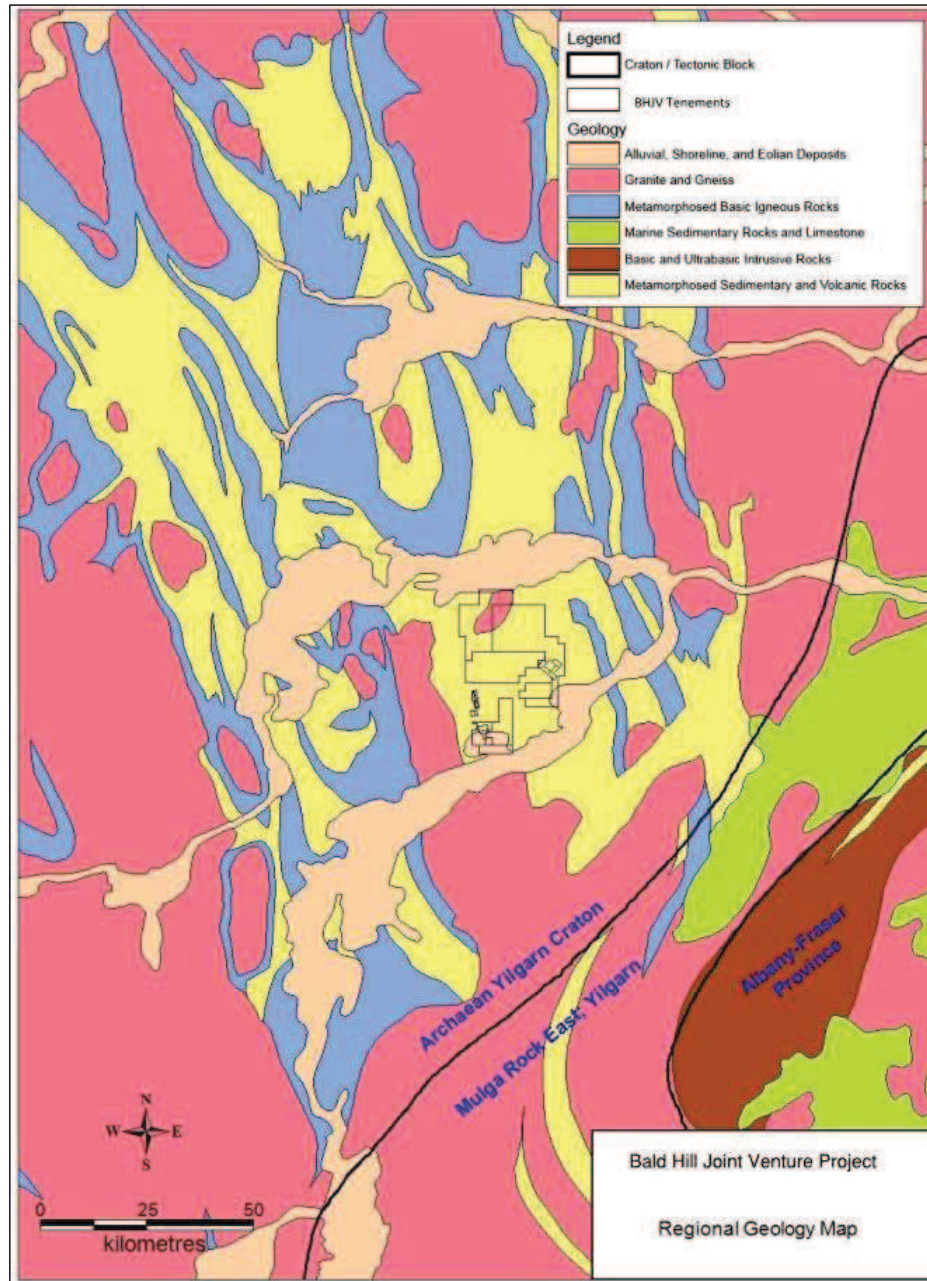


Figure 2-4: Regional geology with Bald Hill location

Source: Joint Venture.

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2.8.2 Local geology and mineralisation

Fetherston (2004) notes that the Bald Hill pegmatites are in the order of 400–600 m in length, and form linear swarms orientated parallel to the regional foliation of about 350°. The pegmatites have intruded Archean metasedimentary rocks, mainly quartz–biotite schists and amphibolites, about 3–6 km east of the Binneringie Granite pluton. Pegmatites in the area are commonly covered by shallow colluvial material and often deeply weathered to kaolinite in the near-surface environment.

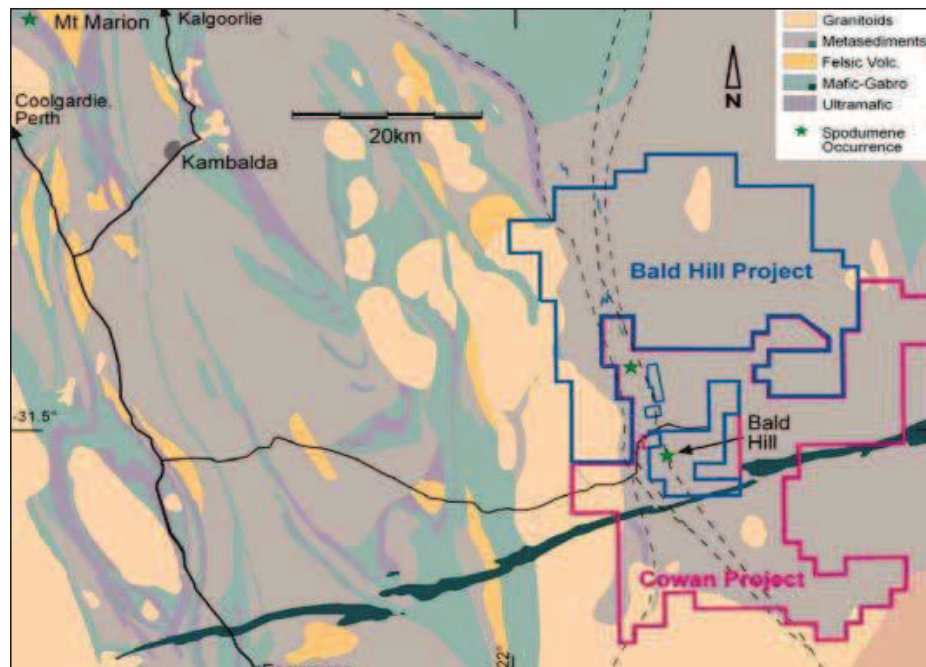


Figure 2-5: Local geology with mapped spodumene occurrences

Source: Joint Venture.

Two main belts of rare element pegmatites of the Lithium-Caesium-Tantalum (LCT) type are known in the Project area (Figure 2-6):

- 1 Mount Belches–Bald Hill Belt. This pegmatite belt striking north to northwest extends for at least 15 km; however, the pegmatite belt likely extends for a further 10 km under transported cover. A large number of albite-rich and LCT-type albite-spodumene pegmatites occur over a width of about 4 km. Previous exploration and exploitation have been focused on tantalum and tin mineralisation in the region.
- 2 Claypan Dam–Madoonia Belt. This less-explored northeast-southwest oriented LCT pegmatite belt has a strike of at least 22 km and width of at least 7 km. The belt is known to contain LCT-type albite pegmatites with tantalite and tin, and potentially hosts LCT-type albite-spodumene pegmatites.

The pegmatites at the Project fall into five categories:

- 1 Tantalum – generally narrow, high in tantalum, low in spodumene, which was the main focus of prior mining
- 2 Zoned lithium-tantalum – generally wider pegmatites with simple zoning, with spodumene richest in the central zone, and tantalum typically richer on the margins

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- 3 Lithium-tantalum – pegmatites with no apparent zonation
- 4 Lithium – unzoned and simply zoned pegmatites containing abundant spodumene, but low tantalum
- 5 Barren – the least common and often narrow pegmatites, containing $<0.1\%$ Li_2O and <100 ppm Ta_2O_5 .

The pegmatites can generally be classified as unzoned albite spodumene pegmatites and occur as gently dipping sheets and as steeply dipping veins striking parallel to the north-south regional foliation. They range in thickness from a few metres up to 30 m, and also occur as multiple, parallel dykes or swarms separated by sheared metasediments. Outcrop is limited to those areas not covered by alluvium or colluvium.

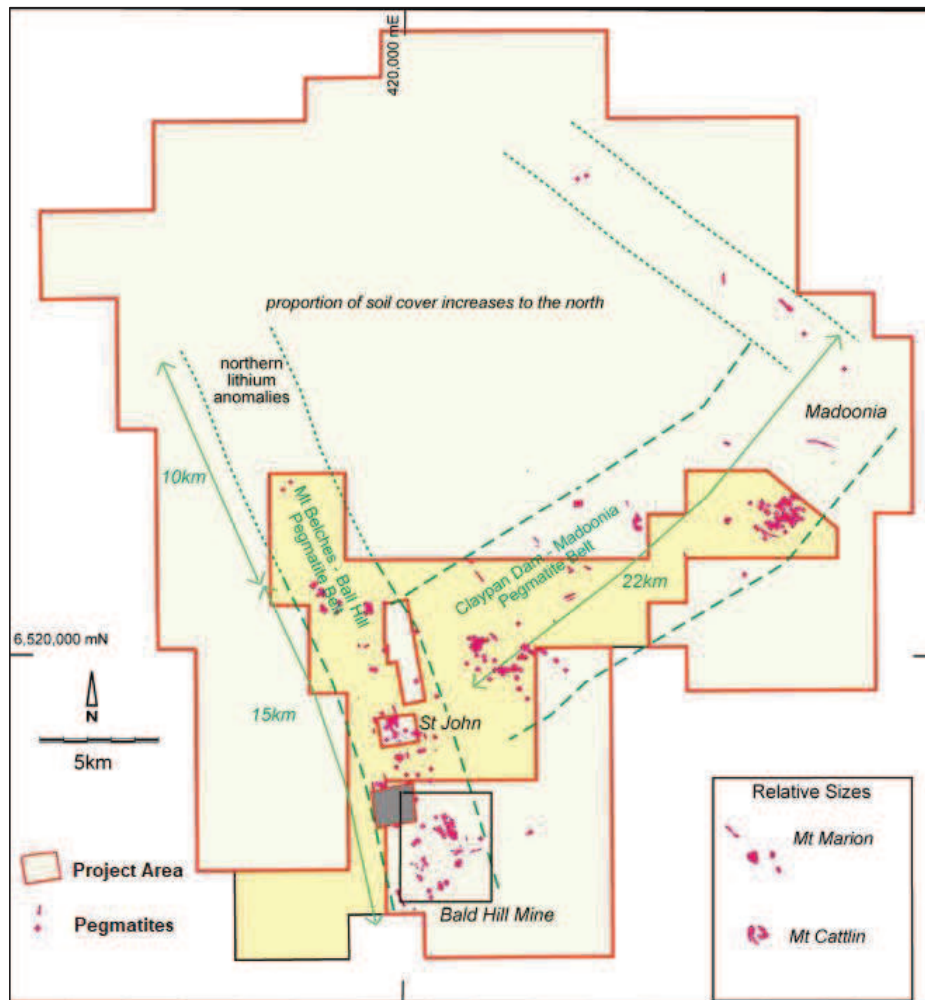


Figure 2-6: Interpreted pegmatite distribution in the Project area

Source: Modified from Joint Venture.

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2.9 Mineral Resources

2.9.1 Historical Resources – tantalum

The focus of exploration and mining at the Project prior to 2017 was on tantalum mineralisation. Prior to 2017, there were no Mineral Resources estimated at the Project for lithium minerals.

Between 2001 and 2005, Haddington, under a sales purchase agreement with SoG, mined tantalite from a number of small oxide pits at the Project.

In 2014, Alliance announced a tantalite Mineral Resource estimate of 2.58 Mt at 352 ppm Ta₂O₅, using a 100 ppm Ta₂O₅ cut-off, which was reported under JORC Code (2012) guidelines and included the Creekside, Boreline and Central Mine Areas.

In 2015, further to additional drilling on the Boreline deposit, Alliance announced an updated Mineral Resource estimate of 2.67 Mt @ 341 ppm Ta₂O₅ using a 100 ppm Ta₂O₅ cut-off.

These estimates have all been superseded by the current estimate which is discussed in Section 2.9.2.

2.9.2 Current Mineral Resource estimate

CSA Global Pty Ltd (CSA) was commissioned in 2017 to compile a maiden lithium Mineral Resource estimate for the Project and to update the historical tantalum Mineral Resource estimate. High grade lithium resources of 18.9 Mt at 1.18% Li₂O and 149 ppm of Ta₂O₅ at a 0.5% cut-off, and additional tantalum resources of 6.4 Mt at 330 ppm of Ta₂O₅ at a 200 ppm Ta₂O₅ cut-off were reported.

The Mineral Resource was classified as Indicated and Inferred in accordance with the JORC Code (2012) on a qualitative basis, taking into consideration numerous factors including drill hole spacing, estimation quality statistics (kriging slope of regression), the number of informing samples, average distance to informing samples in comparison to the semi-variogram model ranges, and overall coherence and continuity of the modelled mineralisation wireframes.

In an announcement on the Singapore Exchange Limited (SGX) dated 6 June 2018, the Joint Venture reported revised estimates based on the mine survey as at 30 April 2018. Geological confidence and sample support increased as a result of infill drilling and a lower cut-off, given the plant's operating performance. The revised Mineral Resource estimate also included a low-grade component grading between 0.3% Li₂O and 0.5% Li₂O.

Table 2-3: Mineral Resource estimate summary

Table 1: Bald Hill Project – Resources above 0.3% Li ₂ O cut-off					
Resource Category	Tonnes (Mt)	Grade Li ₂ O (%)	Contained Li ₂ O (t)	Grade Ta ₂ O ₅ (ppm)	Contained Ta ₂ O ₅ (,000 lbs)
Indicated	14.4	1.02	147,200	168	5,300
Inferred	12.1	0.90	108,000	123	3,300
Total	26.5	0.96	255,200	149	8,600

Table 2: Bald Hill Project – Tantalum Resources below 0.3% Li ₂ O and above 200 ppm Ta ₂ O ₅ cut-offs					
Resource Category	Tonnes (Mt)	Grade Li ₂ O (%)	Contained Li ₂ O (t)	Grade Ta ₂ O ₅ (ppm)	Contained Ta ₂ O ₅ (,000 lbs)
Indicated	3.0	0.16	4,700	333	2,200
Inferred	1.4	0.15	2,200	339	1,100
Total	4.4	0.16	6,900	336	3,300

Note: The tantalum resources reported in Table 2 are additional to those reported in Table 1.

Source: SGX announcement 6 June 2018.

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The Mineral Resource has a total strike length of 1,245 m and a width of up to 990 m. The main pegmatite body is sub-horizontal, strikes north–south, and is surrounded by a number of smaller, discrete pegmatites which are sub-parallel to the main body. The currently defined resource starts approximately 20 m below surface and extends to a total vertical depth of 990 m. The package plunges gently to the south along its strike length, as evident in Figure 2-7.

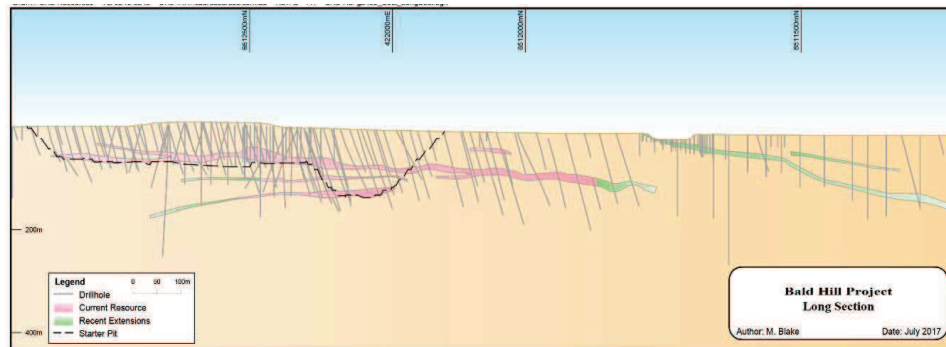


Figure 2-7: Project long section depicting the resource outline

Source: Joint Venture.

SRK has not independently verified the Mineral Resource estimate by means of recalculation.

2.9.3 Resource extension – target area

A drilling campaign is underway to target mineralisation beyond the current Mineral Resource area. The exploration team is focusing on two areas of initial interest (Figure 2-8 and Singapore Exchange Limited (SGX) announcement dated 6 June 2018):

- 1 Northern Extension (including the Underground Target Area) drilling intercepts include:
 - 21 m at 1.50% Li₂O from a 169 m downhole depth, from a 22 m wide pegmatite in drill hole LRC0707, 600 m north of the current pit
 - 17 m wide pegmatite from a 128 m downhole depth, which included 9 m at 0.33% Li₂O in drill hole LRC0708, 400 m west of the current pit
 - 8 m wide pegmatite from a 43 m downhole depth, which included 6 m at 0.68% Li₂O from 24 m, and 4 m at 1.0% Li₂O from a 45 m downhole depth in drill hole LRC0706.
- 2 Eastern Extension drilling intercepts include:
 - 33 m at 1.33% Li₂O from a 228 m downhole depth, including 20 m at 1.78% Li₂O in drill hole LRC0729
 - 24 m at 1.51% Li₂O from a 200 m downhole depth in drill hole LRC0730
 - 29 m at 1.31% Li₂O from a 174 m downhole depth in drill hole LRC0755
 - 28 m at 1.28% Li₂O from a 179 m downhole depth, including 11 m at 1.73% Li₂O in drill hole LRCD0754.

Additionally, there is a conceptual target area designed to encompass a number of locally exposed pegmatites within the Mount Belches–Bald Hill pegmatite belt (Pegmatite Drilling Area).

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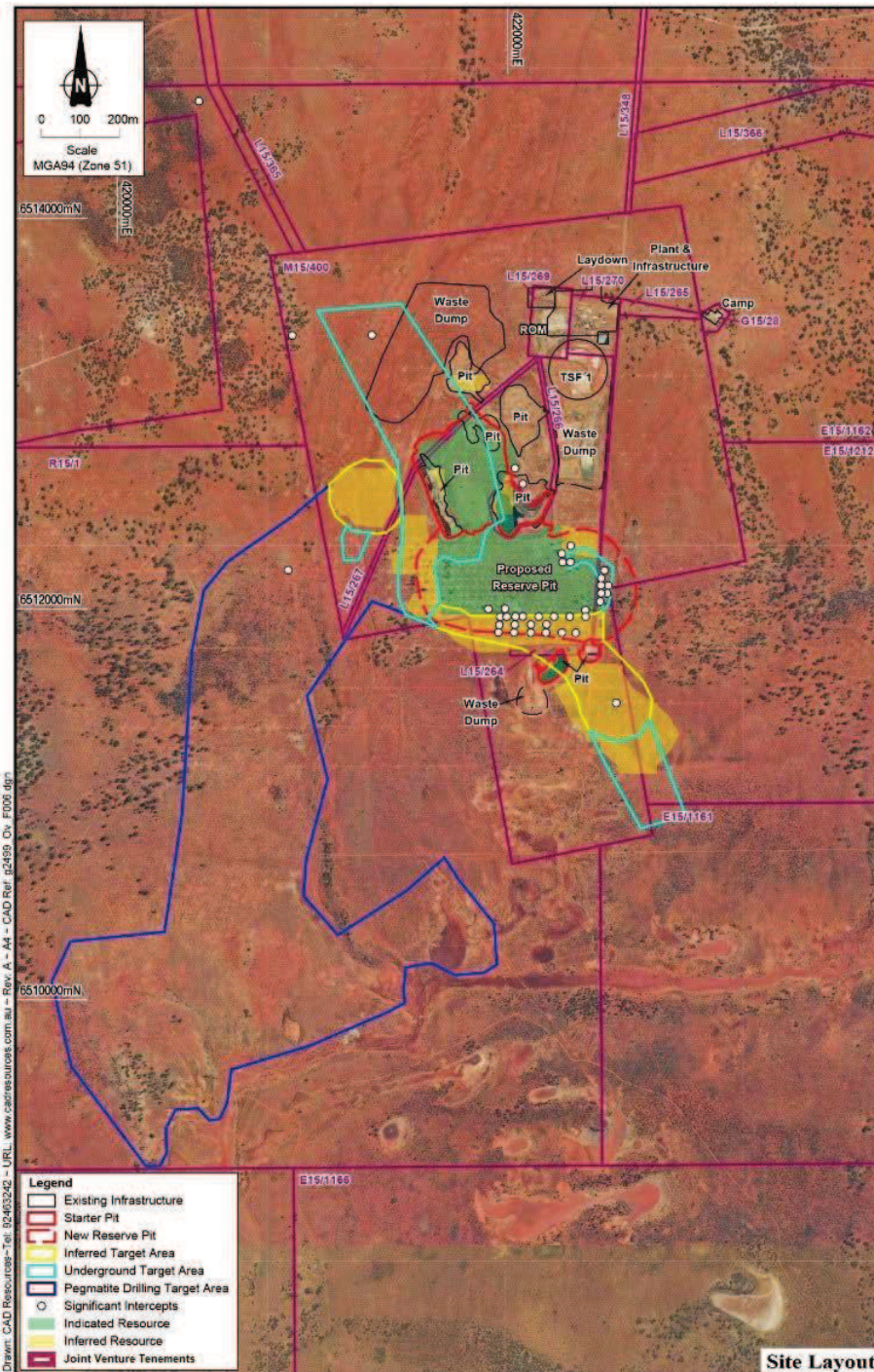


Figure 2-8: Plan view depicting current Mineral Resource and Ore Reserve footprint, with additional target areas

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2.10 Ore Reserve

CSA was commissioned to update the Ore Reserve estimate based on the latest Mineral Resource estimate.

The Ore Reserve was estimated using the March 2018 pit surface.

Table 2-4: Ore Reserve estimate summary

Reserve Category	Tonnes (Mt)	Grade Li ₂ O (%)	Contained Li ₂ O (t)	Grade Ta ₂ O ₅ (ppm)	Contained Ta ₂ O ₅ (,000 lbs)
Proven	–	–	–	–	–
Probable	11.3	1.01	114,100	160	4,000
Total	11.3	1.01	114,100	160	4,000

Notes: 1) Allows for mining ore loss of 7.5% and dilution of 7.5% at 0% Li₂O and 0 ppm Ta₂O₅.
2) Reserves have been cut to the April 2018 end of month mine survey.

Reserve Category	Tonnes (Mt)	Grade Ta ₂ O ₅ (ppm)	Contained Ta ₂ O ₅ (,000 lbs)
Proven	–	–	–
Probable	2.0	313	1,400
Total	2.0	313	1,400

Notes: 1) Allows for mining ore loss of 7.5% and dilution of 7.5%.
2) Reserves contained in Table 4 are additional to those reported in Table 3.
3) Reserves have been cut to the April 2018 end of month mine survey; ore stockpiles and concentrates are excluded.

Source: Tawana ASX announcement 6 June 2018.

SRK understands that CSA has undertaken sufficient study work to address all material Modifying Factors required for the conversion of the Mineral Resource estimate into an Ore Reserve estimate. SRK has not independently verified the Ore Reserve estimate by means of review or recalculation of the supporting files.

CSA classified the Ore Reserve in accordance with JORC Code (2012) guidelines and the underlying Mineral Resource classification. The Ore Reserves support a mine life of nine years at a processing rate of 1.2 Mtpa (Table 2-4).

To establish revised mineable quantities and grades, CSA ran a number of optimisations on the resource model using Whittle FourX pit optimisation software to identify a preferred pit shell on which to base a pit design. A detailed open pit mine design was developed from the initial optimised pit shells to confirm the mined volumes and inform a mining schedule.

The pit was designed using an optimal pit shell derived from Indicated material only. All Inferred Mineral Resources within the pit design were reported as waste during the Ore Reserve estimation. SRK understands that the pit shells created from Whittle optimisations (inclusive of Inferred Mineral Resources) were about 60% larger than those used for the pit design; these pit shells are currently being used to inform infill drilling.

The mine schedule was completed using MineSched scheduling software using a cut-off grade of 0.30% Li₂O for Indicated material only. Iterations of the mining schedule were run based on the capabilities of the mining equipment on site and to meet a minimum ore mining rate of 110,000 t/month.

Table 2-5 presents a summary of the material inputs used by CSA as the basis for the optimisation.

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Table 2-5: Ore Reserve – optimisation inputs

Item	Value
Cut-off	3,000 ppm for Li ₂ O and 200 ppm for Ta ₂ O ₅
Geotechnical	Domain-based criteria (Dempers & Seymour Consultants) catch berms every 20 vertical metres
Block size	10 m by 10 m by 5 m
Minimum mining width	30 m
Mining dilution	7.5% at 0% grade
Ore loss	7.5%
Mining recovery	92.5%
Inferred resources	Not included
Processing route	Assumes Phase 1 DMS processing only in Year 1; assumes the fines DMS circuit is added from Year 2
Processing recovery	65% for Year 1, then 80% from Year 2
Deleterious elements	Negligible
Prices	US\$880/t (FOB Esperance) for 6% Li ₂ O and US\$60/lb (FOB Esperance) for +25% Ta ₂ O ₅
Costs	Mining A\$360/t; Processing A\$127/t
Royalties	5% ad valorem (WA State Government)

Source: Joint Venture.

2.11 Current mining operation

The operation uses a conventional truck and shovel open pit mining method. SMS Innovative Mining Solutions Pty Ltd (SMS) is undertaking contract mining using three excavators (1 x 360 t, 1 x 200 t and 1 x 120 t), and a fleet of Cat 785/ 777 trucks and ancillary equipment including dozers, graders, loaders and water carts.

Drill and blast is being undertaken under sub-contract to SMS by JSW Pty Ltd Australia using a combination of top-hammer and downhole hammer drill rigs.

Ore is being mined on a bench height of 2.5 m, with drill and blast limited to a 5 m depth in areas containing ore. Bulk waste is mined on 5 m and 10 m benches, with bulk waste drill and blast targeting 10 m benches.

2.12 Mineral processing

2.12.1 Metallurgical testwork

A metallurgical testwork program was undertaken to support feasibility studies between December 2016 and May 2017. Testing was undertaken on variability samples, a 150 kg composite sample and a 5 t bulk sample (for marketing purposes) of the Bald Hill ores. The tests undertaken were typical of those used for lithium ores and included comprehensive head grade and size by size analysis, mineralogy, wet tabling, heavy liquid separation (HLS), DMS and impurity removal through upflow classification (using a reflux classifier). DMS and HLS separation was undertaken on coarse and fines fractions. Upgrading of lower grade ores was also undertaken using jigging, DMS and optical sorting, of which only DMS was effective in the preliminary testing. While lithium was the primary focus of the testwork, tantalum recoveries were also reported.

The testing was undertaken at Nagrom Metallurgical (Nagrom), a privately owned Western Australian-accredited metallurgical laboratory. The physical (comminution) testwork was undertaken at Bureau Veritas Pty Ltd's (Bureau Veritas) Perth laboratories.

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The testwork successfully demonstrated that:

- Lithium was predominantly contained in spodumene.
- Comminution characteristics were typical of pegmatitic ores, i.e. hard and abrasive.
- A saleable Li_2O concentrate grade above 6% (and generally higher) could be achieved at acceptable Li_2O recoveries.
- Key impurities such as iron can be effectively removed to saleable concentrate levels.
- Lithium concentrate grade was relatively robust (i.e. to a lower) to feed grade.
- Mica (and other impurities) could be effectively removed through screening, DMS and upflow classification.
- Additional gravity separation and/or flotation of the -1 mm fraction is able to recover additional Li_2O at grades above 6% and was to be the subject of future testing.
- Upgrading of lower lithium grade samples was able to recover Li_2O into saleable grades ($>6.0\%$), but the tantalum recovery into this fraction was high and further testwork to optimise this was identified.
- The three testwork campaigns were comparable, repeatable and all demonstrated favourable metallurgical behaviour.

The lithium testwork program was fast-tracked to align with the rapid implementation of the Project; the focus was on the optimal processing of the feed's coarse fraction. This was considered to have a low processing risk with maximised recovery of Li_2O . Potentially, the intermediate DMS and fines stockpiles could be reprocessed further to a Phase 2 plant upgrade. Additional testwork has since been undertaken (and is ongoing) to support the future processing of the fines and DMS middlings fractions to increase the overall lithium recovery at incremental additional operating cost.

This philosophy has allowed the rapid implementation schedule, lower initial capital cost and has de-risked the processing aspects of the Project.

Tantalum testwork has been extensive in the past, but this is superseded by the two previous operating periods on Bald Hill tantalum ores. This operating data is superior to testwork results for design purposes when processing similar ores. The tantalum ores can be processed through the existing tantalum plant; alternatively, there may be potential to process the tantalum ores through the lithium plant. Further assessment of the optimal tantalum processing flowsheet will be undertaken post start-up to identify the optimal processing route. Until then, spiral concentrates from the new lithium plant are being bagged and stored for further beneficiation. Options such as jigs are currently being considered. SRK has not undertaken an independent audit of the testwork results.

2.12.2 Processing flowsheet

The process design (and subsequent construction on an EPC basis) has been undertaken by the Primero Group Pty Ltd (Primero). Primero has experience in the Western Australian lithium sector. The Project is being developed in two phases:

- 1 The first phase produces a coarse ($+1$ mm) spodumene product of $>6.0\%$ Li_2O using DMS.
- 2 The second phase expands production through a possible replication of the DMS circuit or expansion of the existing DMS circuit, and re-processes the -1 mm stockpile as well as second-stage DMS middling stockpile, which are stored in former pits. This potentially requires milling and either fine DMS processing or flotation of these stockpiles, and recovery of tantalum into a separate product. Testwork, flowsheet selection and feasibility studies to support an engineering design of the Phase 2 plant is ongoing.

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The processing facilities comprise a new contract crushing operation producing a product <10 mm. This is fed into a new two-stage DMS (cyclones) circuit using ferrosilicon (FeSi) to control density. The circuit incorporates mica removal through upflow classification using reflux classifiers, with rolls-crushing and recycling of the coarse DMS middlings. Two size fractions are processed through the DMS plant, a -10 mm +5 mm fraction and a -5 mm +1 mm fraction. The -1 mm fraction is deslimed, passed over spirals to remove tantalum and then dewatered and stored for future processing. The second stage DMS overflow (middlings) is also dewatered and stored for future processing.

The selection of a flowsheet that stockpiles the -1 mm deslimed fines and second stage DMS middlings has allowed the rapid implementation of the Project and early market production.

The Phase 1 Project design processes 1.41% Li₂O feed at a rate of 161 tph (1.2 Mtpa) with a concentrate mass recovery of 153,417 t at 6.0% Li₂O. While this is approximately 55% Li₂O recovery, the rolls-crushing and recycling of the coarse DMS middlings have since been incorporated into the constructed plant and reflect the 65.8% Li₂O recovery used in cashflow modelling.

The Phase 2 Project may incorporate a replication of the DMS plant as well as additional grinding and either fine DMS separation and/ or flotation of the fines.

Tantalum ores are processed through the existing gravity circuit and recovered from the spiral concentrates from the lithium plant, before being temporarily being bagged and transported to Nagrom (Perth) for upgrading to final concentrate using screens, air tables, magnetic separation and electrostatic separation before sale to market.

SRK considers that the flowsheet selection is appropriately premised on the metallurgical testwork results. The flowsheet has been informed by the experience of metallurgical consultants using the experience of other lithium projects and operations in the flowsheet selection. SRK considers it to be a conventional lithium processing flowsheet and typical of other lithium plants. The process technology selected is well-proven and is technically low-risk for spodumene concentrate production.

2.12.3 Throughput and recovery

The processing facility was designed with a capacity of 1.2 Mtpa. This equates to a throughput of 161 tph with an overall uptime (utilisation) of 85%. The equipment sizings and design allowance were reasonable, and the utilisation assumption was appropriate for this flowsheet.

2.12.4 Product specification

A spodumene concentrate specification was established from the testwork. Key elements of the specification are a grade above 6.0% Li₂O, total Fe below 0.8% (rejection limit) and moisture below 8.0% (rejection limit). These product specifications, which are at typical spodumene benchmarks, are well-supported by the testwork and are conservative based on the testwork results.

The recent start-up of operations has further demonstrated the capacity of the processing facility to meet and surpass these specifications, with lithium products reportedly well above specification, and iron and moisture well below, even when processing lower grade development ore. This has led to the plant operation being 'relaxed' to increase lithium recovery. It will also allow some flexibility when blending the -1 mm fines and the DMS middlings stockpiles into the main product.

Future consideration will be made whether to undertake a final rinse of the spodumene concentrate with fresh water to reduce the halide content of the ultra-saline water used for processing; however, it is not currently considered an issue. A potential clean water source has been identified if it is required.

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2.12.5 Processing plant

A capital cost estimate in Australian dollars was developed by the Joint Venture and its contracted engineer Primero. Primero designed and constructed a new 1.2 Mtpa Stage 1 DMS processing plant, which included a spiral plant for recovering tantalum from –1 mm fines, and the refurbishment of the existing supporting infrastructure. It included owner's costs and working capital. A rapid implementation, fixed price EPC contracting strategy was adopted.

SRK understands that the EPC costs for the processing plant were A\$34.7M.

The Joint Venture has suggested an allowance of A\$30M for the future Phase 2 plant expansion. SRK considers this to be a scoping level (+/-50% accuracy) estimate for asset valuation purposes, as this allowance has been informed by the historical EPC costs on the Phase 1 plant only; no feasibility studies have been undertaken.

The Joint Venture suggested an additional allowance of A\$10M for a –1 mm fines processing circuit. SRK considers this to be a scoping level (+/-50% accuracy) estimate for asset valuation purposes, as this allowance is not informed by any feasibility studies.

2.12.6 Operating costs

An operating cost estimate in Australian dollars was developed by the Joint Venture and Primero.

The operating cost estimate includes all key cost areas including mining, crushing (contract), processing (lithium and tantalum), product transport and storage, General & Administration (G&A) and Corporate and State royalties. Operating costs are dependent on the production rate, feed grade and the proportion of fixed versus variable costs.

The build-up of cost reflects a feasibility level of study and includes electrical power, labour, maintenance, reagents and other costs. Power demand is based on the electrical load list, with the installed power modified according to load and operating factors applied as is normal industry practice. Labour was estimated from a head count, salaries and on-costs. Maintenance costs were factored based on the installed capital costs. Reagent usage was based on testwork consumptions, supplier quotes and industry standards.

2.13 Infrastructure

The Bald Hill Mine is located approximately 175 km by road, south east of Kalgoorlie in the Goldfields of Western Australia. The site is accessed via the sealed Coolgardie–Esperance Highway and is accessed from the regional mining hub of Kalgoorlie to the turn-off 5 km south of Widgiemooltha, followed by 68 km of unsealed clay and gravel-based roads to site. The unsealed public road is maintained by the Shire of Coolgardie; however, Bald Hill's contribution to road traffic, whilst not excessive, will necessitate a contribution to the upkeep of the road. An upgrade of the road and intersection has been costed. Concentrate is trucked to the Port of Esperance for export.

The Project uses the Kalgoorlie International Airport which has several daily flights to and from Perth. SRK understands that studies are underway to assess the feasibility of developing a Project-specific airstrip or using other local airstrips.

2.13.1 Water supply

Long-term water supply is a critical consideration and Project risk. The current supply is from the Boreline and South pits. Future supply will be from the re-establishment of the historical borefield and will require the water yield testing and abstraction licences to be renewed. The site is currently licensed to take 1.2 GLpa of groundwater for the purposes of dewatering, processing and dust

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suppression, which is sufficient for the 1.2 Mtpa operation. Additional water supply through existing borefield equipping, additional drilling and more raw water storage has been costed.

2.13.2 Power supply

Electrical power is provided through a build-own-operate (BOO) diesel-fired power station, as is common practice in off-grid mining operations. The potential for grid connection is also being considered in the medium to long term.

As a recently operating tantalum mine, there was infrastructure adequate to support the previous operation, including access and internal roads, borefield, accommodation village, site buildings, information technology (IT) and communications, sewage and waste water. Some areas need further upgrading even after the restart of operations including IT and communications, security and the accommodation village. Additional upgrading to reduce initial capital costs and accelerate the Project schedule, including the initial rental of the 150-room Lanfranchi Camp from Panoramic Resources Limited approximately 40 km from Bald Hill, was well-suited to support the proposed rapid restart of operations. This is typical of Australian mineral processing facilities of this scale and did not present any significant risk to the Project restart.

2.13.3 Capital expenditure

SRK understands that a total of A\$51.5M capital has been expended on the Project to date, which includes the A\$34.7M expended on the processing plant EPC, and A\$16.73M expended on the supporting infrastructure and other minor capital items.

2.14 Environment

SRK has sighted documentation obtained by the Joint Venture from DLA Piper Australia, an independent legal firm. The document, dated 20 July 2018, indicates that that all environmental approvals and permits are either in place, under review or planned to allow production at the Project to continue unimpeded for the modelled LOM. SRK has made all reasonable enquiries into this status at 20 July 2018.

2.15 Other considerations

2.15.1 Commodity prices

Lithium

Like most specialised commodities, the lithium market is not transparent. Lithium concentrate is not traded on an exchange, and the prices are not set by independent bodies. Lithium concentrate prices quoted by various market sources, such as IM and Roskill Information Services (Roskill), provide a guideline to the price.

Producers of lithium products negotiate prices with individual consumers and price information is rarely reported. Commercial payment terms are also negotiated between buyer and seller and can vary widely.

Spot prices for lithium products have become more widely quoted, although they are not thought to influence contract pricing; rather, they reflect material available off-contract in small volumes and are likely higher (when the market is good) or lower (when the market is poor) than contract prices.

The price profiles quoted by different journals or websites are usually similar over an extended term, although they might show a small, consistent offset. These sources publish prices on a weekly, twice-weekly or month-end basis. They quote the low price and the high price that represent what has been

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the consensus of industry correspondents who have reported spot transactions for the period. Spot transactions, by definition, use the spot price to settle. The spot price itself is open to negotiation between buyer and seller according to the perceived supply/ demand conditions.

There are principally two types of lithium concentrate – technical-grade lithium concentrate and chemical-grade lithium concentrate, which can be produced from lithium ores. The technical-grade lithium concentrates, with 5.0%–7.5% Li_2O and very low iron levels, are primarily used for manufacturing glasses and ceramics. The chemical-grade lithium concentrate, with 6.0% Li_2O and relatively higher iron levels, is further processed in lithium chemical plants to produce lithium chemicals (Figure 2-9).

Lithium concentrates from the Project are chemical grade.

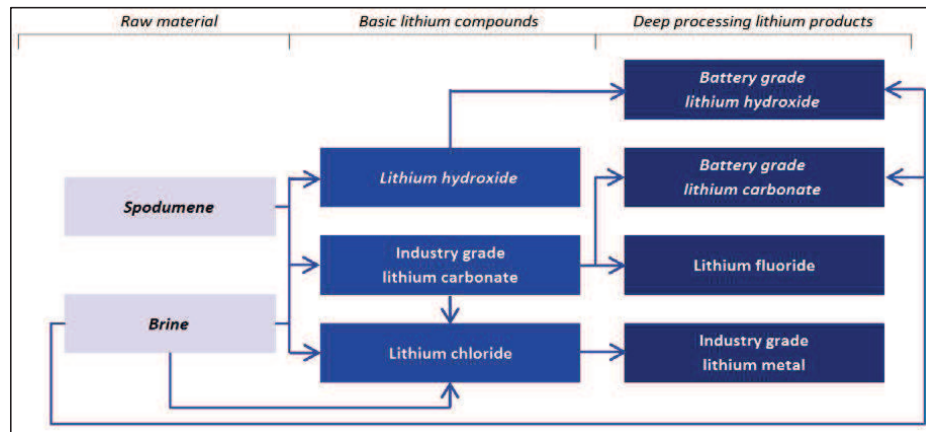


Figure 2-9: Lithium product processing paths

Source: www.deutschebank.com.

Lithium prices have increased significantly over the past few years fuelled by demand for products that use lithium-ion batteries such as electric cars and mobile devices.

Roskill notes that battery-grade products made up 46% of the demand in 2017, and suggests that lithium demand is forecast to increase by 15% per year through to 2027 (9 April 2018 presentation, 'Bottlenecks in the lithium supply chain Avoidable or inevitable?'). Citi Australia suggests a 16% growth expectation to 2025, with a supply surplus building over the next few years and then tightening by 2025.

As noted in Section 2.4.2, there is a single, long-term exclusive lithium concentrate offtake contract in place at the Project. A fixed price of US\$880/t (FOB Esperance) for all production up to 31 December 2019 for 6% Li_2O has been negotiated. From 2020 to 2023, the sales price and volumes are to be negotiated and will be agreed based on prevailing market conditions.

Tantalite

Roskill notes that tantalite as a by-product from lithium mining is set to grow from 7% of total new tantalum supply in 2017, to over 20% within a couple of years.

As noted in Section 2.4.2, a non-binding in-principle term sheet with contemplative pricing for the offtake of tantalum concentrate was signed in January 2018. The in-principle terms agreed include the purchase of a minimum of 600,000 lbs of tantalum concentrate in aggregate from April 2018 to 31 December 2020, or all the standard grade tantalum concentrate produced at the Project until 31 December 2020, if the total is less than 600,000 lbs. The buyer may also purchase any other

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tantalum materials from the Project, including low-grade concentrate and off-specification material. SRK suggests a long-term forecast price for tantalum concentrate of US\$70/lb based on recent confidential project experience.

2.15.2 Previous valuations

The VALMIN Code (2015) requires that an Independent Valuation Report should refer to other recent valuations or Expert Reports undertaken on the mineral properties being assessed.

Having asked the question of the Joint Venture, SRK is not aware of any previous Independent Valuation reports relating to the lithium assets that are the subject of this IVR.

In May 2014, Al Maynard & Associates Pty Ltd prepared an IVR on the Bald Hill Tantalum Project in support of Alliance's listing on the Catalist board of the SGX.

In May 2018, CSA prepared an Independent Valuation on the Cowan Project (CSA valuation), which comprises an area of approximately 174 km² immediately adjacent to the assets which are the subject of this IVR.

In preparing this IVR, SRK has considered these valuations where applicable.

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3 Valuation

The objective of this section is to provide Alliance with a valuation of the mineral assets of the Project, and the Project's related tenure. SRK has not valued either Tawana or Alliance, these being the corporate entities which are the beneficial owners of the mineral assets considered in this IVR. SRK understands that this IVR is intended for public release.

In assessing the technical aspects relevant to this Valuation, SRK has relied on information provided by the Joint Venture, as well as information sourced from the public domain.

In determining the appropriate parameters for valuation, SRK has considered the assessments that might be made by a willing, knowledgeable and prudent buyer in assessing the value of the Project and the Project's associated tenure.

3.1 Valuation approaches

While the VALMIN Code (2015) states that the selection of the valuation approach and methodology is the responsibility of the Practitioner, where possible, SRK considers a number of methods.

The aim of this approach is to compare the results achieved using different methods to select a preferred value within a valuation range. This reflects the uncertainty in the data and interaction of the various assumptions inherent in the valuation.

The VALMIN Code (2015) outlines three generally accepted Valuation approaches:

- 1 Market Approach
- 2 Income Approach
- 3 Cost Approach.

The *Market Approach* is based primarily on the principle of substitution and is also called the Sales Comparison Approach. The mineral asset being valued is compared with the transaction value of similar mineral assets, transacted in an open market (CIMVAL, 2003). Methods include comparable transactions, metal transaction ratio (MTR) and option or farm-in agreement terms analysis.

The *Income Approach* is based on the principle of anticipation of economic benefits and includes all methods that are based on the income or cashflow generation potential of the mineral asset (CIMVAL, 2003). Valuation methods that follow this approach include Discounted Cashflow (DCF) modelling, Monte Carlo Analysis, Option Pricing and Probabilistic methods.

The *Cost Approach* is based on the principle of contribution to value (CIMVAL, 2003). Methods include the appraised value method and multiples of exploration expenditure, where expenditures are analysed for their contribution to the exploration potential of the mineral asset.

The applicability of the various valuation approaches and methods vary depending on the stage of exploration or development of the mineral asset, and hence the amount and quality of the information available on the mineral potential of the assets. Table 3-1 presents the various valuation approaches for the valuation of mineral assets at the various stages of exploration and development.

Table 3-1: Suggested valuation approaches according to development status

Valuation approach	Exploration Projects	Pre-development Projects	Development Projects	Production Projects
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

Source: VALMIN Code (2015).

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The market-based approach to valuation is generally accepted as the most suitable approach for valuation of a Production Project.

An income-based method, such as a discounted cashflow (DCF) model, is commonly adopted for assessing the Value of a Tenure containing a deposit where an Ore Reserve has been reported following an appropriate level of technical studies, and to accepted technical guidelines such as the JORC Code (2012). However, an income-based method is not considered an appropriate method for deposits that are less advanced, i.e. where there is no declared Ore Reserve and supporting mining and related technical studies.

The use of cost-based methods, such as considering suitable multiples of exploration expenditure, is best suited to exploration properties, i.e. prior to estimation of Mineral Resources. As current Mineral Resources have been declared for the Pre-development and Advanced Exploration projects, cost-based methods of valuation are considered less suitable than market-based methods of valuation for these properties.

In general, these methods are accepted analytical valuation approaches that are in common use for determining Market Value (defined below) of mineral assets, using market-derived data.

The **'Market Value'** is defined in the VALMIN Code (2015) as, in respect of a mineral asset, the amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should change hands on the Valuation date between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion. The term 'Market Value' has the same intended meaning and context as the International Valuation Standards Committee's (IVSC) term of the same name. This has the same meaning as Fair Value in Regulatory Guide (RG) 111. In the 2005 edition of the VALMIN Code, this was known as 'Fair Market Value'.

The **'Technical Value'** is defined in the VALMIN Code (2015) as an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations. The term 'Technical Value' has an intended meaning that is similar to the IVSC term Investment Value.

Valuation methods are, in general, subsets of valuation approaches. For example, the income-based approach comprises several methods. Furthermore, some methods can be considered primary methods for valuation while others are secondary methods or rules of thumb that are considered suitable only to benchmark valuations completed using primary methods.

The methods traditionally used to value exploration and development properties include:

- Multiples of Exploration Expenditure (MEE)
- Joint Venture Terms (expenditure-based)
- Geoscience Ratings (e.g. Kilburn – area-based)
- Comparable Market Value (real estate-based)
- Metal Transaction Ratio (MTR) Analysis (ratio of the transaction value to the gross dollar metal content, expressed as a percentage – real estate-based)
- Yardstick/ Rule of Thumb (e.g. \$/resource or production unit, percentage of an in situ value)
- Geological Risk.

In summary, however, the various recognised valuation methods are designed to provide an estimate of the mineral asset or property value in each of the various categories of development. In some instances, a particular mineral asset or property or project may comprise assets which logically fall under more than one of the previously discussed development categories.

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3.2 Valuation basis

In estimating the value of the Project as at the Valuation Date, SRK has considered various valuation methods within the context of the VALMIN Code (2015). SRK has considered the Mineral Resources and Ore Reserves associated with the Project, as well as the extent and exploration potential of the granted tenure associated with the Project.

The valuation method applied depends on the relative maturity of assessment for each asset, as well as the amount of available data supporting the project. In preparing its valuation of the Project, SRK has considered the three main approaches (income, market, and cost), as well as the available methodologies under each approach.

Table 3-2: Valuation basis

Development Stage	Description	Valuation basis
Production	Within the Life of Mine Plan	Income: Cashflow Model Market: Comparable Transactions
Advanced Exploration	Current focus of exploration efforts (973 ha)	Market: Comparable Transactions Cost: Geoscientific Rating
Early Stage Exploration	Associated tenure not currently the focus of exploration efforts (73,311 ha)	Market: Comparable Transactions Cost: Geoscientific Rating

3.3 Valuation of production stage project

3.3.1 Income approach – discounted cashflow model

The Joint Venture has undertaken a cashflow budget model (Model) to accommodate the first six years of the Project's Ore Reserve and has provided this to SRK. SRK has reviewed the production and cost projections and, further to discussions to clarify some elements of the capital and operating estimates, has determined that the technical assumptions and projections are reasonable for valuation purposes.

Mineral Resources and Ore Reserves

In SRK's opinion, the Mineral Resources and Ore Reserves considered in the Model are deemed to be reported to a sufficient quality standard under JORC Code (2012) guidelines. During SRK's review of the high-level documents provided, SRK has found no fatal flaws in the resource or reserve estimates and deems them reasonable for the purpose for which they have been estimated.

In SRK's opinion, the proposed mine plan and design is based on sound logic and methodology using appropriate Modifying Factors and is appropriate for valuation purposes.

Processing

SRK considers that the flowsheet selection is appropriately premised on the metallurgical testwork results. SRK considers it to be a conventional lithium processing flowsheet, typical of other lithium plants. The process technology selected is well-proven and is technically low-risk for spodumene concentrate production.

Lithium and tantalum concentrate production commenced at Bald Hill in March 2018. The Stage 1 DMS circuit achieved 50% of nameplate throughput for month 1 and 75% for month 2 of ramp-up, as expected.

The processing facility was designed with a capacity of 1.2 Mtpa. This equates to a throughput of 161 tph with an overall uptime (utilisation) of 85%. This is reflected in the Model, with a target of 100,000 tpm feed to the DMS plant.

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The Model uses an initial mass recovery of 14.1% and Li₂O recovery of 65.8%, including the re-crush of coarse DMS middlings, but excluding the fine DMS middlings and the –1 mm fines. The LOM mass yield is variable and can be expressed using the following formula:

$$\text{Mass Yield} = (\text{grade \%}/0.06) \times 0.8.$$

These values reflect the testwork and the associated mass balance table reported in the feasibility study. This has allowed some recovery conservatism, as the Model assumes a 6.0% Li₂O product. Using a feed grade of 1.26% Li₂O, concentrate grades of 6.3% Li₂O were achieved during the testwork.

Capital and sustaining costs

Future capital requirements at the Project include upgrades to the tantalum plant, accommodation village, tailings storage facility, borefield refurbishment and development drilling, Binneringie Road and intersection upgrades, camp, IT and communications, and the Phase 2 DMS plant expansion including a –1 mm fines treatment circuit.

The Joint Venture has suggested an allowance of A\$30M for the future Phase 2 plant expansion. SRK considers this to be a scoping level (+/-50% accuracy) estimate for asset valuation purposes, as this allowance has been informed by the historical EPC costs on the Phase 1 plant only is not based on a feasibility study. Whilst this allowance appears reasonable, SRK has undertaken a sensitivity analysis on this estimate.

The Joint Venture has suggested an additional allowance of A\$10M for a –1 mm fines processing circuit. SRK considers this to be a scoping level (+/-50% accuracy) estimate for asset valuation purposes, as this allowance is not informed by any feasibility studies. Whilst this allowance appears reasonable, SRK has undertaken a sensitivity analysis on this estimate.

Specific sustaining project capital of A\$20.24M for defined development activities (tantalum plant upgrade, TSF, borefield refurbishment, communications upgrade and new accommodation village) has been included in the Model and has been informed by detailed estimates, which seems reasonable.

An allowance of approximately A\$7M for rehabilitation costs has been included in the Model. In SRK's opinion, this is reasonable given the footprint area of the existing mine and infrastructure plan; however, SRK considers this to be a scoping level estimate in the absence of a definitive cost estimate based on a bill of quantities.

Operating costs

In SRK's opinion, the basis of the operating cost estimate meets the requirements of its purpose. SRK has undertaken a sensitivity analysis to assess the impact of a modest increase in the operating costs, particularly until operations are running at full nameplate capacity and are stabilised and optimised.

The Model shows an overall LOM operating cost estimate which reflects the accuracy of the feasibility-level estimate. The LOM operating cost estimates are commercial in confidence. There has been a modest rise in some areas which have been informed by more detailed information received by the Joint Venture. The plant is currently in an early ramp-up mode, i.e. a period of higher cost; therefore, the current actual operating costs are not reflective of the likely long-term costs and cannot be used as a true benchmark.

Discount rate

SRK used the Bloomberg platform to derive a 14.4% pre-tax discount rate as a reflection of the Project's Weighted Average Cost of Capital (WACC) using the inputs presented in Table 3-6.

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Table 3-3: WACC inputs

Metric	Input value
Risk free rate (10-year government bond rate)	2.73%
Beta for Alliance	1.192
Beta for Tawana	1.409
Average geared beta	1.3005
Market risk premium	5.8%
Cost of equity	10.2%
Debt allocation	5%
Pre-tax cost of debt	10%
Post-tax cost of debt	7%
Post-tax WACC	10%
Pre-tax WACC	14.4%

Tax

SRK has undertaken the valuation on a pre-tax basis.

Prices

Each of the Joint Venture parties has a separate long-term exclusive lithium concentrate offtake contract in place at the Project. A fixed price for all production up to 31 December 2019 of US\$880/t (FOB Esperance) for 6% Li₂O concentrate has been negotiated, as noted in Section 2.4.2 Material Contracts. From 2020 to 2023, the sales price and volumes are to be negotiated and will be agreed based on prevailing market conditions. SRK used a long-term 6% Li₂O spodumene concentrate nominal price forecast deflated by the US consumer price index (CPI) forecast to arrive at a real price protocol for 2020 in 2018 terms.

Given a lack of analytical reports tantalum forecast pricing, SRK used a long-term forecast price for tantalum concentrate of US\$60/lb as a proxy for a real price protocol. The price protocol applied was based on recent SRK project experience.

Table 3-4: SRK real price protocol

Price/ Year	2018	2019	2020	2021	2022	2023	2024
Li ₂ O concentrate (US\$/t)	880	858	760	742	679	662	644
Tantalum concentrate (US\$/lb)	70	70	70	60	60	60	60

Exchange rate

SRK used a long-term forecast A\$: US\$ exchange rate of 0.75.

Sensitivity analysis

In accordance with Practice Note 4C of the Catalyst Rules – Disclosure Requirements for Mineral, Oil and Gas Companies, Section 2(e)(vi), an analysis of the economic sensitivity to variation in the principal assumptions relating to commodity prices and the discount rate was undertaken.

SRK undertook a sensitivity on the spodumene concentrate forecast price from 2020 as spodumene concentrate provides the dominant revenue stream.

The Project economics are highly sensitive to the spodumene commodity price, and somewhat sensitive to changes in the discount rate (Table 3-5).

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Table 3-5: Sensitivity analyses

Spodumene concentrate price (US\$/t)	Pre-tax NPV (A\$)	Discount rate	Pre-tax NPV (A\$)
	327,474,235		327,474,235
1,000	547,627,876	16%	310,872,074
950	501,762,534	15%	321,113,826
900	455,897,192	14%	331,807,506
850	410,031,850	13%	342,978,168
800	364,166,509	12%	354,652,526
750	318,301,167	11%	366,859,088
700	272,435,825	10%	379,628,290
650	226,570,484	9%	392,992,649

Valuation range

Given the maturity of studies and the production status of the Project, together with the supporting documentation provided by the Joint Venture in support of assumptions used in the Model, SRK has elected to apply a 20% range around the deterministic pre-tax NPV calculation at the valuation date after consideration of its sensitivity analysis.

On this basis, the pre-tax valuation using the income approach as applied to the Project's fully funded reserves considered in the cashflow model is estimated to lie in the range between A\$262M and A\$392M, with a preferred estimate of A\$327M (Table 3-6).

Table 3-6: Valuation ranges for Ore Reserves considered in the cashflow model

Stage	Low (A\$/M)	High (A\$/M)	Preferred (A\$/M)
Ore Reserve	262	392	327

3.3.2 Market approach – comparable transactions

Using SRK's internal databases and the S&P Global Market Intelligence (formerly SNL Financial) subscription database, transactions involving lithium and tantalum were compiled and researched, with values normalised to the Benchmark Minerals Intelligence 2018 lithium price of US\$850/t for a 6% Li₂O concentrate, and analysed to assess the comparability of the mineral assets relative to the Project. Tantalum credits were applied to each project on a lithium price-equivalent basis.

The mineral assets incumbent within these transactions were assessed according to the project development categories outlined in the VALMIN Code (2015) as follows:

- Three (3) transactions were assessed to have been undertaken on Pre-development tenure (the unfunded comparable to the Production project). Of these, two (2) were considered truly comparable with respect to project maturity, jurisdiction, existing material contracts and the availability of infrastructure.

Details of the transactions considered by SRK are presented in Table 3-7.

SRK notes a fourth transaction which was undertaken on a Pre-development stage project, but which was fully funded and which included a strategic option to develop a secondary processing facility. SRK therefore excluded this transaction from the analysis.

In December 2017, in consideration for the acquisition of a 50% joint venture interest in the Mount Holland Lithium Project, Sociedad Quimica y Minera de Chile S.A.(SQM) agreed to pay Kidman Resources Limited an amount of A\$146.67M, comprising a cash payment of A\$40M, and a staged

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payment of A\$106.67M to fund the initial costs of the development of the Mount Holland Lithium Project. Under the agreement, Kidman has an option to participate for up to a 50% interest in a proposed refinery to produce lithium carbonate/ hydroxide from the Mount Holland ore.

Table 3-7: Market comparable transactions per contained resource tonne

Project	Buyer	Location	Completion date	Normalised deal value (A\$) per contained resource tonne
Lynas Find project: Dakota Minerals Limited	Pilbara Minerals Limited (100%)	Australia	12/01/2016	Not comparable
Sirmac Lithium Property: Nemaska Lithium Inc.	ABE Resources Inc. (100%)	Canada	31/01/2018	940.75
Moblan project: Shenzhen Zhongjin Lingnan Nonfemet Company Limited	Guo Ao Lithium Ltd (60%)	Canada	16/10/2017	762.21

Using the multiples implied by the recent transactions involving comparable hard rock lithium projects, SRK considers the market would pay within the ranges shown in Table 3-8 for a 100% interest in the Production project on an unfunded basis:

Table 3-8: Valuation ranges per contained resource tonne (no cut-off)

Stage	Low (A\$/t)	High (A\$/t)	Preferred (A\$/t)
Mineral Resource	762	941	852

On this basis, using the comparable transactions approach as applied to the Project's resources additional to those considered in cashflow model, valuation is estimated to lie between A\$114.3M and A\$141.1M, with a preferred estimate of A\$127.8M (Table 3-9).

Table 3-9: Valuation ranges of resources additional to those considered in the cashflow model

Stage	Low (A\$/M)	High (A\$/M)	Preferred (A\$/M)
Mineral Resource	114.3	141.1	127.8

3.3.3 Yardstick estimates – Resources additional to those considered in the cashflow model

As a cross-check to the comparable transactions analysis, SRK has considered a yardstick value for its valuation of the defined resources at the Project which are additional to those considered in the cashflow model.

Under the yardstick method of valuation, specified percentages of the spot prices are used to assess the likely value. SRK has considered typical yardstick ranges and has elected to apply a yardstick measure of 0.5%–1% of current prices to the Project.

Using the lithium concentrate price of US\$880/t (US\$: A\$0.75), the yardstick assumptions are listed in Table 3-10.

Table 3-10: Yardstick assumptions – lithium

Percentage of spot price		A\$/t concentrate (6% Li ₂ O)	
Low	High	Low	High
0.5%	1%	5.5	11

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Using the tantalum price of A\$70/lb, the yardstick assumptions are listed in Table 3-11.

Table 3-11: Yardstick assumptions – tantalum

Percentage of spot price		A\$/lb tantalum	
Low	High	Low	High
4%	5%	0.35	0.7

On this basis, using the Yardstick method as applied to the Project's resources additional to those considered in the cashflow model, valuation is estimated to lie between A\$112.5M and A\$225.0M, with a preferred estimate of A\$168.7M (Table 3-12).

Table 3-12: Yardstick valuation range for the Project's resources additional to those considered in the cashflow model

Commodity	Amount	Low (A\$M)	High (A\$M)	Preferred (A\$M)
6% Li ₂ O	20.45 Mt	112.5	225.0	168.7
Ta ₂ O ₅	4,713 t	0.001	0.003	0.002
Total		112.5	225.0	168.7

The valuation range derived using the yardstick method is approximately 35% lower than the range derived using the comparable transactions analysis, indicating a positive sentiment for producing lithium assets.

Table 3-13: Comparison between comparable transactions analysis and yardstick valuation of assets additional to those considered in the cashflow model (unfunded resources)

Method	Low (A\$M)	High (A\$M)	Preferred (A\$M)
Comparable transactions analysis	114.3	141.1	127.8
Yardstick evaluation	112.5	225.0	168.7

On this basis, the value of resources not considered in the cashflow model is estimated to lie between A\$113.4M and A\$183.1M, with a preferred estimate of A\$148.3M (Table 3-14).

Table 3-14: Valuation ranges of resources not considered in the cashflow model

Stage	Low (A\$M)	High (A\$M)	Preferred (A\$M)
Production	113.4	183.1	148.3

3.4 Valuation of advanced exploration tenure

3.4.1 Market approach – comparable transactions

Transactions involving lithium and tantalum were compiled and researched, with values normalised to the Benchmark Minerals Intelligence 2018 lithium price of US\$850/t for 6% Li₂O concentrate (A\$1,122), and analysed to assess the comparability of the Advanced Exploration tenure. Tantalum credits were applied to each project on a lithium price-equivalent basis.

- Seven (7) transactions were assessed to have been undertaken on Advanced Exploration which SRK considered to be truly comparable with respect to project maturity.

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Details of the transactions considered by SRK are presented in Table 3-15.

Table 3-15: Market comparable transactions per Advanced Exploration hectare

Project	Buyer	Location	Completion date	Normalised deal value (A\$) per Advanced Exploration hectare
Seven mining licences: Liontown Resources Limited	Draig Resources Limited	Australia	12/12/2017	1.23 Low Outlier
Bynoe project: Liontown Resources Limited	Core Exploration Limited	Australia	11/07/2017	694.65
Four tenements: Undisclosed sellers	Tawana Resources NL	Australia	3/03/2017	130.68
Kathleen Valley project: Ramelius Resources Limited	Liontown Resources Limited	Australia	12/09/2016	84.72
Two tenements: Western Areas Limited	Kidman Resources Limited	Australia	2/28/2017	5,697.9 High Outlier
Lithium exploration portfolio: Fortescue Metals Group Limited	Metalicity Limited	Australia	1/17/2017	29.57
Cowan Project: Metalicity Limited	Tawana Resources NL	Australia	11/07/2017	7.08

SRK considers the Western Areas Limited/ Kidman Resources Limited transaction to be a very high outlier given the strategic value of the transaction and therefore excluded this transaction from the analysis. SRK considers the Liontown Resources Limited/ Draig Resources Limited transaction to be a low outlier given the extensive nature of the tenement package and therefore excluded this transaction from the analysis.

Table 3-16: Statistics relating to Advanced Exploration stage projects*

Statistical analysis	Normalised deal value (A\$) per Advanced Exploration hectare
Statistics for All Projects (n=5) excluding outliers	
Minimum	7.1
Maximum	694.7
Median	84.7
Mean	189.3
Weighted Average	76.35

Using the multiples implied by the recent transactions involving comparable hard rock lithium projects, SRK considers the market would pay within the range shown in Table 3-17 for Advanced Exploration tenure.

Table 3-17: Valuation ranges per contained hectare - Advanced Exploration

Stage	Hectares	Low (A\$/ha)	High (A\$/ha)	Preferred (A\$/ha)
Advanced Exploration	973	189.3	442	133

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On this basis, using the comparable transactions approach as applied to the Project's Advanced Exploration tenure is estimated to lie between A\$0.18M and A\$0.43M, with a preferred estimate of A\$0.31M (Table 3-18).

Table 3-18: Valuation ranges of Advanced Exploration tenure using comparable transactions

Stage	Low (A\$M)	High (A\$M)	Preferred (A\$M)
Advanced Exploration	0.18	0.43	0.31

3.4.2 Cost approach – geoscientific rating

SRK has used the Geoscientific Rating method as its secondary method to estimate the market value of the Advanced Exploration and the Early Exploration tenure. The geoscientific rating or modified Kilburn method of valuation attempts to quantify the relevant technical aspects of a property through appropriate Multipliers (factors) applied to an appropriate base (or intrinsic) value. The intrinsic value is referred to as the Base Acquisition Cost (BAC). The BAC is critical because it forms the standard base from which to commence a valuation. It represents the 'average cost to identify, apply for and retain a base unit of area of title'.

Multipliers are considered for Off-property aspects, On-property aspects, Anomaly aspects and Geology aspects. These multipliers are applied sequentially to the BAC to estimate the Technical Value for each tenement. A further market factor is then considered to derive a Market Value.

This valuation has assumed a BAC of A\$20/ha (average of exploration and prospecting leases), which incorporates annual rental, administration and application fees, in addition to nominal indicative minimum expenditure on acquisition.

In converting its implied Technical Values to a Market Value, SRK considers that market participants would add a premium to technical value of the Advanced Exploration tenure given the current market sentiment. As such, SRK has allocated a market factor of 1.3 to the analysis.

The rating criteria used for assessing the modifying factors are provided in Table 3-19. These rating criteria have been modified by SRK.

Table 3-19: Modified property rating criteria

Rating	Off-property factor	On-property factor	Geological factor	Anomaly factor
0.1			Unfavourable geological setting	No mineralisation identified – area sterilised
0.5	Unfavourable district/ basin	Unfavourable area	Poor geological setting	Extensive previous exploration provided poor results
0.9			Generally favourable geological setting, under cover or complexly deformed or metamorphosed	Poor results to date
1.0	No known mineralisation in district	No known mineralisation on lease	Generally favourable geological setting	No targets outlined
1.5	Minor workings	Minor workings or mineralised zones exposed		Target identified, initial indications positive
2.0	Several old workings in district	Several old workings or exploration targets identified	Multiple exploration models being applied simultaneously	Significant grade intercepts evident but not linked on cross or long sections
2.5			Well-defined exploration model applied to new areas	
3.0	Mine or abundant workings with significant previous production	Mine or abundant workings with significant previous production	Significant mineralised zones exposed in prospective host rock	
3.5				
4.0	Along strike from a major deposit	Major mine with significant historical production	Well-understood exploration model, with valid targets in structurally complex area, or under cover	Several economic grade intercepts on adjacent sections
5.0	Along strike for a world class deposit		Well-understood exploration model, with valid targets in well understood stratigraphy	
6.0			Advanced exploration model constrained by known and well-understood mineralisation	
10.0		World class mine		

Source: Modified after Xstract, 2009 and Agricola Mining Consultants, 2011.

Table 3-20: Geoscientific approach – modified Kilburn rating

BAC = A\$20/ha, Market Factor 1.3			Off-property		On-property		Anomaly		Geology		Technical value		Valuation (A\$)		
Tenement/ sub-block	Area (ha)	BAC	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Preferred
E15/1058	2,520	50,400	1.5	2	1	1.5	0.9	1	0.9	1	61,236	151,200	79,607	196,560	138,083
E15/1066	6,440	128,800	1.5	2.5	1.5	2.5	1	2	0.9	1	260,820	1,610,000	339,066	2,093,000	1,216,033
E15/1067	6,440	128,800	1.5	2.5	1.5	2.5	1	2	0.9	1	260,820	1,610,000	339,066	2,093,000	1,216,033
E15/1161	280	5,600	1.5	2.5	1.5	2.5	1	2	0.9	1	11,340	70,000	14,742	91,000	52,871
E15/1162	840	16,800	1.5	2.5	1.5	2.5	1	2	0.9	1	34,020	210,000	44,226	273,000	158,613
E15/1166	1,400	28,000	1.5	2.5	1.5	2.5	1	2	0.9	1	56,700	350,000	73,710	455,000	264,355
E15/1212	2,800	56,000	1.5	2.5	1.5	2.5	1	2	0.9	1	113,400	700,000	147,420	910,000	528,710
E15/1353	20,171	392,000	1.5	2	1	1.5	0.9	1	0.9	1	490,155	1,210,260	637,202	1,573,338	1,105,270
E15/1492	14,280	285,600	1.5	2	1	1.5	0.9	1	0.9	1	347,004	856,800	451,105	1,113,840	782,473
E15/1493	7,280	145,600	1.5	2	1	1.5	0.9	1	0.9	1	176,904	436,800	229,975	567,840	398,908
E15/1555	5,600	112,000	1.5	2	1	1.5	0.9	1	0.9	1	136,080	336,000	176,904	436,800	306,852
E15/1556	4,480	89,600	1.5	2	1	1.5	0.9	1	0.9	1	108,864	268,800	141,523	349,440	245,482
M15/1305	98	1,958	1.5	2	1	1.5	0.9	1	0.9	1	2,379	5,873	3,092	7,635	5,364
M15/1308	93	1,851	1.5	2	1	1.5	0.9	1	0.9	1	2,248	5,552	2,923	7,217	5,070
P15/5862	14	3,996	1.5	2	1	1.5	0.9	1	0.9	1	330	814	428	1,058	743
P15/5863	18	3,996	1.5	2	1	1.5	0.9	1	0.9	1	443	1,094	576	1,423	999
P15/5864	93	1,997	1.5	2	1	1.5	0.9	1	0.9	1	2,267	5,598	2,947	7,277	5,112
P15/5865	16	3,997	1.5	2	1	1.5	0.9	1	0.9	1	382	944	497	1,228	862
R15/1 (M15/1840)	973	19,460	2.5	3	1.5	2	1.5	2	1	1	109,463	233,520	142,301	303,576	222,939

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Using the multiples implied by the geoscientific approach, SRK considers the market would pay within the range shown in Table 3-21 for Advanced Exploration tenure.

Table 3-21: Valuation range for Advanced Exploration tenure using the geoscientific rating approach

Stage	Area (ha)	Low (A\$'000)	High (A\$'000)	Preferred (A\$'000)
Advanced Exploration	973	146	312	229

On this basis, using the geoscientific rating approach as applied to the Project's Advanced Exploration, tenure is estimated to lie between A\$0.15M and A\$0.30M, with a preferred estimate of A\$0.23M (Table 3-22).

Table 3-22: Comparison between comparable transactions analysis and geoscientific rating valuation of the Advanced Exploration tenure

Method	Low (A\$'000)	High (A\$'000)	Preferred (A\$'000)
Comparable transactions analysis	184	430	307
Geoscientific	146	312	229

SRK has elected to use the comparable transactions method as its primary valuation technique for the Advanced Exploration tenure, given the current market sentiment and availability of comparable transactions information.

On this basis, the estimated valuation as applied to the Project's Advanced Exploration tenure is estimated to lie in the range between A\$0.18M and A\$0.43M, with a preferred estimate of A\$0.31M (Table 3-23).

Table 3-23: Valuation range of Advanced Exploration tenure

Stage	Low (A\$M)	High (A\$M)	Preferred (A\$M)
Advanced Exploration	0.18	0.43	0.31

3.5 Valuation of early exploration tenure

3.5.1 Market approach – comparable transactions

Transactions involving lithium and tantalum were compiled, researched, with values normalised to the Benchmark Minerals Intelligence 2018 lithium price of US\$850/t for 6% Li₂O concentrate (A\$1,122), and analysed to assess the comparability of the Early Stage Exploration tenure. Tantalum credits were applied to each project on a lithium price equivalent basis as follows:

- Eighteen (18) transactions were assessed to have been undertaken on Early Stage Exploration which SRK considered to be truly comparable with respect to project maturity.

Details of the transactions considered by SRK are presented in Table 3-24.

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Table 3-24: Market comparable transactions per Advanced Exploration hectare

Project	Buyer	Location	Completion date	Normalised deal value (A\$) per Advanced Exploration hectare
Moolyella project: Anova Metals Limited	Lithium Australia NL	Australia	4/19/2018	0.15
Nine tenements: Gempart (NT) Pty Ltd	Northern Cobalt Limited	Australia	2/08/2018	0.96
Bynoe project: Orema Pty Ltd	Liontown Resources Limited	Australia	8/03/2017	16.58
Bynoe project: Liontown Resources Limited	Core Exploration Limited	Australia	11/07/2017	692.58 High Outlier
Lithium Portfolio: Charge Lithium Pty Ltd	Cohiba Minerals Ltd	Australia	11/09/2016	26.11
EL31058: Excedo Group Pty Ltd	Core Exploration Limited	Australia	12/19/2016	3.74
Greenbushes project: Undisclosed seller	Lithium Australia NL	Australia	11/11/2016	3.50
Mt Edwards lithium project: Undisclosed sellers	Estrella Resources Limited	Australia	12/28/2016	696.13 High Outlier
E59/2140 and E59/2077: Undisclosed seller	Macarthur Minerals Limited	Australia	10/12/2016	61.36
EL29698: Au Exploration Pty Limited	Core Exploration Limited	Australia	8/15/2016	34.86
Lithium licence portfolio: Charge Lithium Pty Ltd	Cohiba Minerals Limited	Australia	11/09/2016	20.45
Widgiemooltha project: Undisclosed seller	Investor group	Australia	7/11/2016	37.48
Lithium rights on E63/1722 & E63/1733: Lefroy Exploration Limited	Lithium Australia NL	Australia	10/16/2016	82.80
E59/2092: Private investor – Bruce Legendre	Sayona Mining Limited	Australia	6/30/2016	17.86
Wodgina East project: Undisclosed sellers	Mining Projects Group Limited	Australia	5/31/2016	248.68 High Outlier
E59/2055: Attagold Pty Ltd	Sayona Mining Limited	Australia	3/23/2016	4.71
Hang Gong property: A & SF Maddalozzo Pty Limited	Liontown Resources Limited	Australia	3/22/2016	488.45 High Outlier

SRK notes that four (4) of the transactions appear to be high outliers with respect to the price paid per Early Stage Exploration hectare (Figure 3-1). Interestingly, these four transactions all took place when market sentiment for lithium exploration tenure was at its peak. SRK has excluded these four transactions from its analysis.

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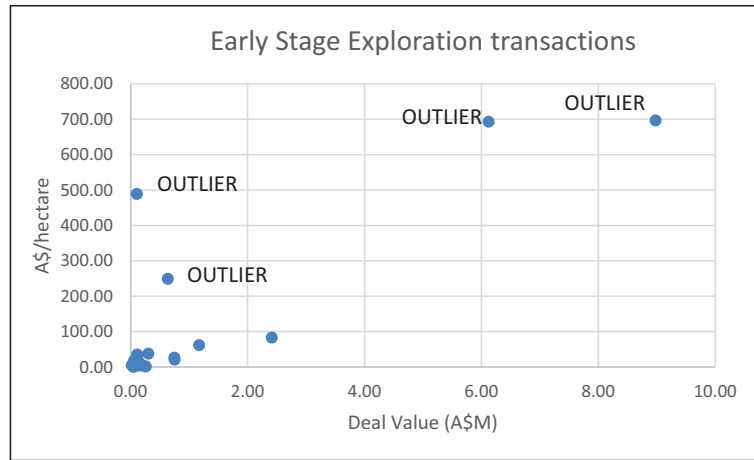


Figure 3-1: Early Stage Exploration transaction outliers

Table 3-25: Statistics relating to Early Stage Exploration projects*

Statistical analysis	Normalised deal value (A\$) per Early Stage Exploration hectare
Statistics for All Projects (n=14) excluding outliers	
Minimum	0.1
Maximum	82.8
Median	19.2
Mean	25.8
Weighted Average	51.23

Using the multiples implied by the recent transactions involving comparable hard rock lithium projects, SRK considers the market would pay at the high end of the valuation range for Early Stage Exploration tenure (Table 3-27).

Table 3-26: Valuation ranges for Early Stage Exploration tenure

Stage	Area (ha)	Low (A\$/ha)	High (A\$/ha)	Preferred (A\$/ha)
Early Stage Exploration	72,862	25.8	82.8	82.8

On this basis, using the comparable transactions approach as applied to the Project’s Early Stage Exploration tenure, valuation is estimated to lie between A\$1.8M and A\$6.0M, with a preferred estimate of A\$6.0M (Table 3-27).

Table 3-27: Valuation ranges of Early Stage Exploration tenure using comparable transactions

Stage	Area (ha)	Low (A\$M)	High (A\$M)	Preferred (A\$M)
Early Stage Exploration	72,862	1.8	6.0	6.0

3.5.2 Cost approach – geoscientific rating

SRK has used the geoscientific rating method as its secondary method to estimate the market value of the Early Stage Exploration tenure.

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This valuation assumes a BAC of A\$20/ha (average of exploration and prospecting leases), which incorporates annual rental, administration and application fees in addition to nominal indicative minimum expenditure on acquisition.

In converting its implied technical values to a market value, SRK considers that market participants would add a premium to technical value of the Early Stage Exploration tenure given the current market sentiment. As such, SRK has applied a market factor of 1.3 to the analysis.

Using the multiples implied by the geoscientific rating approach, SRK considers the market would pay within the range shown in Table 3-28 for Early Stage Exploration tenure:

Table 3-28: Valuation range for Early Stage Exploration tenure using the geoscientific rating approach

Stage	Area (ha)	Low (A\$M)	High (A\$M)	Preferred (A\$M)
Early Stage Exploration	72,862	2.69	10.19	6.44

On this basis, using the geoscientific rating approach as applied to the Project’s Early Stage Exploration tenure, valuation is estimated to lie between A\$2.69M and A\$10.19M, with a preferred estimate of A\$6.44M (Table 3-29).

Table 3-29: Comparison between comparable transactions analysis and geoscientific rating valuation of Early Stage Exploration tenure

Method	Low (A\$M)	High (A\$M)	Preferred (A\$M)
Comparable transactions analysis	1.80	6.00	6.00
Geoscientific rating	2.69	10.18	6.43

SRK has elected to use the comparable transactions method as its primary valuation technique for the Early Stage Exploration tenure, given the current market sentiment and availability of comparable transactions information.

On this basis, the valuation as applied to the Project’s Early Stage Exploration tenure is estimated to lie between A\$1.8M and A\$6.0M, with a preferred estimate of A\$6.0M (Table 3-30).

Table 3-30: Valuation range of Early Stage Exploration tenure

Stage	Low (A\$M)	High (A\$M)	Preferred (A\$M)
Early Stage Exploration	1.8	6.0	6.0

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4 Valuation Summary

Table 4-1 summarises the market value of a 100% interest in the Project's resources and associated tenure as at the effective valuation date.

Based on its review of the values implied by the various valuation methodologies, SRK considers the market would pay in the range A\$376M to A\$582M, with a preferred value of A\$482M for a 100% interest in the Project, as at the valuation date.

Table 4-1: Valuation summary

Stage	Low (A\$M)	High (A\$M)	Preferred (A\$M)
Production: Reserves considered in the cashflow model	261	392	327
Production: Resources additional to those considered in the cashflow model	113.4	183.1	148.3
Advanced Exploration	0.18	0.43	0.31
Early Stage Exploration	1.8	6.0	6.0

4.1 Discussion on SRK's valuation range

In assigning its valuation range and preferred value, SRK is mindful that the valuation range is also indicative of the uncertainty associated with Early Stage to Advanced Stage exploration assets.

The range in value is driven by the confidence limits placed around the size and grade of mineralised occurrences assumed to occur within each project area. Typically, this means that as exploration progresses and a prospect moves from an early to advanced stage prospect, through Inferred, Indicated or Measured Resource categories to Reserve status, there is greater confidence around the likely size and quality of the contained resources and their potential to be extracted profitably.

Table 4-2 presents a general guide of the confidence in targets, resource and reserve estimates, and hence value, referred to in the mining industry.

Table 4-2: General guide regarding confidence for target and Resource/ Reserve estimates

Classification	Estimate range (90% confidence limit)
Proven/ Probable Reserves	±5 to 10%
Measured Resources	±10 to 20%
Indicated Resources	±30 to 50%
Inferred Resources	±50 to 100%
Exploration Target	+100%

A diagram showing this level of uncertainty with advancing project stages is shown in Figure 4-1.

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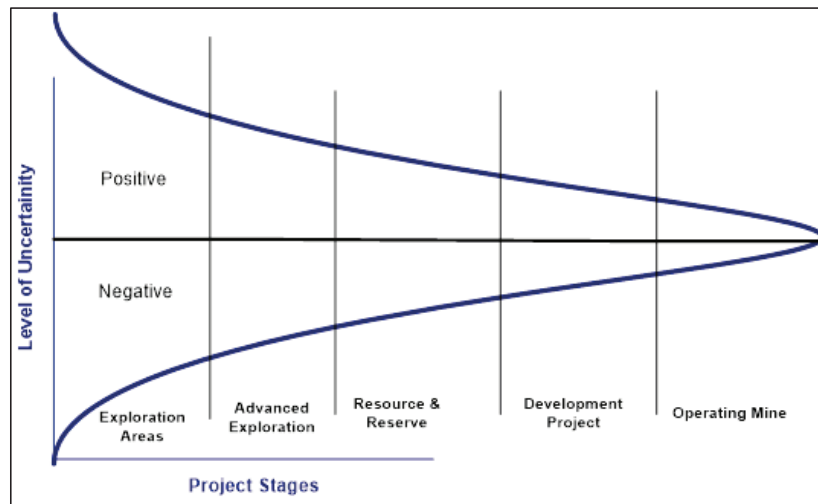


Figure 4-1: Uncertainty by advancing exploration stage

Estimated confidence of +/-60% to 100% or more, are not uncommon for exploration areas and are within acceptable bounds, given the level of uncertainty associated with early stage exploration assets. By applying narrower confidence ranges, one is implying a greater degree of certainty regarding these assets than may be the case in reality. Where possible, SRK has endeavoured to narrow its valuation range.

4.2 Valuation risks

SRK is conscious of the risks associated with valuing assets which can impact the valuation range. In defining its valuation range, SRK notes that there are always inherent risks involved when deriving any arm's length valuation. These factors can ultimately result in significant differences in valuations over time. The key risks include but are not limited to risks outlined in the following subsections.

4.2.1 Resources and Reserves

Mineral Resources and Ore Reserves prepared under the JORC Code (2012) are best estimates based on individual judgement and reliance on knowledge and experience using industry standards and the available database. SRK deems the resource to reserve conversion to be low risk when considering the resources outside those considered in the cashflow model.

4.2.2 Mining and production risk

In SRK's opinion, the continuity of the new mining operation is dependent on provision of an adequate water supply and the adequacy of tailings storage facilities. Whilst SRK considers the risk associated with mining and processing to be very low, it considers the infrastructure risk to be moderate.

4.2.3 Environmental risk

SRK considers the environmental risk at the Project to be low, given the appropriate approvals and permits are in place.

4.2.4 Land access

SRK considers the land access risk to be very low, given the status of the tenure at the valuation date.

APPENDIX B – INDEPENDENT VALUATION REPORT

Project Number: AMN001
Report Title: Independent Valuation Report on the Bald Hill Lithium and
Tantalum Mine, Western Australia

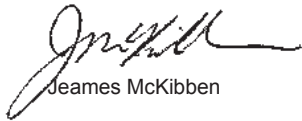
Compiled by



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Peer Reviewed by



Jeames McKibben

Principal Consultant

APPENDIX C – HISTORICAL FINANCIAL INFORMATION OF THE TAWANA GROUP FOR THE PAST THREE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 31 DECEMBER 2016 AND 31 DECEMBER 2017 AND THE HISTORICAL FINANCIAL POSITION OF THE TAWANA GROUP AS AT 30 APRIL 2018

The Tawana Historical Financial Information as defined below was provided to Alliance by representatives of Tawana. The Alliance Directors have not conducted an independent review or verification of the accuracy of the Tawana Historical Financial Information.

The Tawana Historical Financial Information comprises:

- the historical consolidated statements of profit or loss and other comprehensive income for the years ended 31 December 2015, 31 December 2016 and 31 December 2017;
- the historical consolidated statements of financial position as at 31 December 2015, 31 December 2016, 31 December 2017 and 30 April 2018; and
- the historical consolidated statements of cash flows for the years ended 31 December 2015, 31 December 2016 and 31 December 2017.

(a) **Basis of preparation**

The Tawana Historical Financial Information set out in this Appendix is prepared for the purposes of the Tawana Scheme Booklet and its preparation and presentation is the responsibility of the Tawana Board. The Tawana Historical Financial Information was provided to Alliance to be reproduced in this Circular to satisfy one of the conditions of the SGX-ST's Waiver for the Company to provide the latest two years of historical financial information of Tawana.

The Tawana Historical Financial Information as at and for the years ended 31 December 2015, 31 December 2016 and 31 December 2017 has been derived from Tawana's financial statements for the respective years which were audited by Ernst & Young in Australia ("Ernst & Young") in accordance with Australian Auditing Standards.

Ernst & Young issued unqualified audit opinions on these financial statements which contained:

- an emphasis of matter on going concern on the financial statements for the year ended 31 December 2015; and
- a material uncertainty paragraph related to going concern on the financial statements for the years ended 31 December 2016 and 31 December 2017.

APPENDIX C – HISTORICAL FINANCIAL INFORMATION OF THE TAWANA GROUP FOR THE PAST THREE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 31 DECEMBER 2016 AND 31 DECEMBER 2017 AND THE HISTORICAL FINANCIAL POSITION OF THE TAWANA GROUP AS AT 30 APRIL 2018

The historical consolidated statement of financial position for Tawana as at 30 April 2018 has been derived from its interim financial statements for the four months ended 30 April 2018 which were reviewed by Ernst & Young. Ernst & Young issued a modified limited assurance conclusion in relation to these financial statements, with the limited assurance conclusion being modified as a result of the non-disclosure of all of the comparative information in respect of the preceding period which is not in accordance with the requirements under paragraph 20 of AASB 134 Interim Financial Reporting. The modified limited assurance conclusion also included a material uncertainty paragraph related to going concern.

The Tawana Historical Financial Information is presented in an abbreviated form and does not contain all the disclosure, presentation, statement or comparatives that are usually provided in an annual financial report prepared in accordance with the Corporations Act. The Tawana Historical Financial Information should be read in conjunction with the full financial statements of Tawana, for the respective periods, including a description of the accounting policies contained in the financial statements and notes to those financial statements.

Full financial statements for Tawana for the financial years ended 31 December 2015, 31 December 2016 and 31 December 2017, and for the four months ended 30 April 2018, were lodged with the ASX and are available free of charge at <http://www.asx.com.au/>. The full financial statements for Tawana as at, and for the four months ended, 30 April 2018, were lodged with the ASX on 20 August 2018.

The Tawana Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in AAS.

The significant accounting policies adopted by Tawana in the preparation of the Tawana Historical Financial Information are consistent with those disclosed in Tawana's 2017 Annual Report, except for the adoption of AASB 9: *Financial Instruments* (**AASB 9**) and AASB 15: *Revenue from Contracts with Customers* (**AASB 15**) for the period commencing 1 January 2018 as detailed in Tawana's interim financial statements for the four months ended 30 April 2018.

Other than the adoption of AASB 9 and AASB 15, accounting policies have been consistently applied over the periods the Tawana Historical Financial Information has been presented in this Appendix.

APPENDIX C – HISTORICAL FINANCIAL INFORMATION OF THE TAWANA GROUP FOR THE PAST THREE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 31 DECEMBER 2016 AND 31 DECEMBER 2017 AND THE HISTORICAL FINANCIAL POSITION OF THE TAWANA GROUP AS AT 30 APRIL 2018

(b) **Consolidated statements of profit or loss and other comprehensive income**

Below are Tawana's historical consolidated statements of profit or loss and other comprehensive income for the financial years ended 31 December 2015, 31 December 2016 and 31 December 2017:

	Year ended 31-Dec-2015 A\$'000	Year ended 31-Dec-2016 A\$'000	Year ended 31-Dec-2017 A\$'000
Revenue			
Revenue from continuing operations	38	26	84
Total revenue	38	26	84
Expenses			
Administration expense	(572)	(605)	(815)
Employee benefits expense	(927)	(399)	(995)
Share based payment expense	(45)	(326)	(4,334)
Compliance and regulatory expense	(116)	(192)	(318)
Depreciation expense	(52)	(25)	(39)
Exploration expenditure	–	(239)	(164)
Impairment of exploration and evaluation asset	(7,729)	–	(1,559)
Total expenses	(9,441)	(1,786)	(8,224)
Loss before income tax	(9,403)	(1,760)	(8,140)
Income tax expense	–	–	–
Loss after income tax for the year	(9,403)	(1,760)	(8,140)
Other comprehensive loss			
<i>Items that will be reclassified to profit or loss</i>			
Cumulative translation difference on foreign operations disposed during the year transferred to profit or loss	28	–	–
Exchange differences on translation of foreign operations	642	(16)	(177)
Total comprehensive loss for the year	(8,733)	(1,776)	(8,317)
Loss per share for the year attributable to the members of Tawana Resources NL:			
Basic and diluted loss per share (cents per share)	(14.88)	(1.04)	(1.90)

APPENDIX C – HISTORICAL FINANCIAL INFORMATION OF THE TAWANA GROUP FOR THE PAST THREE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 31 DECEMBER 2016 AND 31 DECEMBER 2017 AND THE HISTORICAL FINANCIAL POSITION OF THE TAWANA GROUP AS AT 30 APRIL 2018

(c) **Consolidated statements of financial position**

Below are Tawana's historical consolidated statements of financial position as at 31 December 2015, 31 December 2016, 31 December 2017 and 30 April 2018:

	As at 31-Dec-2015 A\$'000	As at 31-Dec-2016 A\$'000	As at 31-Dec-2017 A\$'000	As at 30-Apr-2018 A\$'000
Current assets				
Cash and cash equivalents	808	6,959	16,375	27,451
Trade and other receivables	83	322	5,190	8,765
Prepayments and deposits	–	–	1,116	110
Disposal group held for distribution	–	–	–	4,225
Inventory	–	–	27	815
Total current assets	891	7,281	22,708	41,366
Non-current assets				
Mine properties	–	–	18,045	32,310
Exploration and evaluation expenditure	–	12,463	7,660	282
Property, plant and equipment	60	61	23,833	32,689
Deposits	–	–	73	75
Total non-current assets	60	12,524	49,611	65,356
Total assets	951	19,805	72,319	106,722
Current liabilities				
Trade and other payables	339	1,212	9,373	22,841
Deferred revenue	–	–	9,595	11,500
Employee benefit liabilities	4	2	160	259
Total current liabilities	343	1,214	19,128	34,600

APPENDIX C – HISTORICAL FINANCIAL INFORMATION OF THE TAWANA GROUP FOR THE PAST THREE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 31 DECEMBER 2016 AND 31 DECEMBER 2017 AND THE HISTORICAL FINANCIAL POSITION OF THE TAWANA GROUP AS AT 30 APRIL 2018

	As at 31-Dec-2015 A\$'000	As at 31-Dec-2016 A\$'000	As at 31-Dec-2017 A\$'000	As at 30-Apr-2018 A\$'000
Non-current liabilities				
Interest bearing loans	–	–	–	5,000
Deferred revenue	–	–	2,905	1,000
Provision for rehabilitation	15	18	706	2,710
Total non-current liabilities	15	18	3,611	8,710
Total liabilities	358	1,232	22,739	43,310
Net assets	593	18,573	49,580	63,412
Equity				
Contributed equity	54,420	73,034	108,024	127,253
Reserves	2,167	2,833	6,990	5,859
Accumulated losses	(55,994)	(57,294)	(65,434)	(71,288)
Amounts recognised in equity relating to the disposal group	–	–	–	1,588
Total equity	593	18,573	49,580	63,412

APPENDIX C – HISTORICAL FINANCIAL INFORMATION OF THE TAWANA GROUP FOR THE PAST THREE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 31 DECEMBER 2016 AND 31 DECEMBER 2017 AND THE HISTORICAL FINANCIAL POSITION OF THE TAWANA GROUP AS AT 30 APRIL 2018

(d) **Consolidated statements of cash flows**

Below are Tawana's historical consolidated statements of cash flows for the financial years ended 31 December 2015, 31 December 2016 and 31 December 2017:

	Year ended 31-Dec-2015 A\$'000	Year ended 31-Dec-2016 A\$'000	Year ended 31-Dec-2017 A\$'000
Cash flows from operating activities			
Payments to administration suppliers and employees	(1,626)	(1,097)	(3,715)
Revenue received in advance	–	–	12,500
Interest received	34	12	84
Other receipts	3	5	–
Net cash provided by/(used in) operating activities	(1,589)	(1,080)	8,869
Cash flows from investing activities			
Payments for mine properties	–	–	(3,516)
Payments for exploration and evaluation	(929)	(11,576)	(7,881)
Payments for property, plant and equipment	–	(26)	(21,715)
Proceeds from sale of exploration assets	–	71	–
Proceeds from sale of fixed assets	–	9	–
Proceeds from R&D refund	418	–	–
Proceeds from deposit and bonds	29	–	–
Net cash used in investing activities	(482)	(11,522)	(33,112)
Cash flows from financing activities			
Proceeds from issue of shares	–	19,047	35,819
Proceeds received in advance of share placement	–	195	–
Capital raising costs	–	(490)	(2,160)
Net cash received from financing activities	–	18,752	33,659
Net (decrease)/increase in cash and cash equivalents	(2,071)	6,150	9,416
Cash and cash equivalents at the beginning of the year	2,803	808	6,959
Exchange rate adjustment to cash	76	1	–
Cash and cash equivalents at end of the year	808	6,959	16,375

APPENDIX C – HISTORICAL FINANCIAL INFORMATION OF THE TAWANA GROUP FOR THE PAST THREE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 31 DECEMBER 2016 AND 31 DECEMBER 2017 AND THE HISTORICAL FINANCIAL POSITION OF THE TAWANA GROUP AS AT 30 APRIL 2018

(e) Going concern basis

The Tawana Historical Financial Information has been prepared on a going concern basis which assumes the continuity of Tawana's normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

During the 12 months prior to the date of this Circular, Tawana has worked with Alliance to bring the Bald Hill Project into production, with the first spodumene (lithium) concentrate production announced on 14 March 2018. During the initial phase of the Bald Hill Project (being the next 6 to 12 months), Tawana will be exposed to a higher level of cash outflows due to pre-strip activities and repayment of the Burwill prepayment. Further, during the early stages of the Bald Hill Project and similar to other companies whose performance is dependent upon newly-constructed assets and start-up operations, Tawana will also be exposed to normal risks and uncertainties, such as the Bald Hill Project failing to perform as expected, having higher than expected operating costs, having lower than expected customer revenues, key additional infrastructure not coming on stream when required or within budget, potential equipment breakdown or failures and operational errors.

The Tawana Directors recognise that Tawana will need to raise additional funds via equity raisings or financing facilities to fund ongoing operating and capital expenditure (in particular, where actual cash flows differ from budgeted cash flows in light of the above-mentioned risks and uncertainties associated with newly-constructed assets and start-up operations) during the initial phase of the Bald Hill Project.

Subsequent to 30 April 2018, Tawana raised the following additional funds:

- on 6 July 2018, Tawana issued 12,195,000 Tawana Shares to raise approximately \$4.9 million (before costs); and
- 11,653,060 Tawana Options were exercised at an average price of \$0.158 per Tawana Option to raise approximately A\$1.8 million.

In addition, Tawana is currently negotiating the terms of a proposed A\$15 million debt facility, and progressing other financing arrangements with a view to reducing Tawana's exposure to cash flow risks during the initial phase of the Bald Hill Project.

The Tawana Directors are satisfied that they will be able to raise additional funds as required and, accordingly, it is appropriate to prepare the Tawana Historical Financial Information on a going concern basis.

In the event that Tawana is unable to obtain sufficient funding for ongoing operating and capital requirements, there is a material uncertainty whether it will continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the historical consolidated statements of financial position.

APPENDIX C – HISTORICAL FINANCIAL INFORMATION OF THE TAWANA GROUP FOR THE PAST THREE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 31 DECEMBER 2016 AND 31 DECEMBER 2017 AND THE HISTORICAL FINANCIAL POSITION OF THE TAWANA GROUP AS AT 30 APRIL 2018

Tawana's historical consolidated statements of financial position do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that may be necessary should Tawana not be able to continue as a going concern.

APPENDIX D – UNAUDITED PRO-FORMA HISTORICAL FINANCIAL INFORMATION OF THE MERGED GROUP FOR THE YEAR ENDED 31 DECEMBER 2017 AND THE HISTORICAL PRO-FORMA FINANCIAL POSITION OF THE MERGED GROUP AS AT 30 APRIL 2018 AND THE INDEPENDENT PRACTITIONERS’ REASONABLE ASSURANCE REPORT



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Independent Practitioner’s Reasonable Assurance Report

19 August 2018

The Board of Directors
Alliance Mineral Assets Limited
Unit 6, 24 Parkland Road
Osborne Park WA 6017

Dear Directors

Independent Practitioner’s Reasonable Assurance Report on the Compilation of Unaudited Pro Forma Historical Financial Information Included in the Merger Circular

We have completed our reasonable assurance engagement to report on the compilation of the unaudited pro forma historical financial information of Alliance Mineral Assets Limited (“AMAL” or the “Company”) and Tawana Resources NL (“Tawana”) (collectively the “Merged Group”) in connection with the proposed merger between AMAL and Tawana (“the Proposed Transaction”).

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services Licence under the *Corporations Act 2001*. Ernst & Young Transaction Advisory Services Limited (“Ernst & Young Transaction Advisory Services”) holds an appropriate Australian Financial Services Licence (AFS Licence Number 240585). Paul Murphy is a Director and Representative of Ernst & Young Transaction Advisory Services.

The unaudited pro forma historical financial information of the Merged Group consists of:

- a) The unaudited pro forma historical statement of comprehensive income and the unaudited pro forma historical statement of cash flows for the year ended 31 December 2017
- b) The unaudited pro forma historical statements of financial position as at 31 December 2017 and 30 April 2018; and
- c) Related notes as set out on pages 13 to 32 of Appendix D of the Merger Circular issued by the Company.

(hereafter the “Unaudited Pro Forma Historical Financial Information”).

The applicable criteria on the basis of which the directors of the Company have compiled the Unaudited Pro Forma Historical Financial Information, are described in note 6 of the Unaudited Pro Forma Historical Financial Information.

APPENDIX D – UNAUDITED PRO-FORMA HISTORICAL FINANCIAL INFORMATION OF THE MERGED GROUP FOR THE YEAR ENDED 31 DECEMBER 2017 AND THE HISTORICAL PRO-FORMA FINANCIAL POSITION OF THE MERGED GROUP AS AT 30 APRIL 2018 AND THE INDEPENDENT PRACTITIONERS' REASONABLE ASSURANCE REPORT



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The Unaudited Pro Forma Historical Financial information has been compiled by the directors of the Company to illustrate the impact of the Proposed Transaction as set out in note 7 on the Company's financial position as at 31 December 2017 and 30 April 2018, as if the Proposed Transaction had taken place at 31 December 2017 and 30 April 2018 respectively and its financial performance and cash flows for the year ended 31 December 2017, as if the Proposed Transaction had taken place from 1 January 2017. As part of this process, information about AMAL's and Tawana's financial position, financial performance and cash flows has been derived by the directors of the Company from the following:

- a) Unaudited financial statements of AMAL for the 12 month period ended 31 December 2017 prepared in accordance with Australian Accounting Standards ("AAS") and International Financial Reporting Standards ("IFRS"), on which a modified review conclusion was issued by Ernst & Young in Australia which contained a material uncertainty paragraph related to going concern. The modification was with respect to the financial statements not including the comparative financial information in respect of the preceding period as required under AASB 101 *Presentation of Financial Statements* ("AASB 101") (IAS1)
- b) Audited financial statements of Tawana for the year ended 31 December 2017 prepared in accordance with AAS and IFRS, on which an unqualified audit opinion was issued by Ernst & Young in Australia, which contained a material uncertainty paragraph related to going concern
- c) Unaudited interim financial statements of AMAL for the ten-month period ended 30 April 2018 prepared in accordance with AASB 134 Interim Financial Reporting ("AASB 134") and IAS 34, on which a modified review conclusion was issued by Ernst & Young in Australia which contained a material uncertainty paragraph related to going concern. The modification was with respect to the financial statements not including the comparative financial information in respect of the preceding period as required under AASB 134 (IAS 34)
- d) Unaudited interim financial statements of Tawana for the four months ended 30 April 2018, prepared in accordance with AASB 134 and IAS 34 on which a modified review conclusion was issued by Ernst & Young in Australia which contained a material uncertainty paragraph related to going concern. The modification was with respect to the financial statements not including the comparative financial information in respect of the preceding period as required under AASB 134 (IAS 34).

The directors' responsibility for the unaudited pro forma historical financial information

The directors of AMAL are responsible for compiling the Unaudited Pro Forma Historical Financial Information on the basis of the applicable criteria as described in note 6 of the Unaudited Pro Forma Historical Financial Information.

APPENDIX D – UNAUDITED PRO-FORMA HISTORICAL FINANCIAL INFORMATION OF THE MERGED GROUP FOR THE YEAR ENDED 31 DECEMBER 2017 AND THE HISTORICAL PRO-FORMA FINANCIAL POSITION OF THE MERGED GROUP AS AT 30 APRIL 2018 AND THE INDEPENDENT PRACTITIONERS' REASONABLE ASSURANCE REPORT



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Our independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Ernst & Young Transaction Advisory Services applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's responsibility

Our responsibility is to express an opinion about whether the Unaudited Pro Forma Historical Financial Information has been compiled, in all material respects, by the directors of AMAL on the basis of the applicable criteria, as described in note 6 of the Unaudited Pro Forma Historical Financial Information.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner plan and perform procedures to obtain reasonable assurance about whether the directors have compiled, in all material respects, the Unaudited Pro Forma Historical Financial Information on the basis of the applicable criteria, as described in note 6 of the Unaudited Pro Forma Historical Financial Information.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Historical Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Historical Financial Information.

The purpose of the Unaudited Pro Forma Historical Financial Information included in the Merger Circular is solely to illustrate the impact of significant events or transactions on unadjusted financial information of the Company as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions as at, and for the year ended 31 December 2017 or as at 30 April 2018, as applicable, would have been as presented.

APPENDIX D – UNAUDITED PRO-FORMA HISTORICAL FINANCIAL INFORMATION OF THE MERGED GROUP FOR THE YEAR ENDED 31 DECEMBER 2017 AND THE HISTORICAL PRO-FORMA FINANCIAL POSITION OF THE MERGED GROUP AS AT 30 APRIL 2018 AND THE INDEPENDENT PRACTITIONERS' REASONABLE ASSURANCE REPORT



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A reasonable assurance engagement to report on whether the Unaudited Pro Forma Historical Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the Unaudited Pro Forma Historical Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- a) The related pro forma adjustments give appropriate effect to those criteria
- b) The Unaudited Pro Forma Historical Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgement, having regard to the practitioner's understanding of the nature of the Company, the events or transactions in respect of which the Unaudited Pro Forma Historical Financial information has been compiled, and other relevant engagement circumstances. The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Historical Financial Information.

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

Reasonable assurance opinion

In our opinion, the Unaudited Pro Forma Historical Financial Information has been compiled, in all material respects:

- (i) In a manner consistent with the accounting policies adopted by the Merged Group as included in Appendix D, which are in accordance with International Financial Reporting Standards
- (ii) On the basis of the applicable criteria stated in note 6 of the Unaudited Pro Forma Historical Financial Information.

Material uncertainty related to going concern

We draw attention to note 6 of the Unaudited Pro Forma Historical Financial Information included in Appendix D to the Merger Circular, which describes the principal conditions that raise doubt about the Merged Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt about the Merged Group's ability to continue as a going concern. Our reasonable assurance opinion is not modified in respect of this matter.

APPENDIX D – UNAUDITED PRO-FORMA HISTORICAL FINANCIAL INFORMATION OF THE MERGED GROUP FOR THE YEAR ENDED 31 DECEMBER 2017 AND THE HISTORICAL PRO-FORMA FINANCIAL POSITION OF THE MERGED GROUP AS AT 30 APRIL 2018 AND THE INDEPENDENT PRACTITIONERS’ REASONABLE ASSURANCE REPORT



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Restriction on use

This report is made solely to you for the purpose of inclusion in the Merger Circular to be issued in relation to the Proposed Transaction. As a result, the Unaudited Pro Forma Historical Financial Information may not be suitable for another purpose.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Paul Murphy', is written over a faint, circular watermark or background.

Paul Murphy
Director and Representative
Ernst & Young Transaction Advisory Services Limited

APPENDIX D – UNAUDITED PRO-FORMA HISTORICAL FINANCIAL INFORMATION OF THE MERGED GROUP FOR THE YEAR ENDED 31 DECEMBER 2017 AND THE HISTORICAL PRO-FORMA FINANCIAL POSITION OF THE MERGED GROUP AS AT 30 APRIL 2018 AND THE INDEPENDENT PRACTITIONERS' REASONABLE ASSURANCE REPORT



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19 August 2018

THIS FINANCIAL SERVICES GUIDE FORMS PART OF THE INDEPENDENT PRACTITIONER'S REASONABLE ASSURANCE REPORT

PART 2 - FINANCIAL SERVICES GUIDE

1. Ernst & Young Transaction Advisory Services

Ernst & Young Transaction Advisory Services Limited ("Ernst & Young Transaction Advisory Services" or "we," or "us" or "our") has been engaged to provide general financial product advice in the form of an Independent Practitioner's Reasonable Assurance Report ("Report") in connection with a financial product of another person. The Report is to be included in documentation being sent to you by that person.

2. Financial Services Guide

This Financial Services Guide ("FSG") provides important information to help retail clients make a decision as to their use of the general financial product advice in a Report, information about us, the financial services we offer, our dispute resolution process and how we are remunerated.

3. Financial services we offer

We hold an Australian Financial Services Licence which authorises us to provide the following services:

- ▶ financial product advice in relation to securities, derivatives, general insurance, life insurance, managed investments, superannuation, and government debentures, stocks and bonds; and
- ▶ arranging to deal in securities.

4. General financial product advice

In our Report we provide general financial product advice. The advice in a Report does not take into account your personal objectives, financial situation or needs.

You should consider the appropriateness of a Report having regard to your own objectives, financial situation and needs before you act on the advice in a Report. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain an offer document relating to the financial product and consider that document before making any decision about whether to acquire the financial product.

We have been engaged to issue a Report in connection with a financial product of another person. Our Report will include a description of the circumstances of our engagement and identify the person who has engaged us. Although you have not engaged us directly, a copy of the Report will be provided to you as a retail client because of your connection to the matters on which we have been engaged to report.

APPENDIX D – UNAUDITED PRO-FORMA HISTORICAL FINANCIAL INFORMATION OF THE MERGED GROUP FOR THE YEAR ENDED 31 DECEMBER 2017 AND THE HISTORICAL PRO-FORMA FINANCIAL POSITION OF THE MERGED GROUP AS AT 30 APRIL 2018 AND THE INDEPENDENT PRACTITIONERS' REASONABLE ASSURANCE REPORT



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5. Remuneration for our services

We charge fees for providing Reports. These fees have been agreed with, and will be paid by, the person who engaged us to provide a Report. Our fees for Reports are based on a time cost or fixed fee basis. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority. The estimated fee for this Report is A\$71,500 (inclusive of GST).

Ernst & Young Transaction Advisory Services is ultimately owned by Ernst & Young, which is a professional advisory and accounting practice. Ernst & Young may provide professional services, including audit, tax and financial advisory services, to the person who engaged us and receive fees for those services.

Except for the fees and benefits disclosed in the relevant sections of the Merger Circular related to this transaction, Ernst & Young Transaction Advisory Services, including any of its directors, employees or associated entities should not receive any fees or other benefits, directly or indirectly, for or in connection with the provision of this Report.

6. Associations with product issuers

Ernst & Young Transaction Advisory Services and any of its associated entities may at any time provide professional services to financial product issuers in the ordinary course of business.

7. Responsibility

The liability of Ernst & Young Transaction Advisory Services is limited to the contents of this Financial Services Guide and the Report.

8. Complaints process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial services. All complaints must be in writing and addressed to the AFS Compliance Manager or the Chief Complaints Officer and sent to the address below. We will make every effort to resolve a complaint within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service Limited.

APPENDIX D – UNAUDITED PRO-FORMA HISTORICAL FINANCIAL INFORMATION OF THE MERGED GROUP FOR THE YEAR ENDED 31 DECEMBER 2017 AND THE HISTORICAL PRO-FORMA FINANCIAL POSITION OF THE MERGED GROUP AS AT 30 APRIL 2018 AND THE INDEPENDENT PRACTITIONERS’ REASONABLE ASSURANCE REPORT



9. Compensation Arrangements

The Company and its related entities hold Professional Indemnity insurance for the purpose of compensation should this become relevant. Representatives who have left the Company's employment are covered by our insurances in respect of events occurring during their employment. These arrangements and the level of cover held by the Company satisfy the requirements of section 912B of the Corporations Act 2001.

Contacting Ernst & Young Transaction Advisory Services AFS Compliance Manager Ernst & Young 200 George Street Sydney NSW 2000 Telephone: (02) 9248 5555	Contacting the Independent Dispute Resolution Scheme: Financial Ombudsman Service Limited PO Box 3 Melbourne VIC 3001 Telephone: 1300 78 08 08
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This Financial Services Guide has been issued in accordance with ASIC Class Order CO 04/1572.

**APPENDIX D – UNAUDITED PRO-FORMA HISTORICAL FINANCIAL INFORMATION OF THE
MERGED GROUP FOR THE YEAR ENDED 31 DECEMBER 2017 AND THE HISTORICAL
PRO-FORMA FINANCIAL POSITION OF THE MERGED GROUP AS AT 30 APRIL 2018 AND
THE INDEPENDENT PRACTITIONERS’ REASONABLE ASSURANCE REPORT**

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**APPENDIX D – UNAUDITED PRO-FORMA HISTORICAL FINANCIAL INFORMATION OF THE
MERGED GROUP FOR THE YEAR ENDED 31 DECEMBER 2017 AND THE HISTORICAL
PRO-FORMA FINANCIAL POSITION OF THE MERGED GROUP AS AT 30 APRIL 2018 AND
THE INDEPENDENT PRACTITIONERS' REASONABLE ASSURANCE REPORT**

**Unaudited Pro Forma Historical Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2017**

	31 December 2017 A\$
Revenue	
Interest income	188,976
Other	36,975
Total revenue	225,951
Expenses	
Accounting and audit expense	(369,549)
Administrative expense	(1,840,731)
Merger related transaction costs	(18,788,620)
Consulting and director fees	(752,275)
Employee benefits expense	(1,353,459)
Share based payment expense	(5,274,598)
Depreciation expense	(96,631)
Site operating costs	(838,501)
Impairment on exploration and evaluation asset	(2,790,565)
Gain on Cowan Lithium Demerger	1,839,369
Foreign exchange loss	(31,882)
Borrowing costs	(372,388)
Other expenses	(317)
Total expenses	(30,670,147)
Loss before income tax	(30,444,196)
Income tax expense	-
Loss after income tax	(30,444,196)
Other comprehensive income	
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):</i>	
Exchange differences on translation of foreign operations	(177,000)
Translation reserve realised on de-merger of Cowan	(1,839,369)
Total other comprehensive loss	(2,016,369)
Total comprehensive loss for the year attributable to members	(32,460,565)

**APPENDIX D – UNAUDITED PRO-FORMA HISTORICAL FINANCIAL INFORMATION OF THE
MERGED GROUP FOR THE YEAR ENDED 31 DECEMBER 2017 AND THE HISTORICAL
PRO-FORMA FINANCIAL POSITION OF THE MERGED GROUP AS AT 30 APRIL 2018 AND
THE INDEPENDENT PRACTITIONERS' REASONABLE ASSURANCE REPORT**

**Unaudited Pro Forma Historical Consolidated Statements of Financial Position
As at 30 April 2018 and 31 December 2017**

	30 April 2018 A\$	31 December 2017 A\$
Current assets		
Cash and cash equivalents	10,374,914	13,001,210
Trade and other receivables	2,709,853	3,097,324
Prepayments and deposits	1,826,341	2,180,193
Inventory	1,600,972	27,346
Total current assets	16,512,080	18,306,073
Non-current assets		
Mine properties	132,635,687	103,981,036
Exploration and evaluation expenditure	77,587,446	77,498,514
Property, plant and equipment	65,991,195	48,282,505
Deposits	75,280	72,932
Goodwill	57,004,384	54,132,071
Investment in associate	634,000	634,000
Total non-current assets	333,927,992	284,601,058
Total assets	350,440,072	302,907,131
Current liabilities		
Trade and other payables	26,189,050	13,931,934
Deferred revenue	19,625,000	17,720,000
Interest bearing loans and borrowings	168,911	94,002
Provisions	587,327	225,596
Total current liabilities	46,570,288	31,971,532
Non-current liabilities		
Deferred revenue	1,000,000	2,905,000
Interest bearing loans and borrowings	12,973,400	8,356
Provision for rehabilitation	5,374,062	1,368,758
Total non-current liabilities	19,347,462	4,282,114
Total liabilities	65,917,750	36,253,646
Net assets	284,522,322	266,653,485
Equity		
Contributed equity	368,766,573	349,537,889
Reserves	4,244,099	3,796,058
Accumulated losses	(88,488,350)	(86,680,462)
Total equity	284,522,322	266,653,485

The pro forma historical consolidated statement of financial position of the Merged Group has a net current asset deficiency at 30 April 2018 of \$30,058,208 and at 31 December 2017 of \$13,665,459. (Refer to Note 6 for further details).

**APPENDIX D – UNAUDITED PRO-FORMA HISTORICAL FINANCIAL INFORMATION OF THE
MERGED GROUP FOR THE YEAR ENDED 31 DECEMBER 2017 AND THE HISTORICAL
PRO-FORMA FINANCIAL POSITION OF THE MERGED GROUP AS AT 30 APRIL 2018 AND
THE INDEPENDENT PRACTITIONERS' REASONABLE ASSURANCE REPORT**

**Unaudited Pro Forma Historical Consolidated Statement of Cash Flows
For the Year Ended 31 December 2017**

	31 December 2017 A\$
CASH FLOWS FROM OPERATING ACTIVITIES	
Interest received	192,139
Interest paid	(10,657)
Service income received	33,814
R&D tax rebate on operating expenditure	399,774
Proceeds received in advance	20,625,000
Merger transaction costs	(18,788,620)
Payments to suppliers	(6,730,324)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(4,278,874)
CASH FLOWS FROM INVESTING ACTIVITIES	
R&D tax rebate on capital expenditure	705,619
Payments for mine properties	(5,401,534)
Payments for exploration costs	(6,715,990)
Proceeds from sale of plant and equipment	2,610
Payments for property, plant and equipment	(31,117,545)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(42,526,840)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from share issues	55,394,000
Share issue costs	(2,160,000)
Payment to insurance premium loan principal	(105,588)
Payment to finance lease principal	(17,680)
Proceeds from borrowing	78,776
Cash lost on Cowan Lithium Demerger	(750,000)
Repayment of unsecured loan	(1,785,754)
NET CASH INFLOW FROM FINANCING ACTIVITIES	50,653,754
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,848,040
Cash and cash equivalents at the beginning of the period	10,301,767
Net foreign exchange difference on cash balances	16,403
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	14,166,210

APPENDIX D – UNAUDITED PRO-FORMA HISTORICAL FINANCIAL INFORMATION OF THE MERGED GROUP FOR THE YEAR ENDED 31 DECEMBER 2017 AND THE HISTORICAL PRO-FORMA FINANCIAL POSITION OF THE MERGED GROUP AS AT 30 APRIL 2018 AND THE INDEPENDENT PRACTITIONERS’ REASONABLE ASSURANCE REPORT

Notes to the Unaudited Pro Forma Historical Financial Information of the Merged Group

These selective notes form an integral part of and should be read in conjunction with the accompanying Unaudited Pro Forma Historical Financial Information.

The Unaudited Pro Forma Historical Financial Information refers to the financial information of the merged group of companies as defined under note 1 below and comprises the Unaudited Pro Forma Historical Consolidated Statement of Comprehensive Income, the Unaudited Pro Forma Historical Consolidated Statement of Cash Flows for the year ended 31 December 2017, the Unaudited Pro Forma Historical Consolidated Statements of Financial Position as at 31 December 2017 and as at 30 April 2018 and related notes (together the “Unaudited Pro forma Historical Financial Information”).

1. General Information

The Unaudited Pro Forma Historical Financial Information has been prepared for inclusion in the merger circular (the “Merger Circular”) to be issued to the shareholders of Alliance Mineral Assets Limited (the “Company” or “AMAL”) in connection with the proposed transaction between AMAL and Tawana Resources NL and its controlled entities (“Tawana”) (the “Proposed Transaction”).

The merged group of companies comprising AMAL, Tawana and its subsidiaries, following the completion of the Proposed Transaction, are collectively known as the “Merged Group”.

2. Corporate Information

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 exploring and developing Lithium and Tantalum mineral resources in Australia. During the financial periods under consideration, the principal activity was exploration, evaluation and development for lithium and tantalum at the Bald Hill Project. The Company’s registered office and principal place of business is Unit 6, 24 Parkland Road, Osborne Park, Western Australia 6017.

3. The Proposed Transaction

On 5 April 2018, AMAL and Tawana entered into a Scheme Implementation Agreement pursuant to which AMAL will acquire all of the Tawana’s Shares by way of a scheme of arrangement under the Corporations Act 2001 (the “Proposed Scheme”). Under the Proposed Scheme, each Tawana Share will be exchanged for 1.1 ASX Listed Alliance Shares, which trade on the ASX, or, if elected, 1.1 SGX Listed Alliance Shares, which trade on the SGX-ST. Upon implementation of the Proposed Scheme, AMAL Shareholders will own approximately 50.91% of the Merged Group and Tawana Shareholders will own approximately 49.09% of the Merged Group. AMAL will directly and indirectly own a 100% interest in the Bald Hill Project. As of 27 July 2018, there were 18,693,880 unexercised Options on issue. If these Options are not exercised by the Record Date, the Options would be cancelled in exchange for an aggregate of up to 10,106,775 AMAL Shares. As noted below in section 7(e), the issue of AMAL Shares in settlement of unexercised Options at the Implementation Date will be accounted for as a modification of a share based payment

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arrangement. Had the settlement of unexercised Options for AMAL Shares been taken into account in determining the shareholding of the Merged Group, AMAL Shareholders would have owned approximately 50.52% of the Merged Group and Tawana Shareholders would have owned approximately 49.48% of the Merged Group.

The Proposed Scheme extends to any Tawana Shares that are issued prior to the Record Date as a result of the exercise of any Options. Each holder of Options has entered into an Option Cancellation Deed under which, conditional on the Proposed Scheme becoming Effective, the holder agrees that its Options will be cancelled automatically on the Implementation Date in exchange for such number of AMAL Shares, to the extent those Options are not exercised into Tawana Shares prior to the Record Date.

As at 15 August 2018, there are 18,693,880 Options on issue which are exercisable into an aggregate of 18,693,880 Tawana Shares at exercise prices of between \$0.06 and \$0.50 per Option. Pursuant to the Option Cancellation Deeds, if these Options are not exercised before the Record Date, the Options would be cancelled in exchange for an aggregate of up to 10,106,775 AMAL Shares.

The Proposed Scheme is conditional upon approval by the Requisite Majority at the Scheme Meeting and is also subject to Australian regulatory approvals/consents, AMAL Shareholder approval, Court approval, third party approvals and the ASX approval for the quotation of AMAL Shares, together with certain other conditions customary for a transaction of this nature. The Proposed Scheme is not subject to any due diligence or financing conditions.

Australian Accounting Standards require that where two or more entities combine through an exchange of equity for the purposes of a combination, one of the entities must be deemed to be the accounting acquirer. AMAL is the legal acquirer under the Proposed Scheme (in that, if the Proposed Scheme is implemented, AMAL will acquire all of the Tawana Shares on issue on the Record Date), and will therefore be the legal parent company of the Merged Group. However, after assessing the guidance set out in Australian Accounting Standard AASB 3 *Business Combinations* (IFRS 3) and in particular the expected Board and management composition of the Merged Group, Tawana has been assessed to be the accounting acquirer. Therefore, the future consolidated financial statements of the Merged Group will represent the continuation of the operations of the accounting acquirer, Tawana.

The fair value of the deemed consideration transferred by the accounting acquirer is based on the number of equity interests the legal subsidiary would have had to issue to give the owners of the legal parent the same percentage equity interest in the combined entity that results from the Proposed Scheme. The fair value of the number of equity interests calculated in that way, based on the share price of the accounting acquirer at the date of acquisition, is used as the fair value of consideration transferred.

For the purposes of the Unaudited Pro Forma Historical Financial Information, the fair value on acquisition date of the deemed consideration transferred by Tawana, is estimated to be \$243,489,966 as set out below. This is based on the closing Tawana share price on 27 July 2018. The calculation assumes that no Options will be exercised between 27 July 2018 and the Implementation Date and consequently all Options outstanding on 27 July 2018 will be converted into AMAL Shares.

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Pro Forma fair value of the deemed consideration transferred:

Number of Tawana shares on issue at 30 April 2018	554,084,489
Number of Tawana options exercised between 1 May 2018 and 27 July 2018	11,653,060
Shares issued by Tawana to Metalicity Energy Ltd on transfer of final Lake Cowan Project tenement on 21 May 2018	153,846
Tawana shares issued pursuant to the conditional placement on 6 July 2018	12,195,122
Expected total number of shares on issue considered for the purpose of calculating the pro forma fair value of the deemed consideration transferred	578,086,517
Maximum number of AMAL shares expected to be issued to Tawana Shareholders on the Implementation Date in accordance with the Proposed Scheme Consideration ⁽ⁱ⁾	635,895,169
Number of AMAL shares expected to be on issue immediately prior to the Implementation Date	659,471,907
Total number of AMAL shares expected to be on issue on Implementation Date	1,295,367,076
Number of Tawana shares that would have to be issued to maintain the same 50.91%/49.09% ownership ratio	599,519,915
Closing Tawana share price on 27 July 2018	A\$0.40
Pro forma fair value of Tawana shares transferred	A\$239,807,966
Pro forma fair value of replacement share based payment options considered to be part of the consideration transferred ⁽ⁱⁱ⁾	A\$3,682,000
Pro forma fair value of the deemed consideration transferred	A\$243,489,966

- (i) Subject to no Options being exercised between 27 July 2018 and the Record Date. Figures may change due to rounding under the Proposed Scheme.
- (ii) In accordance with AASB 3 (IFRS 3), the fair value attributed to the AMAL options on issue at 30 April 2018 that had vested prior to the acquisition date is recognised as part of the deemed consideration transferred. It is assumed that none of these options will be exercised prior to the acquisition date. A summary of key assumptions adopted in the Black Scholes model to estimate the fair value of these options at 30 April 2018 for the purposes of the Unaudited Pro Forma Historical Financial Information is detailed below (the same values have been used for the purpose of the 31 December 2017 Unaudited Pro Forma Historical Financial Information):

Number of options	15,600,000	3,800,000	3,800,000	3,800,000
Dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility (%)	65%	65%	65%	65%
Risk free interest rate (%)	2%	2%	2%	2%
Expected life (years)	2.9 years	2.1 years	2.1 years	2.1 years
Share price \$SGD	0.36	0.36	0.36	0.36
Exercise price \$SGD	0.49	0.24	0.30	0.36
Fair value per option \$AUD	0.13	0.18	0.15	0.13

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Under AASB 3 (IFRS 3), the actual measurement date of the deemed consideration transferred will occur on the acquisition date which is generally taken to be date the Proposed Scheme is implemented. Consequently, the value of the deemed consideration transferred will differ from the amount assumed in the Unaudited Pro Forma Historical Financial Information due to any further changes in the market price of Tawana Shares or in the number of Tawana Shares issued and outstanding.

Both Tawana and AMAL are parties to the Bald Hill Joint Venture which is currently accounted for as a joint operation by both Tawana and AMAL.

In accounting for the business combination, the Tawana Directors have elected to apply a policy to carry Tawana’s existing interest in the net assets of the Bald Hill Project at cost. Accordingly, the deemed consideration transferred will be allocated over the net assets acquired which includes AMAL’s 50% interest in the net assets of the joint operation. The preliminary purchase price allocation is subject to change and is summarised as follows:

	30 April 2018 A\$	31 December 2017 A\$
Pro forma total fair value of deemed consideration transferred	243,489,966	243,489,966
Estimated fair value of the net assets acquired:		
Exploration and evaluation expenditure (a)	77,305,000	77,305,000
Mine properties (b)	100,325,577	85,935,595
Property, plant and equipment (c)	33,302,390	24,470,477
Borrowings (d)	(8,142,311)	–
Net other assets and liabilities acquired (including cash) (e)	(16,305,074)	1,646,823
Deferred tax asset/liability (f)	–	–
Net identifiable assets	186,485,582	189,357,895
Provisional goodwill at date of acquisition (g)	57,004,384	54,132,071

The purchase price accounting for the net assets acquired has been determined on a provisional basis. The preliminary estimate of the fair values of the assets and liabilities of AMAL is summarised below:

- (a) The fair value of AMAL’s interest in exploration and evaluation expenditure at 30 April 2018 and 31 December 2017 has been estimated to be \$77,305,000 based on the preferred valuation of the Resources not included in the life of mine based on Tawana’s Technical Specialist Report included as an annexure to its Independent Expert’s Report in Annexure A of the Tawana Scheme Booklet. This has resulted in a pro forma fair value uplift of \$77,305,000 on exploration and evaluation expenditure for 31 December 2017 and 30 April 2018.

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- (b) The fair value of AMAL’s interest in mine properties at 30 April 2018 has been estimated at \$100,325,577. This was based on the preferred fair value as determined by Tawana’s Independent Expert in its Independent Expert’s Report included in Annexure A of the Tawana Scheme Booklet which was then adjusted to include estimated fair value of AMAL’s office space of \$750,000 and exclude the estimated fair value of property, plant and equipment (see below), estimated fair value of consumables of \$786,000 and rehabilitation liabilities of \$2,664,340.

The estimated fair value for mine properties of \$100,325,577 compared to the carrying value of mine properties in the Historical Statement of Financial Position of AMAL at 30 April 2018 of \$25,765,723 resulted in a pro forma fair value uplift of \$74,559,854 for mine properties.

In estimating the fair value of mine properties at 31 December 2017 for the purpose of preparing the Unaudited Pro Forma Historical Consolidated Statement of Financial Position as at that date, management has deducted AMAL’s share of capital expenditure on mine properties between 31 December 2017 and 30 April 2018 amounting to \$14,389,982 from the fair value of the mine properties adopted at 30 April 2018. This has resulted in a pro forma fair value uplift of \$79,856,625 on mine properties.

- (c) The fair value of AMAL’s interest in property, plant and equipment at the Bald Hill Project at 30 April 2018 and 31 December 2017 has been assumed to be equal to its carrying value at each respective reporting date.
- (d) The fair values of AMAL’s borrowings was determined by using the discounted cash flow method using a current market borrowing cost of approximately 20%. This has resulted in a pro forma fair value uplift of \$1,762,730 on interest bearing loans and borrowings at 30 April 2018.
- (e) Except for prepaid borrowing costs, the fair value of other assets and liabilities has been assumed to be equal to their carrying value. For the purpose of the Unaudited Pro Forma Historical Financial Information no value has been ascribed to the prepaid borrowing cost recognised by AMAL at 30 April 2018 amounting to \$1,187,842.
- (f) It is assumed that AMAL will form a tax consolidated group prior to the settlement of the Proposed Transaction and on settlement Tawana will join the AMAL tax consolidated group. For the purposes of the Unaudited Pro Forma Historical Financial Information it is assumed that the accounting fair value uplift in net assets will be matched by at least an equivalent increase in the tax base of the assets and liabilities. Accordingly, no additional deferred tax is recognised as a provisional adjustment.
- (g) This reflects the resulting difference between the pro forma fair value of deemed consideration transferred and the provisional fair values of the assets acquired and liabilities assumed. The excess is recognised as provisional goodwill.

The actual fair value of the net assets of AMAL acquired by Tawana as an “accounting acquirer” will ultimately be determined after implementation of the Scheme. Therefore, it is likely that the allocation of the purchase price will vary from those shown above and the differences may be material.

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4. Tawana Restructuring – the Cowan Lithium Demerger

At an extraordinary general meeting held on 6 July 2018, Tawana Shareholders approved resolutions to give effect to the restructure of its assets to focus on the Bald Hill Project and the Cowan Lithium Demerger. As part of this restructuring, Tawana transferred to Cowan Lithium its:

- (a) 100% owned Cowan Lithium Project in Western Australia comprising exploration licences which Tawana holds through its wholly-owned subsidiary Mount Belches Pty Ltd;
- (b) 100% owned Yallari Lithium Project in Western Australia comprising exploration licences which Tawana holds through its wholly-owned subsidiary Mount Belches Pty Ltd;
- (c) 100% owned Mofe Creek Iron Ore Project in Liberia comprising mineral exploration licences which Tawana holds through its wholly-owned subsidiaries, Kenema-Man Holdings Liberia Pty Ltd and Tawana Liberia Inc; and
- (d) 26% interest in Rakana Consolidated Mines Pty Ltd which itself holds a 26% interest in the Avontuur Manganese Project in South Africa,
- (e) Tawana also paid Cowan Lithium A\$750,000.

In consideration for the above, Cowan Lithium issued 9,064,920 shares to Tawana.

The demerger was achieved through a capital reduction satisfied by way of a pro rata in-specie distribution of 85% of the fully paid ordinary shares in the capital of Cowan Lithium to Tawana Shareholders (“Cowan Lithium Demerger”). The record date for capital reduction was 13 July 2018 with a completion date of 18 July 2018.

The split of the capital reduction between contributed equity and demerger reserve was \$1,976,000 and \$1,615,000 respectively.

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Following the completion of the Cowan Lithium Demerger, Tawana retained a 15% interest in the share capital of Cowan Lithium and has the right to maintain its proportionate interest in the future. In addition, for so long as Tawana holds at least a 10% interest in the share capital of Cowan Lithium, it has the right to appoint a nominee director to the board of Cowan Lithium. Upon completion of the demerger, Tawana will account for its equity interest in Cowan Lithium as an investment in an associate using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group’s share of net assets of the associate or joint venture from the acquisition date. The assets and liabilities associated with Cowan Lithium as at 1 January 2017, 31 December 2017 and 30 April 2018 are as follows:

	1 January 2017 A\$	31 December 2017 A\$	30 April 2018 A\$
Current assets			
Cash and cash equivalents	750,000	750,000	751,000
Trade and other receivables	9,517	162,625	2,000
Prepayments and deposits	–	6,536	4,000
Total current assets	759,517	919,161	757,000
Non-current assets			
Exploration and evaluation expenditure	4,809,628	7,466,000	3,451,000
Property, plant and equipment	–	21,368	19,000
Total non-current assets	4,809,628	7,487,368	3,470,000
Total assets	5,569,145	8,406,529	4,227,000
Current liabilities			
Trade and other payables	112,691	144,393	2,000
Total current liabilities	112,691	144,393	2,000
Total liabilities	112,691	144,393	2,000
Net assets	5,456,454	8,262,136	4,225,000

Following the decision to demerge Cowan Lithium from Tawana on 22 March 2018, all assets and liabilities relating to Cowan Lithium were reclassified as a disposal group held for distribution in Tawana’s Historical Consolidated Statement of Financial Position at 30 April 2018.

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As reflected in Tawana’s Historical Consolidated Statement of Financial Position at 30 April 2018, the fair value less costs to distribute (FVLCD) of Cowan Lithium amounted to \$4,225,000 as at 30 April 2018. For the purposes of the Unaudited Pro Forma Historical Financial Information this fair value has been applied at each of the pro forma demerger dates being 1 January 2017, 31 December 2017 and 30 April 2018 (see basis of preparation in Note 6 below). The fair value methodology adopted is categorised as Level 3 in the fair value hierarchy. In determining the FVLCD, estimates were made in relation to the underlying resources and the valuation multiple.

5. The Merged Group

Under the Proposed Transaction and following the completion of Cowan Lithium Demerger, the Company will have the following subsidiaries:

Name of company	Country of incorporation	Principal activities	Effective interest %
<i>Subsidiary of AMAL</i>			
Alliance Mineral Assets Exploration Pty Ltd*	Australia	Dormant	100
Tawana Resources NL	Australia	Mine Development	100
<i>Subsidiaries held by Tawana</i>			
Lithco No. 2 Pty Ltd	Australia	Mine development	100
Tawana Gold Pty Ltd	Australia	Dormant	100
Waba Holdings Pty Ltd	Australia	Holding Company	100
Achean Holdings	Liberia	Holding Company	100
Tawana Resources SA Pty Ltd	South Africa	Mineral Exploration	100

* Incorporated on 28 June 2018

6. Basis of preparation of the Unaudited Pro Forma Historical Financial Information

The Unaudited Pro Forma Historical Financial information has been compiled by the directors of AMAL to illustrate the impact of the Proposed Scheme and the Cowan Lithium Demerger on the Company’s historical financial position as at 31 December 2017 and 30 April 2018, as if the Proposed Scheme and Cowan Lithium Demerger had taken place at 31 December 2017 and 30 April 2018 respectively and its financial performance and cash flows for the year ended 31 December 2017, as if the Proposed Scheme and Cowan Lithium Demerger had taken place on 1 January 2017.

The Unaudited Pro Forma Historical Financial Information is presented in Australian Dollars and all values are disclosed to the nearest dollar except where otherwise indicated.

The Unaudited Pro Forma Historical Financial Information is for illustrative purposes only. The objective is to show what the historical financial information of the Merged Group might have been had it existed at an earlier date. However, the pro forma historical financial information of the Merged Group, by its nature may not give a true picture of the Merged

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Group’s actual or prospective financial position, financial performance and cashflows and is not necessarily indicative of the results of the operations, cashflows or related effects on the financial position that would have been attained had the above mentioned Merged Group existed at an earlier date.

The Unaudited Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in Australian Accounting Standards (“AAS”), which are consistent with International Financial Reporting Standards (“IFRS”), other than that it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of the Proposed Transaction and the Cowan Lithium Demerger as if they occurred from the dates described above.

The Unaudited Pro Forma Historical Financial Information of the Merged Group has been compiled based on the following historical financial information adjusted for pro forma adjustments described in note 7:

- unaudited financial statements of AMAL for the 12 month period ended 31 December 2017 prepared in accordance with AAS and IFRS, on which a modified review conclusion was issued by Ernst & Young in Australia which contained a material uncertainty paragraph related to going concern. The modification was with respect to the financial statements not including the comparative financial information in respect of the preceding period as required under AASB 101 *Presentation of Financial Statements* (“AASB 101”) (IAS1);
- audited financial statements of Tawana for the year ended 31 December 2017 prepared in accordance with AAS and IFRS, on which an unqualified audit opinion was issued by Ernst & Young in Australia, which contained a material uncertainty paragraph related to going concern;
- unaudited interim financial statements of AMAL for the ten-month period ended 30 April 2018 prepared in accordance with AASB 134 *Interim Financial Reporting* (“AASB 134”) and IAS 34, on which a modified review conclusion was issued by Ernst & Young in Australia which contained a material uncertainty paragraph related to going concern. The modification was with respect to the financial statements not including the comparative financial information in respect of the preceding period as required under AASB 134 (IAS 34); and
- unaudited interim financial statements of Tawana for the four months ended 30 April 2018, prepared in accordance with AASB 134 and IAS 34 on which a modified review conclusion was issued by Ernst & Young in Australia which contained a material uncertainty paragraph related to going concern. Additionally there was a modification with respect to the financial statements not including the comparative financial information in respect of the preceding period as required under AASB 134 (IAS 34).

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The significant accounting policies adopted by AMAL in the preparation of the Unaudited Pro Forma Historical Financial Information are consistent with those disclosed in Tawana’s 31 December 2017 Annual Report except for the adoption of AASB 9: Financial Instruments (“AASB 9”) (IFRS 9), AASB 15: Revenue from Contracts with Customers (“AASB 15”) (IFRS 15) which were adopted by Tawana with effect from 1 January 2018. The impact of adopting AASB 9 and AASB 15 was disclosed in the interim financial statements of Tawana for the four months ended 30 April 2018. As disclosed in the interim financial statements of Tawana for the four month period ended 30 April 2018, the adoption of AASB 9 impacted the classification of certain financial assets but had no measurement impact at the date of adoption and the adoption of AASB 15 had no impact at the date of adoption. AMAL has not yet adopted AASB 9 and AASB 15. Based on management analysis, as disclosed in the unaudited interim financial statements of AMAL for the ten-month period ended 30 April 2018, the adoption of these Accounting Standards is not expected to have a significant impact on AMAL.

Going concern

The Unaudited Pro Forma Historical Financial Information has been prepared on a going concern basis which assumes the continuity of the Merged Group’s normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

During the 12 months prior to the date of this Merger Circular, AMAL and Tawana have worked together to bring the Bald Hill Project into production, with the first spodumene (lithium) concentrate production announced on 14 March 2018. During the initial phase of the Bald Hill Project (being the next 6 to 12 months), the Merged Group will be exposed to a higher level of cash outflows due to pre-strip activities and repayment of the Burwill prepayment. Further, during the early stages of the Bald Hill Project and similar to other companies whose performance is dependent upon newly-constructed assets and start-up operations, the Merged Group will also be exposed to normal risks and uncertainties, such as the Bald Hill Project failing to perform as expected, having higher than expected operating costs, having lower than expected customer revenues, key additional infrastructure not coming on stream when required or within budget, potential equipment breakdown, failures, and operational errors.

The AMAL Directors and the Tawana Board recognise that the Merged Group will need to raise additional funds via equity raisings or financing facilities to fund ongoing operating and capital expenditure (in particular, where actual cash flows differ from budgeted cash flows in light of the above-mentioned risks and uncertainties associated with newly-constructed assets and start-up operations) during the initial phase of the Bald Hill Project.

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Subsequent to 30 April 2018:

AMAL raised the following additional funds via equity raisings:

- on 2 May 2018, AMAL issued 76,522,804 AMAL Shares to sophisticated and institutional investors outside of Singapore to raise approximately \$25.0 million (before costs);
- on 4 July 2018, AMAL issued 13,000,000 AMAL Shares to Burwill Holdings Ltd to raise approximately \$4.2 million (approximately S\$4.3 million) (before costs); and
- on 24 July 2018, AMAL issued 3,275,115 AMAL Shares to an institutional investor and 7,600,000 AMAL Shares to Canaccord (as underwriter) to raise approximately \$3.6 million (approximately S\$3.7 million) (before costs).

Tawana raised the following additional funds via equity raisings:

- on 6 July 2018, Tawana issued 12,195,000 Tawana Shares to raise approximately \$4.9 million (before costs); and
- 11,653,060 Options were exercised at an average price of \$0.158 per Option to raise approximately \$1.8 million.

In addition, Tawana is currently negotiating the terms of a proposed \$15 million debt facility, and progressing other financing arrangements with a view to reducing Tawana’s exposure to cash flow risks during the initial phase of the Bald Hill Project.

The AMAL Directors and the Tawana Board are satisfied that they will be able to raise additional funds as required and thus it is appropriate to prepare the Unaudited Pro Forma Historical Financial Information on a going concern basis.

In the event that the Merged Group is unable to obtain sufficient funding for ongoing operating and capital requirements, there is a material uncertainty whether it will continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the Unaudited Pro Forma Historical Consolidated Statements of Financial Position.

The Unaudited Pro Forma Historical Consolidated Statements of Financial Position do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that may be necessary should the Merged Group not be able to continue as a going concern.

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7. Statement of adjustments

The following adjustments have been made in compiling the Unaudited Pro Forma Historical Financial information.

Unaudited Pro Forma Historical Consolidated Statement of Comprehensive Income for the year ended 31 December 2017

	Aggregated historical statement of comprehensive income of Merged Group before Adjustments A\$	Note	Pro forma adjustments for Merged Group A\$	Unaudited Pro Forma Historical Consolidated Statement of Comprehensive Income A\$
Revenue				
Interest income	188,976		–	188,976
Other income	257,334	(b)	(220,359)	36,975
Total revenue	446,310		(220,359)	225,951
Expenses				
Accounting and audit expense	(369,549)		–	(369,549)
Administrative expense	(1,840,731)		–	(1,840,731)
Merger related transaction costs	–	(c)	(18,788,620)	(18,788,620)
Consulting and director fees	(752,275)		–	(752,275)
Employee benefits expense	(1,353,459)		–	(1,353,459)
Share based payment expense	(5,274,598)	(e)	–	(5,274,598)
Depreciation expense	(96,631)		–	(96,631)
Site operating costs	(932,575)	(a)	94,074	(838,501)
Impairment on exploration and evaluation asset	(1,559,111)	(a)	(1,231,454)	(2,790,565)
Gain on Cowan Lithium Demerger	–	(a)	1,839,369	1,839,369
Loss on foreign exchange	(31,882)		–	(31,882)
Borrowing costs	(372,388)		–	(372,388)
Other expenses	(352,566)	(b)	352,249	(317)
Total expenses	(12,935,765)		(17,734,382)	(30,670,147)
Loss before income tax	(12,489,455)		(17,954,741)	(30,444,196)
Income tax expense	–		–	–
Loss after income tax	(12,489,455)		(17,954,741)	(30,444,196)
Other comprehensive income				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):</i>				
Exchange differences on translation of foreign operations	(177,000)		–	(177,000)
Translation reserve realised on de-merger of Cowan	–	(a)	(1,839,369)	(1,839,369)
Total other comprehensive loss	(177,000)		(1,839,369)	(2,016,369)
Total comprehensive loss for the year attributable to members	(12,666,455)		(19,794,110)	(32,460,565)

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*Unaudited Pro Forma Historical Consolidated Statement of Cash Flows for the year ended
31 December 2017*

	Aggregated historical statement of cash flows of Merged Group before Adjustments A\$	Note	Pro forma adjustments for Merged Group A\$	Unaudited Pro Forma Historical Consolidated Statement of Cash Flows A\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest received	192,139		–	192,139
Interest paid	(10,657)		–	(10,657)
Services income received	244,806	(b)	(210,992)	33,814
R&D tax rebate on operating expenditure	399,774		–	399,774
Proceeds received in advance	20,625,000		–	20,625,000
Merger related transaction costs	–	(c)	(18,788,620)	(18,788,620)
Payments to suppliers (admin)	(6,730,324)		–	(6,730,324)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	14,720,738		(18,999,612)	(4,278,874)
CASH FLOWS FROM INVESTING ACTIVITIES				
R&D tax rebate on capital expenditure	705,619			705,619
Payments for mine properties	(6,163,330)	(b)	210,992	(5,401,534)
		(b)	550,804	
Payments for exploration costs	(7,880,990)	(a)	1,165,000	(6,715,990)
Proceeds from sale of plant and equipment	2,610		–	2,610
Payments for property, plant and equipment	(31,117,545)		–	(31,117,545)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(44,453,636)		1,926,796	(42,526,840)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from share issues	55,394,000		–	55,394,000
Share issue costs	(2,160,000)		–	(2,160,000)
Payment to insurance premium loan principal	(105,588)		–	(105,588)
Payment to finance lease principal	(17,680)		–	(17,680)
Proceeds from borrowing	78,776		–	78,776
Cash demerged to Cowan Lithium	–	(a)	(750,000)	(750,000)
Repayment of unsecured loan	(1,785,754)		–	(1,785,754)
NET CASH INFLOW FROM FINANCING ACTIVITIES	51,403,754		(750,000)	50,653,754
NET INCREASE IN CASH AND CASH EQUIVALENTS	21,670,856		(17,822,816)	3,848,040
Cash and cash equivalents at the beginning of the period	10,301,767		–	10,301,767
Net foreign exchange difference on cash balances	16,403		–	16,403
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	31,989,026		(17,822,816)	14,166,210

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*Unaudited Pro Forma Historical Consolidated Statement of Financial Position as at
31 December 2017*

	Aggregated historical statement of financial position of Merged Group before Adjustments A\$	Note	Pro forma adjustments for Merged Group A\$	Unaudited Pro Forma Historical Consolidated Statement of Financial Position A\$
Current assets				
Cash and cash equivalents	31,989,026	(b)	550,804	13,001,210
		(a)	(750,000)	
		(c)	(18,788,620)	
Trade and other receivables	6,617,208	(b)	(3,081,857)	3,097,324
		(b)	(275,402)	
		(a)	(162,625)	
Prepayments and deposits	2,462,131	(b)	(275,402)	2,180,193
		(a)	(6,536)	
Inventory	27,346		–	27,346
Total current assets	41,095,711		(22,789,638)	18,306,073
Non-current assets				
Mine properties	24,124,411	(d)	79,856,625	103,981,036
Exploration and evaluation expenditure	7,659,514	(a)	(7,466,000)	77,498,514
		(d)	77,305,000	
Property, plant and equipment	48,303,873	(a)	(21,368)	48,282,505
Deposits	72,932		–	72,932
Reimbursement asset – rehabilitation obligation	662,396	(b)	(662,396)	–
Goodwill	–	(d)	54,132,071	54,132,071
Investment in associate	–	(a)	634,000	634,000
Total non-current assets	80,823,126		203,777,932	284,601,058
Total assets	121,918,837		180,988,294	302,907,131
Current liabilities				
Trade and other payables	17,158,184	(b)	(3,081,857)	13,931,934
		(a)	(144,393)	
Deferred revenue	17,720,000		–	17,720,000
Interest bearing loans and borrowings	94,002		–	94,002
Provisions	225,596		–	225,596
Total current liabilities	35,197,782		(3,226,250)	31,971,532
Non-current liabilities				
Deferred revenue	2,905,000			2,905,000
Interest bearing loans and borrowings	8,356			8,356
Provision for rehabilitation	2,031,154	(b)	(662,396)	1,368,758
Total non-current liabilities	4,944,510		(662,396)	4,282,114
Total liabilities	40,142,292		(3,888,646)	36,253,646
Net assets	81,776,545		184,876,940	266,653,485
Equity				
Contributed equity	166,559,198	(a)	(1,976,000)	349,537,889
		(d)	243,489,966	
		(d)	(58,535,275)	
Reserves	10,839,189	(a)	(3,193,692)	3,796,058
		(d)	(3,849,439)	
Accumulated losses	(95,621,842)	(a)	(2,458,444)	(86,680,462)
		(c)	(18,788,620)	
		(d)	30,188,444	
Total equity	81,776,545		184,876,940	266,653,485

The pro forma historical consolidated statement of financial position of the Merged Group has a net current asset deficiency at 31 December 2017 of \$13,665,459. (Refer to Note 6 for further details).

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Unaudited Pro Forma Historical Consolidated Statement of Financial Position as at 30 April 2018

	Aggregated historical statement of financial position of Merged Group before Adjustments A\$	Note	Pro forma adjustments for Merged Group A\$	Unaudited Pro Forma Historical Consolidated Statement of Financial Position A\$
Current assets				
Cash and cash equivalents	29,163,534	(c)	(18,788,620)	10,374,914
Trade and other receivables	10,378,090	(b)	(7,668,237)	2,709,853
Disposal Group held for distribution	4,225,000	(a)	(4,225,000)	–
Prepayments and deposits	8,552,702	(b)	(5,538,519)	1,826,341
		(d)	(1,187,842)	
Inventory	1,600,972		–	1,600,972
Total current assets	53,920,298		(37,408,218)	16,512,080
Non-current assets				
Mine properties	58,075,833	(d)	74,559,854	132,635,687
Exploration and evaluation expenditure	282,446	(d)	77,305,000	77,587,446
Property, plant and equipment	65,991,195			65,991,195
Deposits	75,280			75,280
Reimbursement asset – rehabilitation obligation	2,664,340	(b)	(2,664,340)	–
Goodwill	–	(d)	57,004,384	57,004,384
Investment in associates	–	(a)	634,000	634,000
Total non-current assets	127,089,094		206,838,898	333,927,992
Total assets	181,009,392		169,430,680	350,440,072
Current liabilities				
Trade and other payables	39,395,806		(13,206,756)	26,189,050
Deferred revenue	19,625,000		–	19,625,000
Interest bearing loans and borrowings	168,911		–	168,911
Provisions	587,327		–	587,327
Total current liabilities	59,777,044		(13,206,756)	46,570,288
Non-current liabilities				
Deferred revenue	1,000,000		–	1,000,000
Interest bearing loans and borrowings	11,210,670	(d)	1,762,730	12,973,400
Provision for rehabilitation	8,038,402	(b)	(2,664,340)	5,374,062
Total non-current liabilities	20,249,072		(901,610)	19,347,462
Total liabilities	80,026,116		(14,108,366)	65,917,750
Net assets	100,983,276		183,539,046	284,522,322
Equity				
Contributed equity	185,787,882	(a)	(1,976,000)	368,766,573
		(d)	243,489,966	
		(d)	(58,535,275)	
Reserves	12,876,655	(a)	(1,615,000)	4,244,099
		(d)	(7,017,556)	
Accumulated losses	(99,268,953)	(a)	1,578,692	(88,488,350)
		(c)	(18,788,620)	
		(d)	27,981,531	
Amounts recognised in equity relating to disposal group	1,587,692	(a)	(1,578,692)	–
Total equity	100,983,276		183,539,046	284,522,322

The pro forma historical consolidated statement of financial position of the Merged Group has a net current asset deficiency at 30 April 2018 of \$30,058,208. (Refer to Note 6 for further details).

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Details of pro forma adjustments and assumptions are as follows:

- (a) Being adjustments to account for the Cowan Lithium Demerger as detailed in Note 4.

For the Unaudited Pro Forma Consolidated Statement of Financial Position as at 31 December 2017 this includes:

- Recognition of the capital distribution split between contributed equity and the demerger reserve (see Note 4);
- recognition of a gain on demerger of \$1,578,692 and an impairment expense of \$4,037,136 calculated using the latest fair value of the Disposal Group to be distributed of \$4,225,000;
- Derecognition of assets and liabilities associated with Cowan Lithium on settlement of the distribution;
- the recycling of the translation reserve realised on Cowan Lithium Demerger of \$1,578,692; and
- the recognition of the 15% retained interest in Cowan Lithium of \$634,000 as an investment in an associate in the Unaudited Pro Forma Historical Financial Information of the Merged Group. This was calculated as 15% of the fair value of the disposal group as set out above.

For the Unaudited Pro Forma Consolidated Statement of Financial Position as at 30 April 2018 this includes:

- Recognition of the capital distribution split between contributed equity and the demerger reserve (see Note 4);
- Derecognition of the assets held for distribution of \$4,225,000;
- the recycling of the translation reserve realised on Cowan Lithium Demerger of \$1,578,692 and the recognition of a gain on disposal of an equivalent amount; and
- the recognition of the 15% retained interest in Cowan Lithium of \$634,000 as an investment in an associate in the Unaudited Pro Forma Historical Financial Information of the Merged Group. This was calculated as 15% of the fair value of the disposal group as set out above.

For the Unaudited Pro Forma Historical Consolidated Statement of Comprehensive Income for the year ended 31 December 2017 this includes:

- recognition of a gain on demerger of \$1,839,369 and an impairment expense of \$1,231,454 calculated using the latest fair value of the Disposal Group to be distributed of \$4,225,000;

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- the recycling of the translation reserve realised on Cowan Lithium Demerger of \$1,839,369; and
- the recognition of the 15% retained interest in Cowan Lithium as an investment in an associate. The Merged Group’s share of losses generated by the Cowan Lithium Group for the year ended 31 December 2017 is considered to be insignificant.

For the Unaudited Pro Forma Historical Consolidated Statement of Cash Flows for the year ended 31 December 2017 this includes the derecognition of payments for exploration costs within investing activities of \$1,165,000 and cash demerged to Cowan Lithium of \$750,000.

- (b) Being adjustments to eliminate intercompany transactions between AMAL and Tawana during the financial year ended 31 December 2017 and intercompany balances between AMAL and Tawana at 31 December 2017 and 30 April 2018. These include:
- elimination of amounts owing between AMAL and Tawana at the respective balance sheet dates;
 - elimination of the Reimbursement Asset recognised by AMAL in relation to AMAL’s right under the Bald Hill Joint Venture to claim 50% of its rehabilitation expenditure from Tawana;
 - elimination of intercompany income, expenditure and cash flows between AMAL and Tawana during the financial year ended 31 December 2017; and
 - the reversal of the loss on disposal of the 50% interest in the Bald Hill Project recognised by AMAL in October 2017 amounting to \$352,249.
- (c) Being adjustments to reflect the estimated transaction costs of \$18,788,620 (which includes estimated stamp duty of \$10.72 million) relating to the Proposed Scheme. These costs have been expensed on a pre-tax basis in the Unaudited Pro Forma Historical Financial Information of the Merged Group.
- (d) Being adjustments to account for the Proposed Scheme as detailed in Note 3. This includes:
- adjustments to eliminate AMAL’s contributed equity (as a result of Tawana being the accounting acquirer), reserves and accumulated losses as at 31 December 2017 for the Unaudited Pro Forma Historical Consolidated Statement of Financial Position as at 31 December 2017 and as at 30 April 2018 for the Unaudited Pro Forma Historical Consolidated Statement of Financial Position as at 30 April 2018;
 - recognition as contributed equity the Pro forma fair value of the deemed consideration transferred amounting to \$243,489,966 as discussed in Note 3;
 - recognition of the fair value uplift on the net assets acquired which includes AMAL’s 50% interest in the net assets of the Bald Hill Joint Venture as discussed in Note 3.

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- (e) The issue of AMAL shares in settlement of unexercised Options at the Implementation Date will be accounted for as a modification of a share based payment arrangement. For the purposes of the Unaudited Pro Forma Historical Financial Information it is assumed that the exchange of shares for options provides the option holders with no incremental benefit and accordingly, no adjustments have been made in preparing the Unaudited Pro Forma Historical Financial Information.

8. Subsequent capital raisings and borrowings

The following capital raisings and borrowings were made by AMAL and Tawana subsequent to 31 December 2017:

AMAL

- On 28 March 2018, the Company entered into a loan deed for up to \$13 million with a consortium of investors to fund the development of the Bald Hill lithium and tantalum mine, which is secured over the Company’s 50% interest in the Bald Hill Joint Venture and its interest in all tenements connected with the joint venture. The loan can be drawn down by the Company for up to \$8 million pending the registration of the mortgage security and up to \$13 million thereafter. The loan is repayable on the second anniversary of the advance date and interest of 11% per annum is payable for the first 6 calendar months, and thereafter at 20% per annum for the remaining tenure. An establishment fee of 1.5% is also payable to the lenders. The lenders were also granted 15.6 million options exercisable at S\$0.4875 per share, expiring 3 years from date of issue. A commission of 5% is payable to the joint arrangers. As at the date of this report, the loan is fully drawn down.
- On 2 May 2018, AMAL issued 76,522,804 ordinary shares to raise A\$25.0 million (before cost) through a fully underwritten placement to sophisticated and institutional investors outside of Singapore.
- On 4 July 2018, AMAL issued 3,500,000 ordinary shares to certain directors and executives of Alliance as part of their remuneration. These shares were valued at \$1.1 million at the date of issue.
- On 4 July 2018, AMAL issued 13,000,000 AMAL Shares to Burwill Holdings Ltd to raise approximately \$4.2 million (approximately S\$4.3 million) (before cost).
- On 24 July 2018, AMAL issued 3,275,115 AMAL Shares to an institutional investor and 7,600,000 AMAL Shares to Canaccord as the underwriter to raise approximately \$3.6 million (approximately S\$3.7 million) (before cost); and

Tawana

- On 5 February 2018, Lithco No.2 Pty Ltd (Lithco), Tawana’s wholly-owned subsidiary which holds Tawana’s 50% interest in the Bald Hill Lithium and Tantalum Mine, executed a binding A\$5 million loan agreement with Red Coast Investment Limited, an investment company nominated by German company Weier Antriebe und Energietechnik GmbH (Weier). The key terms of the loan agreement are

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- Interest of 11% per annum payable quarterly in arrears;
 - Single draw down before 30 June 2018;
 - Maturity and single repayment date of 31 December 2019;
 - Loan may be prepaid at any time before maturity without penalty;
 - No facility fees;
 - Provision of security over Lithco’s interest in the DMS plant.
-
- On 9 April 2018, Tawana raised gross proceeds of A\$20 million (before cost) via the issue of 48,780,488 new fully paid ordinary shares at an issue price of A\$0.41 per Share.
 - On 6 July 2018, gross proceeds of \$4.9 million (before cost) was raised via the issue of 12,195,000 shares.
 - 11,653,060 options were exercised at an average price of \$0.158 per option for proceeds of \$1.8 million.

The above capital raisings and borrowings have not been included in the pro forma adjustments to compile the Unaudited Pro Forma Historical Consolidated Statement of Financial Position at 31 December 2017, and the Unaudited Pro Forma Historical Consolidated Statement of Cash Flows for the year ended 31 December 2017. In respect of the Unaudited Pro Forma Historical Consolidated Statement of Financial Position as at 30 April 2018 any of the capital raising and borrowing activities from 1 May 2018 onwards have not been included in the pro forma adjustments to compile the Unaudited Pro Forma Historical Consolidated Statement of Financial Position at 30 April 2018.

As at 10 August 2018, the cash balances of AMAL and Tawana was \$17,113,265 and \$21,727,919 respectively.

New and amended Accounting Standards and Interpretations issued but not yet effective

Other than AASB 16: *Leases* (“AASB 16”) (IFRS 16) no other new and amended Accounting Standards and Interpretations that have been issued but are not yet effective are expected to have a material impact on the Merged Group in future reporting periods.

AASB 16 (IFRS 16)

Nature of change

AASB 16 (IFRS 16) requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under the existing AASB 117 *Leases* (“AASB 117”) (IAS 17). The standard includes two recognition exemptions for lessees – leases of ‘low-value’ assets (e.g. personal computers) and short-term leases (i.e. leases with a lease

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term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset).

Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting is substantially unchanged from today’s accounting under AASB 117 (IAS 17). Lessors will continue to classify all leases using the same classification principle as in AASB 117 (IAS 17) and distinguish between two types of leases: operating and finance leases.

Application date

Annual reporting periods beginning on or after 1 January 2019.

Impact on initial application

Both AMAL and Tawana are in the process of reviewing their leases and service agreements to assess the impact of AASB 16 (IFRS 16) on adoption. It is expected that some lease commitments may be covered by the exceptions for short-term and low-value leases. Finance and operating lease commitments of the Merged Group as at 30 April 2018 (derived from the interim financial statements of AMAL for the ten months ended 30 April 2018 and the interim of financial statements of Tawana for the four months ended 30 April 2018) are summarised below:

	Merged Group \$
Finance lease commitments	
Not longer than one year	17,000
Longer than one year, but not longer than five years	2,000
Longer than five years	–
Total	19,000
Operating lease commitments	
Not longer than one year	7,068,000
Longer than one year, but not longer than five years	838,000
Longer than five years	–
Total	7,906,000

APPENDIX E – LISTINGS, REGISTRATION, DEALINGS, SETTLEMENT AND DISCLOSURE

LISTINGS

The Company currently has a primary listing of Alliance Shares on the Catalist Board of the SGX-ST, which the Company intends to maintain alongside its proposed dual primary listing of Alliance Shares on the Official List of ASX.

REGISTRATION & CERTIFICATES

The Singapore Share Register is maintained in Singapore by Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 ("**Singapore Share Registrar**"). The Company also maintains an Australian Share Register, which is maintained by Computershare Investor Services Pty Limited at Level 11, 172 St Georges Terrace, Perth WA 6000 ("**Australian Share Registry**").

Shareholders may request share certificates from the Company for Alliance Shares held on the Singapore Share Register. However, for Alliance Shares held on the Australian Share Register they will be held in electronic form and holders will be issued with holding statements.

Subject to the Company's proposed admission to the Official List of ASX, the Company will participate in the Clearing House Electronic Sub-register System ("**CHESS**"). ASX Settlement Pty Ltd ("**ASX Settlement**"), a wholly owned subsidiary of ASX, operates CHESS in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules.

If Alliance Shares are held through a broker or non-broker participant, ASX Settlement will send the Alliance Shareholder a CHESS holding statement. The CHESS holding statement will include the number of Alliance Shares held, the holder identification number ("**HIN**") and the participant identification number of the sponsor.

If an Alliance Shareholder is registered on the issuer-sponsored sub-register, the statement will be dispatched by the Australian Share Registry and will contain the number of Alliance Shares held and the security holder reference number ("**SRN**").

CHESS holding statements or issuer-sponsored statements (as appropriate) will routinely be sent out to Alliance Shareholders at the end of any calendar month during which the balance of their holding changes. Alliance Shareholders may request a statement at any other time, however there may be a charge associated with the provision of this service.

DEALINGS

Dealings in the Alliance Shares on ASX and the SGX-ST will be conducted in Australian dollars and Singapore dollars, respectively. The Alliance Shares are traded on the Catalist Board of the SGX-ST in board lots of 100 Alliance Shares under the stock code 40F. ASX has no set board lots and transactions may be conducted in multiples of 1 Alliance Share. The stock code of the Alliance Shares on ASX will be notified on a later date, and an appropriate announcement will be made.

The brokerage commission in respect of trades of Alliance Shares on ASX varies from broker to broker. Some brokers charge a flat fee and others charge fees based on the total value of the trade (according to a predetermined scale). ASX may charge brokers and non-broker participants a clearing fee based on the transaction value, which participants may choose to pass on Alliance Shareholders within brokerage fees.

APPENDIX E – LISTINGS, REGISTRATION, DEALINGS, SETTLEMENT AND DISCLOSURE

The brokerage commission in respect of trades of Alliance Shares on the SGX-ST is freely negotiable. A clearing fee in Singapore is payable at the current rate of 0.0325% of the transaction value. The clearing fee is subject to goods and services tax in Singapore (currently 7.0%).

SETTLEMENT

Settlement of Dealings in Singapore

Alliance Shares are listed and traded on the Catalist Board of the SGX-ST under the book-entry settlement system of CDP and all dealings in and transactions of Alliance Shares through the SGX-ST are effected in accordance with the terms and conditions for the operation of securities accounts with CDP, as amended from time to time.

CDP, a wholly owned subsidiary of the SGX-ST, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its account holders and facilitates the clearance and settlement of securities transactions between account holders through electronic book-entry changes in the securities accounts maintained by such account holders with CDP.

Alliance Shares will be registered in the name of CDP or its nominees and held by CDP for and on behalf of persons who maintain, either directly or through depository agents, securities accounts with CDP. Persons holding Alliance Shares through a securities account with CDP will not be treated, under the Corporations Act and the Constitution, as members of the Company in respect of the number of Alliance Shares credited to their respective securities accounts with CDP. Depositors and depository agents on whose behalf CDP holds Alliance Shares for may not be accorded the full rights of membership, such as voting rights, the right to appoint proxies, or the right to receive circulars, proxy forms, annual reports, prospectuses and takeover documents. In such an event, depositors and depository agents will be accorded only such rights as CDP may make available to them pursuant to CDP's terms and conditions to act as depository for foreign securities. All Alliance Shares deposited with CDP, for purposes of determining the Company's foreign shareholding levels, if required, will be regarded as being held by CDP, a non-Australian person.

Persons holding Alliance Shares in a securities account with CDP may withdraw the number of Alliance Shares they own from the book-entry settlement system in the form of physical share certificates held on the Singapore Share Register. Such share certificates will not, however, be valid for delivery pursuant to trades transacted on the SGX-ST, although they will be prima facie evidence of title and may be transferred in accordance with the Constitution of the Company. A fee of S\$10 for each withdrawal of 1,000 Alliance Shares or less and a fee of S\$25 for each withdrawal of more than 1,000 Alliance Shares will be payable upon withdrawing of Alliance Shares from the book-entry settlement system and obtaining physical share certificates. In addition, a fee of S\$2 (or such other amounts as the Directors may decide) will be payable to the Singapore Share Registrar for each share certificate issued, and stamp duty at the rate of 0.2% computed on the last-transacted price is payable where Alliance Shares are withdrawn in the name of a third party. Persons holding physical share certificates who wish to trade on the SGX-ST must deposit with CDP their share certificates together with the duly executed instruments of transfer in favour of CDP, and have their respective securities accounts credited with the number of Alliance Shares deposited before they can effect the desired trades. A fee of S\$10 is payable upon the deposit of each instrument of transfer with CDP.

Transactions in Alliance Shares under the book-entry settlement system will be reflected by the seller's securities account being debited with the number of Alliance Shares sold and the buyer's securities account being credited with the number of Alliance Shares acquired. No transfer stamp duty is currently payable for the transfer of Alliance Shares that are settled on a book-entry basis.

APPENDIX E – LISTINGS, REGISTRATION, DEALINGS, SETTLEMENT AND DISCLOSURE

A Singapore clearing fee for trades in Alliance Shares on the SGX-ST is payable at the rate of 0.0325% of the transaction value. The clearing fees, instrument of transfer deposit fees and share withdrawal fees are subject to Singapore goods and services tax of 7.0% (or such other rate as prevailing from time to time).

Dealings in Alliance Shares will be carried out in Singapore dollars and will be effected for settlement in CDP on a scripless basis. Settlement of trades on a normal “ready” basis on the SGX-ST generally takes place on the third market day following the transaction date, and payment for the securities is generally settled on the following day. The timing for the settlement of trades may change in accordance with CDP’s prevailing policies from time to time. CDP holds securities on behalf of investors in securities accounts. An investor may open a direct securities account with CDP or a securities sub-account with a depository agent. A depository agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

Settlement of Dealings in Australia

Investors can transfer Alliance Shares listed on ASX on-market or off-market.

On-market share transfers occur on ASX through a broker, who acts as the investor's agent to buy or sell Alliance Shares on the investor's behalf in exchange for a fee. On-market share transfers are settled electronically through CHES in accordance with the ASX Listing Rules and ASX Settlement Operating Rules. Under the ASX Settlement Operating Rules, on-market transfers of Alliance Shares on ASX settle automatically on the second business day of ASX following the date of the transaction (referred to as T+2).

Off-market transfers of Alliance Shares held on the CHES sub-register are settled electronically through CHES by contacting the broker or non-broker participant with instructions to complete the transfer. An off-market transfer of Alliance Shares held on the issuer-sponsored sub-register can be conducted using a transfer form for non-market transactions forwarded to the Australian Share Registry, who will register the transfer subject to applicable laws. Off-market transfers may be settled at a date agreed by the parties.

Investors will receive a holding statement by mail to their registered address at the end of each month in which a transaction has occurred from ASX Settlement (in the case of Alliance Shares on the CHES sub-register) or by the Australian Share Registry (in the case of Alliance Shares on the issuer-sponsored sub-register) within five business days of the holding being established.

Dividends

Dividends may be declared and paid in Singapore or Australian dollars and may be converted from Singapore dollars to Australian dollars (or vice versa) before payment at the discretion of the Board.

Foreign Exchange Risk

Investors in Singapore who trade in Alliance Shares on the SGX-ST should note that their trades will be effected in Singapore dollars. Investors in Australia who trade in Alliance Shares on ASX should note that their trades will be effected in Australian dollars. Accordingly, investors should be aware of the foreign exchange risks associated with such trading.

APPENDIX E – LISTINGS, REGISTRATION, DEALINGS, SETTLEMENT AND DISCLOSURE

REMOVAL AND/OR TRANSFER OF SHARES

Transfer of Alliance Shares

All duties, fees and expenses specified herein are subject to changes from time to time.

For the purpose of trading on ASX following the Proposed Dual Listing, Alliance Shares must be registered on the Australian Share Register. Alliance Shares may be transferred between the Singapore Share Register and the Australian Share Register. An investor who wishes to trade on the SGX-ST must have a securities account with CDP or securities sub-account with a CDP depository agent.

From the SGX-ST to the ASX

Following the Proposed Dual Listing, if an investor whose Alliance Shares are traded on the SGX-ST wishes to trade his or her Alliance Shares on ASX, he or she must effect a removal of Alliance Shares from the Singapore Share Register to the Australian Share Register.

A removal of Alliance Shares from the Singapore Share Register to the Australian Share Register involves the following procedures:

- (1) If the investor's Alliance Shares have been deposited with CDP, the investor must first withdraw his or her Alliance Shares from CDP by completing a Request for Withdrawal of Securities Form and a transfer form, available from CDP and submitting the same to CDP together with payment of the amounts prescribed by CDP from time to time.
- (2) The investor must complete a Register Removal Request Form (Singapore to Australia), available from the Singapore Share Registrar, and submit the form to the Singapore Share Registrar, together with payment of the amounts prescribed by the Singapore Share Registrar from time to time.
- (3) CDP will then send the duly completed transfer form, together with the relevant share certificate(s) registered under the name of CDP to the Singapore Share Registrar directly.
- (4) Upon receipt of the duly completed transfer form and the relevant share certificate(s) from CDP and the Register Removal Request Form (Singapore to Australia) together with payment of the amounts prescribed by the Singapore Share Registrar from time to time from the investor, the Singapore Share Registrar shall take all actions necessary to effect the transfer and removal of Alliance Shares on the Singapore Share Register. On completion, the Singapore Share Registrar shall then notify the Australian Share Registrar of the removal.
- (5) The Australian Share Registrar will register the Shares on either the issuer-sponsored or CHES sub-register in accordance with the instructions on the Register Removal Request Form (Singapore to Australia).
- (6) Investors recorded on the CHES sub-register will be issued, at the end of the calendar month in which the transfer occurs, with a holding statement confirming the Alliance Shares transferred and details of the Alliance Shareholder's HIN. Investors recorded on the issuer-sponsored sub-register will be issued within five business days a holding statement confirming the Alliance Shares transferred and details of the Alliance Shareholder's SRN.

APPENDIX E – LISTINGS, REGISTRATION, DEALINGS, SETTLEMENT AND DISCLOSURE

From the ASX to the SGX-ST

If an investor whose Alliance Shares are traded on ASX wishes to trade his or her Alliance Shares on the SGX-ST, he or she must effect a removal of the Alliance Shares from the Australian Share Register to the Singapore Share Register. Such removal and deposit of Alliance Shares with CDP would involve the following procedures:

- (1) Holders of Alliance Shares on the CHESSE sub-register must contact their sponsoring broker or non-broker participant with instructions to transfer the Alliance Shares from the Australian Share Register to the Singapore Share Register, who will then arrange to convert the holder's Alliance Shares to an issuer-sponsored holding and submit an online form to the Australian Share Registrar.
- (2) Holders of Alliance Shares on the issuer-sponsored sub-register must complete a Register Removal Request Form (Australia to Singapore), available from the Australian Share Registrar, and submit the form to the Australian Share Registrar together with original certified ID and payment of any amounts prescribed by the Singapore Share Registrar from time to time.
- (3) If the investor would like to have Alliance Shares credited directly into his or her securities account or sub-account with a CDP depository agent, he or she must indicate it on the Register Removal Request Form (Australia to Singapore). He or she should submit the Register Removal Request Form (Australia to Singapore) with payment of any amounts prescribed by CDP from time to time at the same time he or she submits the relevant documents to the Australian Share Registrar (as contemplated in paragraph (2) above). The investor should ensure that he or she has a securities account or sub-account with a CDP depository agent before he or she can complete and sign off on delivery instruction set out in the Register Removal Request Form (Australia to Singapore).
- (4) Upon receipt of the Register Removal Request Form (Australia to Singapore) and payment of the amounts prescribed by the Singapore Share Registrar and CDP, if applicable and where appropriate, the Australian Share Registrar shall take all actions necessary to effect the transfer and the removal of the Alliance Shares from the Australian Share Register to the Singapore Share Register.
- (5) The Australian Share Registrar shall then notify the Singapore Share Registrar of the removal whereupon the Singapore Share Registrar shall update the Singapore Share Register. Upon completion, the Singapore Share Registrar shall issue the relevant share certificate(s) in the name of the investor or CDP, where the case may be, and deliver the share certificate(s) to the investor or CDP.
- (6) For investors who would like to have Alliance Shares credited directly into his or her securities account or sub-account with a CDP depository agent, CDP shall credit the specified number of Alliance Shares into the investor's securities account or sub-account with a CDP depository agent upon receipt of the relevant documents and prescribed payment from the Singapore Share Registrar. The investor should ensure that the Alliance Shares are credited to his or her securities account or sub-account with a CDP depository agent before dealing in the Alliance Shares.

For those Alliance Shares that are registered on the Singapore Share Register, any transfer thereof or dealings therein will be subject to Singapore stamp duty.

All costs attributable to the removal of Alliance Shares from the Australian Share Register to the Singapore Share Register and any removal from the Singapore Share Register to the Australian Share Register shall be borne by the Alliance Shareholder requesting the removal. The Singapore Share Registrar will charge S\$30 (or such other amount as may be prescribed from time to time) for each removal of Alliance Shares, a fee of S\$2 (plus applicable stamp duties) for each transfer form in respect of transfer of Alliance Shares and any applicable fee as stated in the register removal request forms used in Australia or Singapore. The fees charged by the Singapore Share Registrar are subject to Singapore goods and services tax of 7.0% (or such other rate as prevailing from time to time). The Australian Share Register does not charge Alliance

APPENDIX E – LISTINGS, REGISTRATION, DEALINGS, SETTLEMENT AND DISCLOSURE

Shareholders for processing removals, in either direction, between Alliance's Australian and Singapore Share Registers.

DISCLOSURE OF SUBSTANTIAL HOLDINGS OF SHARES

In Singapore, the disclosure of substantial holdings in a company listed on the SGX-ST is governed by the SFA while that in Australia is governed by the Corporations Act.

Under the SFA, a shareholder of the Company must give written notice to the Company within two business days of becoming aware that (a) he or she has become a substantial shareholder (being a person who has an interest in the voting shares of the Company for which the total votes attached to such shares is not less than 5% of the total votes attached to all voting shares of the Company); (b) when there has been a change in the percentage level of his or her shareholding interest; or (c) he or she has ceased to be a substantial shareholder. Under the SFA, the Company has the obligation to keep a register of substantial shareholding interests, and to announce such information to the SGX-ST no later than the end of the following business day after receiving from the shareholder written notice of his or her new substantial shareholding interest, change in substantial shareholding interest or cessation of substantial shareholding interest.

Under the Corporations Act, a shareholder who begins or ceases to have a substantial holding in a company listed on the ASX or has a substantial holding in a company listed on the ASX, and where there is a movement by at least 1% in his or her holding, must give a notice to the Company and the ASX. A person has a substantial holding if that person and that person's associates have a relevant interest in 5% or more of the voting shares in the Company.

**APPENDIX F – SUMMARY OF MATERIAL DIFFERENCES BETWEEN
THE CATALIST RULES AND THE ASX LISTING RULES**

This comparison is not an exhaustive statement of all relevant ASX Listing Rules and does not purport to be complete and is qualified in its entirety by reference to the full text of such materials. The below tables summaries the additional requirements (in addition to the Catalist Rules and Corporations Act) that the Company will be required to comply with upon completion of the Proposed Dual Listing. Alliance Shareholders should review the full text of such materials. Alliance Shareholders should consult with their own legal adviser if they require further information.

Issue	Current Requirements Under the Catalist Rules	Additional Requirements under the ASX Listing Rules
Issue of Equity Securities	<p><i>General Rule</i></p> <p>The Company must obtain prior shareholder approval for the issue of equity securities.</p>	<p><i>General Rule</i></p> <p>Subject to specified exceptions set out below, the Company will be restricted from issuing or agreeing to issue more equity securities than the number calculated below in any 12 month period unless the Company has obtained prior shareholder approval, that is 15% of the total of:</p> <ul style="list-style-type: none"> (a) the number of shares on issue 12 months before the date of the issue or agreement to issue; plus (b) the number of shares issued in the 12 months before the date of the issue or agreement to issue without shareholder approval but pursuant to one of the specified exceptions; plus (c) the number of shares issued in the preceding 12 months with shareholder approval; less (d) the number of partly paid shares that became fully-paid in the 12 months; plus (e) the number of shares cancelled in that 12 month period; less (f) the number of equity securities issued or agreed to be issued in the preceding 12 months without shareholder approval and without the benefit of one of the specified exceptions.

**APPENDIX F – SUMMARY OF MATERIAL DIFFERENCES BETWEEN
THE CATALIST RULES AND THE ASX LISTING RULES**

Issue	Current Requirements Under the Catalist Rules	Additional Requirements under the ASX Listing Rules
	<p><i>Exceptions to the General Rule</i></p> <p>Shareholder approval is not required if shareholders approve a mandate to the directors, either conditionally or unconditional, to issue equity securities.</p> <p>If the mandate is approved by ordinary resolution, the Company must not issue more than 50% of the Company's issued capital as at the time of approving the mandate, unless by way of pro rata issue in which case the limit may be 100% of the Company's issued capital as at the time of approving the mandate.</p> <p>If the mandate is approved by special resolution, the Company must not issue more than 100% of the Company's issued capital as at the time of approving the mandate.</p> <p>The Company cannot rely on the general mandate for an issue of convertible securities if the maximum number of shares to be issued upon conversion cannot be determined at the time of issue of the convertible securities.</p>	<p><i>Exceptions to the General Rule</i></p> <p>The Company may issue or agree to issue equity securities in excess of its annual placement capacity and without obtaining shareholder approval if the issue or agreement to issue is:</p> <ul style="list-style-type: none"> (a) a pro rata issue; (b) an issue under an underwriting agreement in relation to a pro rata issue; (c) upon conversion of convertible securities which were issued in compliance with the ASX Listing Rules; (d) under a takeover bid or scheme of arrangement; (e) to fund the cash component of a takeover bid (excluding a reverse takeover) or scheme of arrangement; (f) under a dividend distribution plan; or (g) under an employee incentive scheme which has been approved by shareholders.

**APPENDIX F – SUMMARY OF MATERIAL DIFFERENCES BETWEEN
THE CATALIST RULES AND THE ASX LISTING RULES**

Issue	Current Requirements Under the Catalist Rules	Additional Requirements under the ASX Listing Rules
	<p><i>Issues to related parties</i></p> <p>Except in the case of an issue made on a pro rata basis to shareholders, no director of the Company, or associate of the director, may participate directly or indirectly in an issue of equity securities unless shareholders in general meeting have approved the specific allotment.</p> <p>The Company must not place an issue of equity securities to any of the following persons unless shareholder approval is obtained (with the person and their associates abstaining from voting):</p> <ul style="list-style-type: none"> (a) the Company's directors and substantial shareholders; (b) immediate family members of the directors and substantial shareholders; (c) substantial shareholders, related companies, associated companies and sister companies of the Company's substantial shareholders; (d) corporations in whose shares the Company's directors and substantial shareholders have an aggregate interest of at least 10%; or (e) any person who, in the opinion of SGX, falls within the above categories. 	<p><i>Issues to related parties</i></p> <p>The Company will not be permitted to issue or agree to issue equity securities to a related party without obtaining shareholder, unless the issue or agreement to issue is:</p> <ul style="list-style-type: none"> (a) a pro rata issue; (b) under an underwriting agreement in relation to a pro rata issue; (c) under a dividend reinvestment plan; (d) under an employee incentive scheme; (e) under a takeover bid or scheme of arrangement; (f) upon conversion of convertible securities which were issued in compliance with the ASX Listing Rules; or (g) under an agreement to issue the securities and the Company was in compliance with the ASX Listing Rules when it entered into the agreement. <p>Such persons and their associates must abstain from exercising any voting rights on the matter.</p>

**APPENDIX F – SUMMARY OF MATERIAL DIFFERENCES BETWEEN
THE CATALIST RULES AND THE ASX LISTING RULES**

Issue	Current Requirements Under the Catalist Rules	Additional Requirements under the ASX Listing Rules
<p>Transaction involving persons of influence</p>	<p><i>General Rule</i></p> <p>The Company must obtain shareholder approval for any "interested person transaction" of a value equal to, or more than:</p> <ul style="list-style-type: none"> (a) 5% of the Alliance Group's latest audited net tangible assets; or (b) 5% of the Alliance Group's latest audited net tangible assets, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation, <p>unless the value of the transaction is less than S\$100,000.</p> <p>An "interested person transaction" is a transaction between the Company and a director, chief executive officer, or controlling shareholder of the Company (and their associates).</p> <p>A "controlling shareholder" of the Company is defined as a person who:</p> <ul style="list-style-type: none"> (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company. The SGX may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over a company. 	<p><i>General Rule</i></p> <p>The Company (including its child entities) will be prohibited from acquiring a substantial asset (being an asset the value or consideration for which is 5% or more of the Company's equity interests) from, or disposing a substantial asset to, the following persons without obtaining shareholder approval:</p> <ul style="list-style-type: none"> (c) a related party; (d) a child entity; (e) a shareholder of the Company, if that person (and their associates) have a relevant interest in, or had a relevant interest at any time on the past 6 months, in at least 10% of the shares in the Company; (f) an associate of a person referred to above; or (g) a person whose relationship with the Company is such that ASX determined that the rule should apply. <p>For the purpose of obtaining shareholder approval, shareholders are required to be provided with an independent experts report opining on whether the proposed transaction is fair and reasonable.</p> <p>If an acquisition captured by the general rule is of a classified asset, the consideration must be restricted (escrowed) securities. This rule does not apply if the consideration is reimbursement of expenditure incurred in developing the classified asset.</p> <p>A "classified asset" includes:</p> <ul style="list-style-type: none"> (a) an interest in a mining exploration area (or similar); (b) an interest in intangible property that is substantially speculative or unproven;

**APPENDIX F – SUMMARY OF MATERIAL DIFFERENCES BETWEEN
THE CATALIST RULES AND THE ASX LISTING RULES**

Issue	Current Requirements Under the Catalist Rules	Additional Requirements under the ASX Listing Rules
	<p style="text-align: center;"><i>Exception to the General Rule</i></p> <p>The following transactions are not required to comply with the General Rule:</p> <ul style="list-style-type: none"> (a) payment of dividends, a subdivision of shares, an issue of securities by way of a bonus issue, a preferential offer, or an off-market acquisition of the Company's shares, made to all shareholders on a pro-rata basis, including the exercise of rights, options or company warrants granted under the preferential offer; (b) the grant of options, and the issue of securities pursuant to the exercise of options, under an employees' share option scheme for which a listing and quotation notice has been issued by the SGX; (c) a transaction between an entity at risk and an investee company, where the interested person's interest in the investee company, other than that held through the Company, is less than 5%; (d) a transaction in marketable securities carried out in the open market where the counterparty's identity is unknown to the Company at the time of the transaction; (e) Director's fees and remuneration, and employment remuneration (excluding "golden parachute" payments); 	<ul style="list-style-type: none"> (c) an interest in an asset which, in ASX's opinion, cannot readily be valued; or (d) an interest in an entity the substantial proportion of whose assets is of the type referred to above. <p style="text-align: center;"><i>Exception to the General Rule</i></p> <p>The Company may acquire or dispose of a substantial asset without shareholder approval if:</p> <ul style="list-style-type: none"> (a) the transaction is between the Company and a wholly-owned subsidiary; (b) the transaction is between wholly-owned subsidiaries of the Company; (c) the transaction is an issue of securities by the Company for cash; or (d) the transaction is between the Company and a person who is a related party by reason only of the transaction.

**APPENDIX F – SUMMARY OF MATERIAL DIFFERENCES BETWEEN
THE CATALIST RULES AND THE ASX LISTING RULES**

Issue	Current Requirements Under the Catalist Rules	Additional Requirements under the ASX Listing Rules
	<p>(f) Certain insurance coverage and indemnities for directors and chief executive officers against liabilities attaching to them in relation to their duties as officers of the entity at risk;</p> <p>(g) the entering into, or renewal of a lease or tenancy of real property of not more than 3 years if the terms are supported by independent valuation;</p> <p>(h) an investment in a joint venture with an interested person (subject to certain requirements); and</p> <p>(i) the provision of a loan to a joint venture with an interested person (subject to certain requirements).</p>	
Significant transactions	<p>If the Company proposes to undertake a major transaction, as classified under the Catalist Rules, the transaction must be made conditional upon approval by shareholders in general meeting. A circular containing certain specified requirements must be sent to all shareholders.</p>	<p>If the Company proposes to make a significant change to the nature or scale of its activities, the ASX may require the Company to obtain shareholder approval or re-comply with the ASX Listing Rules admission requirements (or both).</p> <p>If the Company proposes a significant change to its activities which constitutes a disposal of the Company's "main undertaking" (meaning main business activity and different from main asset or main investment) it must obtain shareholder approval prior to making the disposal.</p>
Periodic Reporting	<p><i>Quarterly</i></p> <p>The Company must announce its financial statements for each of the first three quarters of the financial year immediately after the figures are available, but in any event not later than 45 days after the quarter end.</p>	<p><i>Quarterly</i></p> <p>The Company must give the ASX a quarterly activities report for each calendar quarter no later than 1 month after the end of the quarter.</p>

**APPENDIX F – SUMMARY OF MATERIAL DIFFERENCES BETWEEN
THE CATALIST RULES AND THE ASX LISTING RULES**

Issue	Current Requirements Under the Catalist Rules	Additional Requirements under the ASX Listing Rules
	<p><i>Half Yearly</i></p> <p>The Company does not have any additional half-yearly reporting obligations</p>	<p><i>Half Yearly</i></p> <p>The Company must give the ASX its reviewed half-year accounts (along with the review report) no later than 75 days after the end of the accounting period.</p>
	<p><i>Annual</i></p> <p>The Company must announce the financial statements for the full financial year immediately after the figures are available, but in any event not later than 60 days after the financial period.</p>	<p><i>Annual</i></p> <p>The Company must give ASX its annual report no later than 3 months after the end of the accounting period.</p>
Retirement Benefits	Termination benefits which constitute "golden parachute" payments are considered to be "interested person transactions" (see above).	Under the ASX Listing Rules, termination benefits to directors (that are or may be payable to all officers) must not exceed 5% of the equity interests of the company as set out in its latest financial statements given to the ASX. The 5% limit may, however, be exceeded with shareholder approval.
Trading Halts	The Company is permitted to halt trading in its securities for a maximum of 3 market days or such short extension as the SGX agrees.	Under the ASX Listing Rules, the Company will only be permitted to halt trading in its securities for a maximum of 2 trading days.

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**APPENDIX G – NEW CONSTITUTION
(WITH PROPOSED AMENDMENTS MARKED UP)**

CORPORATIONS ACT 2001

CONSTITUTION

of

Alliance Mineral Assets Limited

ACN 147 383 735

Adopted by Special Resolution of the members on 16th June 2014

**APPENDIX G – NEW CONSTITUTION
(WITH PROPOSED AMENDMENTS MARKED UP)**

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APPENDIX G – NEW CONSTITUTION (WITH PROPOSED AMENDMENTS MARKED UP)

CORPORATIONS ACT
CONSTITUTION
of
Alliance Mineral Assets Limited
ACN 147 393 735

1. INTERPRETATION

1.1 Definitions

In this Constitution:

Alternate Director means a person appointed as an alternate director under clause 14.7.

Applicable Law means the Corporations Act and the Listing Rules.

ASIC means Australian Securities and Investments Commission.

[ASX means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange as operated by ASX Limited \(as the context requires\).](#)

[ASX Settlement means ASX Settlement Pty Ltd ACN 008 504 532.](#)

[ASX Settlement Operating Rules means the ASX Settlement Operating Rules issued by ASX Settlement from time to time.](#)

[CHESS means the clearing house electronic sub-register system as defined in the ASX Settlement Operating Rules.](#)

Auditor means the Company's auditor.

Bonus Share Plan means a plan implemented under clause 22.

CDP means the Central Depository (Pte) Limited, a company incorporated in Singapore and a wholly-owned subsidiary of Singapore Exchange Ltd.

Company means Alliance Mineral Assets Limited (ACN 147 393 735) or as it is from time to time named in accordance with the Corporations Act of this jurisdiction.

Constitution means this Constitution as altered or amended from time to time.

Corporations Act means the *Corporations Act 2001* (Cth).

Corporations Regulations means the *Corporations Regulations 2001* (Cth).

Depositor means a person who has an account directly with the Depository and not through a depository agent or a depository agent (being an entity registered as a "depository agent" with the Depository for the purpose of maintaining securities sub-accounts for its own account and for the account of others).

Depository means a depository which operates a system for the deposit and custody of securities or which permits or facilitates the settlement of securities transactions or dealings in securities without the physical delivery of scrips which includes the CDP.

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Depository Register means a register maintained by the Depository in respect of book-entry securities.

Director means a person appointed to the position of a director of the Company and where appropriate, includes an Alternate Director.

Directors means all or some of the Directors acting as a board.

Dividend Date means, in relation to a Preference Share, a date specified in the Issue Resolution on which a dividend in respect of that Preference Share is payable.

Dividend Rate means, in relation to a Preference Share, the term specified in the Issue Resolution for the calculation of the amount of dividend to be paid in respect of that Preference Share on any Dividend Date, which calculation may be wholly or partly established by reference to an algebraic formula.

Dividend Reinvestment Plan means a plan implemented under clause 23.

Duty means any transfer, transaction or registration duty or similar charge imposed by any Government Authority and includes any interest, fine, penalty, charge or other amount imposed in respect of any of them.

Exchange means the SGX-ST and ASX (for so long as the securities of the Company are listed or quoted on the SGX-ST and ASX) and/or such other stock exchange on which the Company is listed or approved to be listed.

Franked Dividend has the same meaning ascribed to Franked Distribution in Part 3-6 of the Tax Act.

Government Authority means a government or government department, a governmental or semi-governmental or judicial person (whether autonomous or not) charged with the administration of any applicable law.

Issue Resolution means the resolution specified under clause 2.7.

Listing Rules means the rules in the listing manual of ~~the~~each Exchange and any other rules of ~~the Exchange~~those Exchanges which are applicable while the Company is admitted to the official list of ~~the~~each Exchange, each as amended or replaced from time to time, except to the extent of any express written waiver by ~~the~~an Exchange.[†]

[Marketable Parcel has the meaning given in the definition of marketable parcel in the Listing Rules.](#)

Market Days mean means a day on which the Exchange (and where applicable, any other securities exchange upon which Shares in the Company are listed) is open for trading in securities.

Office means the registered office of the Company.

Officer means any Director or Secretary of the Company or such other person within the meaning of that term as defined by the Corporations Act.

Preference Share means a preference share issued under clause 2.6.

Redeemable Preference Share means a Preference Share which the Issue Resolution specified as being, or being at the option of the Company to be, liable to be redeemed.

[†]—Definition required by Listing Rule 15.11.1 and Appendix 15A.

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Redemption Amount means, in relation to a Redeemable Preference Share, the amount specified to be paid on redemption of the Redeemable Preference Share.

Redemption Date means, in relation to a Redeemable Preference Share, the date specified in the Issue Resolution for the redemption of that Preference Share.

Registered Office means the registered office of the Company in the State.

Register of Shareholders means the register of Shareholders kept by the Company in accordance with section 169 of the Corporations Act (including any branch register established pursuant to clause ~~7.97.7~~).

Related Body Corporate means a corporation which by virtue of the provisions of section 50 of the Corporations Act is deemed to be related to the relevant corporation and related has a corresponding meaning.

Representative means a person authorised to act as a representative of a corporation under clause ~~44.30~~11.32.

Restricted Securities refers to the securities under moratorium pursuant to the Listing Rules.

Seal means the common seal of the Company and includes any official seal and, where the context so admits, the Share Seal of the Company.

Secretary means any person appointed to perform the duties of a secretary of the Company.

SGX-ST means the Singapore Exchange Securities Trading Limited.

Share means a share in the capital of the Company.

Shareholder means a person or company registered in the Register of Shareholders as the holder of one (1) or more Shares and includes any person or company who is a member of the Company in accordance with or for the purposes of the Corporations Act.

Share Option means an option to require the Company to allot and issue a Share.

Share Seal means the duplicate common seal referred to in clause 17.3.

State means Western Australia.

Tax Act means the Income Tax Assessment Act 1997.

Unmarketable Parcel means a holding of Shares which is less than a "marketable parcel" as defined under the ASX Listing Rules.

1.2 Interpretation

- (i) A reference in this Constitution to a partly paid Share is a reference to a Share on which there is an amount unpaid.
- (ii) A reference in this Constitution to an amount unpaid on a Share includes a reference to any amount of the issue price which is unpaid.
- (iii) Unless the contrary intention appears, in this Constitution:
 - (A) the singular includes the plural and the plural includes the singular;

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- (B) words that refer to any gender include all genders;
 - (C) words used to refer to persons generally or to refer to a natural person include a body corporate, body politic, partnership, joint venture, association, board, group or other body (whether or not the body is incorporated);
 - (D) a reference to a person includes that person's successors and legal personal representatives;
 - (E) a reference to a statute or regulation, or a provision of any of them includes all statutes, regulations or provisions amending, consolidating or replacing them, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
 - (F) a reference to the Listing Rules is to the Listing Rules that are in force from time to time in relation to the Company includes any variation, consolidation or replacement of those rules and is to be taken to be subject to any applicable waiver or exemption of such Listing Rules in force generally or in relation to the Company, and has effect only if at that time the Company is included in the Official List of the Exchange; and
 - (G) writing shall include printing and lithography and any other mode or modes of representing or reproducing words, symbols or other information which may be displayed in visible form, whether in a physical document or in an electronic communication or form or otherwise howsoever.
- (iv) In this Constitution, headings and body type are only for convenience and do not affect the meaning of this Constitution.

1.3 Corporations Act Definitions

Any word or expression defined in or for the purposes of the Corporations Act shall, unless otherwise defined in clause 1.1 or the context otherwise requires, have the same meaning when used in this Constitution, and the rules of interpretation specified in or otherwise applicable to the Corporations Act shall, unless the context otherwise requires, apply in the interpretation of this Constitution.

1.4 Status of Constitution

This Constitution is adopted by the Company in substitution for any former memorandum and articles of association or other consistent documents of the Company. To the extent permitted by law, the replaceable rules provided for in the Corporations Act do not apply to the Company.

1.5 Displacement of Replaceable Rules

The provisions of the Corporations Act that apply to public companies as replaceable rules are displaced completely by this Constitution in relation to the Company except to the extent they are repeated in this Constitution.

1.6 Enforceability

If any provision of this Constitution is or becomes illegal, invalid or unenforceable in any jurisdiction then that illegality, invalidity or unenforceability does not affect the legality, validity or enforceability in that jurisdiction of any other provision of this Constitution or the legality, validity or enforceability in any other jurisdiction of that provision or any other provision of this Constitution.

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1.7 Jurisdiction

The courts having jurisdiction in the State of Western Australia have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this Constitution and each Shareholder irrevocably submits to the jurisdiction of those courts.²

2. SHARE CAPITAL AND VARIATION OF RIGHTS

2.1 Rights Attaching to Shares

Subject to this Constitution and to the terms of issue of Shares, all Shares attract the right to receive notice of and to attend and vote at all general meetings of the Company, the right to receive dividends, in a winding up or a reduction of capital, the right to participate equally in the distribution of the assets of the Company (both capital and surplus), subject to any amounts unpaid on the Share and, in the case of a reduction, to the terms of the reduction.

2.2 Issue of Shares

Without prejudice to any special rights previously conferred on the holders of any existing Shares or class of Shares, unissued Shares shall be under the control of the Directors and, subject to the Corporations Act, the Listing Rules and this Constitution, the Directors may at any time issue such number of Shares either as ordinary Shares or Shares of a named class or classes (being either an existing class or a new class) at the issue price that the Directors determine and with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital or otherwise, as the Directors shall, in their absolute discretion, determine.

2.3 Share Options

Subject to the Listing Rules, the Directors may at any time and from time to time issue Share Options on such terms and conditions as the Directors shall, in their absolute discretion, determine.

2.4 Variation of class rights

- (i) If at any time the share capital of the Company is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may be varied, whether or not the Company is being wound up, and subject to the Listing Rules and in accordance with clause 2.4(ii) below, be varied with the consent in writing of the Shareholders of at least three quarters of the issued Shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the Shares of the class.
- (ii) The repayment of preference capital other than redeemable preference capital, or any alteration of preference shareholders' rights, may only be made pursuant to a special resolution of the preference shareholders concerned, provided always that where the necessary majority for such a special resolution is not obtained at the general meeting, consent in writing if obtained from holders of at least three quarters of the Preference Shares concerned within two (2) months of the general meeting, shall be as valid and effectual as a special resolution being carried out at the general meeting.
- (iii) Any variation of rights under this clause 2.4 shall be subject to Part 2F.2 of Chapter 2F of the Corporations Act. The provisions of this Constitution relating to general meetings shall apply so far as they are capable of application and with necessary

² ~~In some circumstances the client may prefer to have this rule refer to the courts of a state/territory other than the state/territory in which it is taken to be registered.~~

APPENDIX G – NEW CONSTITUTION (WITH PROPOSED AMENDMENTS MARKED UP)

alterations to every such separate meeting except that a quorum is constituted by two (2) persons who together hold or represent by proxy not less than one-third of the issued Shares of the class.

2.5 Effect of Share issue on class rights

Subject to above clause 2.4, the rights attached to any class of shares are not taken to be varied by the issue or creation of further shares ranking equally with them unless expressly provided by the terms of issue of the shares of that class.³

2.6 Issuance of Preference Shares

(i) Subject to the Listing Rules and the Corporations Act, the Company may issue Preference Shares:

- (A) that are liable to be redeemed whether at the option of the Company or otherwise;
- (B) including, without limitation Preference Shares of the kind described in clause 2.6(i)(A) in accordance with the terms of Schedule 1;⁴ and
- (C) ranking equally with, or in priority to, preference shares already issued,

provided that the total number of issued Preference Shares shall not exceed the total number of issued ordinary shares issued at any time.

(ii) Each Preference Share also confers upon its holder the same rights as the holders of ordinary Shares to receive notices, reports, audited accounts and balance sheets of the Company and to attend general meetings and confers upon its holder the right to vote at any general meeting of the Company in each of the following circumstances and in no others:

- (A) during a period during which a dividend (or part of a dividend) in respect of the Preference Share is in arrears for more than six (6) months;
- (B) on a proposal to reduce the Company's share capital;
- (C) on a proposal that affects the rights and privileges of the holders of the Preference Shares;
- (D) on a proposal to wind up the Company;
- (E) on a proposal for sanctioning a sale of the Company's property, business and undertaking; and
- (F) in any other circumstances in which the Listing Rules require holders of preference shares to vote.

³—The purpose of this rule is to authorise a further issue of preference shares ranking equally with an existing class of preference shares for the purposes of section 246C(6)(b) of the Corporations Act, avoiding the need for a separate approval of the existing preference shareholders. Note that the issue of new preference shares ranking ahead of the existing class of preference shares is a variation of the class rights of the existing preference shares.

⁴—Under section 254A of the Corporations Act, a company can issue preference shares only if the rights attached to them with respect to repayment of capital, participation in surplus assets and profits, cumulative and non-cumulative dividends, voting and priority of payment of capital and dividends are set out in the constitution or have been otherwise approved by special resolution. The purpose of this rule and Schedule 1 is to include in the constitution a set of umbrella terms covering those matters but leaving scope for the directors to fix precise terms of any particular issue of preference shares. If the terms of issue of any preference shares are consistent with the umbrella terms then shareholder approval is not required under section 254A for the issue of those shares (but shareholder approval may be required for some other reason). Issuing preference share in accordance with the umbrella terms also avoids a deemed variation of the rights attaching to issued shares under section 246C(5) of the Corporations Act, which would require a separate shareholder approval.

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2.7 Alteration of Share capital

Subject to any direction to the contrary that may be given by the Company in the general meeting or except as permitted under the Listing Rules, all new Shares shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as far as the circumstances admit, to the amount of the existing Shares to which they are entitled. The offer shall be made by notice specifying the number of Shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined. After expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the Shares offered, the Board may dispose of those Shares in such manner as they think most beneficial to the Company. The Board may likewise dispose of any new Shares which (by reason of the ratio which the new Shares bear to Shares held by persons entitled to an offer of new Shares) cannot, in the opinion of the Board, be conveniently offered under this clause.

2.8 Recognition of Trusts

Except as permitted or required by the Corporations Act, the Company shall not recognise a person as holding a Share or Share Option upon any trust.

2.9 Unregistered Interests

The Company is not bound by or compelled in any way to recognise any equitable, contingent, future or partial right or interest in any Share or Share Option (whether or not it has notice of the interest or right concerned) unless otherwise provided by this Constitution or by law, except an absolute right of ownership in the registered holder of the Share or Share Option.

2.10 Share Certificates and Share Option Certificates

Subject to clause 3, the Corporations Act and the Listing Rules, a person whose name is entered as a Shareholder in the Register of Shareholders is entitled to receive Share certificates in reasonable denominations in respect of the Shares for his holding. ~~Where a~~ No fee 's will be charged for new Share certificates, ~~such charge shall not exceed two (2) Singapore dollars, or foreign currency equivalent, for each new Share certificate (or such other fee as the Board may from time to time determine having regard to any limitation thereof as may be prescribed by the Exchange upon which securities the Company are listed).~~ In addition:

- (i) Share certificates or notices in respect of Shares shall only be issued in accordance with the Listing Rules;
- (ii) subject to this Constitution, the Company shall dispatch all appropriate Share certificates within one (1) month from the date of issue of any of its Shares and within one (1) month after the date upon which a transfer of any of its Shares is lodged with the Company;
- (iii) subject to the requirements under Section 1070D of the Corporations Act, if a Share certificate is lost, stolen, worn out, destroyed or defaced, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the Shareholder, transferee, person entitled, purchaser, member company of the Exchange or on behalf of its/their client(s) as the Directors of the Company shall require, and in the case of defacement or wearing out, on delivery of the old certificate ~~and in any case on payment of such sum not exceeding two (2) dollars as the Directors may from time to time require.~~ In the case of destruction, loss or theft, a Shareholder or person entitled to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss; and

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- (iv) the above provisions of this clause 2.10 shall, with necessary alterations, apply to Share Options.

2.11 Section 1071H of the Corporations Act

Clause 2.11 shall not apply if and to the extent that, on an application by or on behalf of the Company, the ASIC has made a declaration under section 1071H (5) of the Corporations Act published in the Commonwealth of Australia Gazette that the Company is a person in relation to whom section 1071H of the Corporations Act does not apply.

2.12 Commissions

The Company may, subject to the Listing Rules, exercise the powers of paying commission conferred by section 258C of the Corporations Act. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or partly in the one way and partly in the other. The Company may also on any issue of Shares pay such brokerage as may be lawful.

2.13 Restricted Securities⁵.

The Company shall comply in all respects with the requirements of the Listing Rules with respect to Restricted Securities. Without limiting the generality of the above:

- (i) Restricted Securities cannot be disposed of during the period of moratorium except as permitted by the Listing Rules or the Exchange;
- (ii) the Company will refuse to acknowledge a disposal (including registering a transfer), assignment or transfer of Restricted Securities during the period of moratorium except as permitted by the Listing Rules or the Exchange; and
- (iii) during a breach of the Listing Rules relating to Restricted Securities or a breach of a moratorium agreement the holder of the Restricted Securities is not entitled to any dividend or distribution, or voting rights, in respect of the Restricted Securities.

2.14 Non-Issue or Cancellation of Certificate

Notwithstanding any other provision of this Constitution, the Company need not issue a certificate, and may cancel any certificate without issuing a certificate in substitution, in respect of any Shares or Share Options of the Company in any circumstances where the non-issue or cancellation of that certificate is permitted by the Corporations Act and the Listing Rules.

2.15 No Prohibition on Foreign Ownership

Nothing in this Constitution shall have the effect of limiting or restricting the ownership of any securities of the Company by foreign persons except where such limits or restrictions are prescribed by Australian law (to the extent such limits or restrictions are not waived in its applicability).

~~2.16 — Payment of Interest out of Capital~~

~~'Where any Shares are issued for the purpose of raising money to defray the expenses of the construction' of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period the Company may pay interest on so much of such share capital as is paid up for the period and may charge this interest to capital as part of the cost of construction of the works, buildings or plant.~~

⁵ ~~Required by Listing Rule 15.12.~~

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3. UNCERTIFICATED HOLDINGS AND ELECTRONIC TRANSFERS

3.1 Electronic or Computerised Holding

The Directors may do anything they consider necessary or desirable and which is permitted under the Applicable Law to facilitate the participation by the Company in the system operated by the Depository and any other computerised or electronic system established or recognised by the Corporations Act or the Listing Rules for the purposes of facilitating dealings in Shares or securities.

3.2 Statement of Holdings

Where the Directors have determined not to issue share certificates or to cancel existing Share certificates, a Shareholder shall have the right to receive such statements of the holdings of the Shareholder as are required to be distributed to a Shareholder under the Applicable Law.

3.3 Share Certificates

If the Directors determine to issue a certificate for Shares held by a Shareholder, the provisions in relation to Share certificates contained in clause 2 shall apply.

3.4 Listing Rules

The Company shall comply with the Listing Rules.

4. LIEN⁶

4.1 Lien for Members Debts

The Company has a first and paramount lien on Shares registered in the name of a Shareholder or a deceased Shareholder for unpaid calls and instalments, upon the specific Shares in respect of which such monies are due and unpaid, and to such amounts the Company is called upon by law to pay (and has paid).

4.2 Generally

Whenever any law for the time being of any country, state or place imposes or purports to impose any immediate or future possible liability upon the Company to make any payments or empowers any government or taxing authority or governmental official to require the Company to make any payment in respect of any Shares held either jointly or solely by any Shareholder, or in respect of any transfer of Shares, or of any dividends, bonuses or other moneys due or payable or accruing due or which may become due or payable to such Shareholder by the Company on or in respect of any Shares or for or on account or in respect of any Shareholder, and whether in consequence of:

- (i) the death of such Shareholder;
- (ii) the non-payment of any income tax or other tax by such Shareholder;
- (iii) the non-payments of any estate, probate, succession or death, duty or of any other Duty by the executor or administrator of such Shareholder or by or out of his estate; or
- (iv) any other act or thing,

⁶ ~~Listing Rule 6.13 sets out the circumstances in which a company may have a lien.~~

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the Company in every case:

- (v) shall be fully indemnified by such Shareholder or his executor or administrator from all liability;
- (vi) may recover as a debt due from this Shareholder or his or her executor or administrator, wherever constituted or situate, any moneys paid by the Company under or in consequence of any such law and interest on these moneys at such rate as may be agreed and for the period mentioned above in excess of any dividend, bonus or other money as mentioned above then due or payable by the Company to such Shareholder; and
- (vii) may, subject to the Listing Rules, if any such money be paid or payable by the Company under any such law, refuse to register a transfer of any Shares by this Shareholder or his executor or administrator until the money and interest mentioned above is set off or deducted or, in case the money and interest exceeds the amount of any dividend, bonus or other money then due or payable by the Company to the Shareholder, until this excess is paid to the Company.

Nothing contained in this clause shall prejudice or affect any right or remedy which any law may confer or purport to confer on the Company, and, as between the Company and every such Shareholder, his or her executor, administrator and estate, wherever constituted or situate, any right or remedy which this law shall confer on the Company shall be enforceable by the Company.

4.3 Exemption

The Directors may at any time exempt a Share wholly or in part from the provisions of this clause 4.

4.4 Dividends

Whenever the Company has a lien on a Share, the lien extends to all dividends payable in respect of the Share.

4.5 Sale of Shares

Subject to clause 4.6, the Company may sell, in such manner as the Directors think fit, any Shares on which the Company has a lien.

4.6 Restrictions on Sale

A Share on which the Company has a lien shall not be sold unless:

- (i) the sum in respect of which the lien exists is presently payable; and
- (ii) the Company has, not less than 14 days before the date of the sale, given to the registered holder for the time being of the Share or the person entitled to the Share by reason of the death or bankruptcy of the registered holder a notice in writing setting out, and demanding payment of, that part of the amount in respect of which the lien exists as is presently payable.

4.7 Person Authorised to Sign Transfers

For the purpose of giving effect to a sale of a Share under clause 4.5, the Directors may authorise a person to transfer the Shares sold to the purchaser of the Shares. The Company shall register the purchaser as the holder of the Shares comprised in any such transfer and he

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or she is not bound to see to the application of the purchase money. The title of the purchaser to the Shares is not affected by any irregularity or invalidity in connection with the sale.

4.8 Proceeds of Sale

The proceeds of a sale under clause 4.5 shall be applied by the Company in payment of that part of the amount in respect of which the lien exists as is presently payable, and the residue (if any) shall (subject to any like lien for sums not presently payable that existed upon the Shares before the sale) be paid to the person entitled to the Shares, or such person's executors, administrators or assignees or as he may direct at the date of the sale.

5. CALLS ON SHARES

5.1 Calls

- (i) The Directors may by resolution make calls on Shareholders of partly paid Shares to satisfy the whole or part of the debt owing on those Shares provided that the dates for payment of those Shares were not fixed at the time of issue.
- (ii) A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed.
- (iii) A call may be required or permitted to be paid by instalments.
- (iv) Failure to send a notice of a call to any Shareholder or the non-receipt of a notice by any Shareholder does not invalidate the call.

5.2 Payment of Calls

A Shareholder to whom notice of a call is given in accordance with this Constitution must pay to the Company the amount called in accordance with the notice.

5.3 Quoted Shares

- (i) The Directors must not make the date for payment of calls, **(Due Date)**, for Shareholders who hold quoted partly paid Shares, less than thirty (30) Market Days and no more than forty (40) Market Days⁷ from the date the Company dispatches notices to relevant Shareholders that a call is made.
- (ii) If after a call is made, new Shareholders purchase the same class of Share subject to the call, or if the holdings of the original Shareholders on whom the call was made change, Directors must dispatch a notice informing these Shareholders that a call has been made at least four (4) days before the Due Date.
- (iii) The Company must enter a call payment on the Company register no more than five (5) Market Days after the Due Date.

5.4 Unquoted Shares

The Directors must not make the Due Date for Shareholders who hold unquoted partly paid Shares, less than five (5) Market Days from the date the Company dispatches notices to relevant Shareholders that a call is made.

⁷ Appendix 6A.5 of the Listing Rules sets out the timetable for calls (except no liability companies).

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5.5 Joint Liability

The joint holders of a Share are jointly and severally liable to pay all calls in respect of the Share.

5.6 Deemed Calls

Any amount that, by the terms of issue of a Share, becomes payable on allotment or at a fixed date, shall for the purposes of this Constitution be deemed to be a call duly made and payable, and, in case of non-payment, all the relevant provisions of this Constitution as to payment of interest and expenses, forfeiture or otherwise apply as if the amount had become payable by virtue of a call duly made and notified.

5.7 Differentiation between Shareholders

The Directors may, on the issue of Shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.

5.8 Payments in Advance of Calls

The Directors may accept from a Shareholder the whole or any part of the amount unpaid on a Share even if no part of that amount has been called up, in which case the Directors shall nominate whether the amount so paid is to be treated as capital or a loan to the Company by the Shareholder, and:

- (i) if the amount paid is nominated to be capital, it shall be deemed as from the date of the nomination to have been applied in paying up (so far as it will extend) the unpaid balance of the total issue price of the Share, but the dividend entitlement attaching to the Share shall remain as it was prior to the payment so made until there is a call in respect of the Share under this clause 5 of an amount equal to or greater than the amount so paid; or
- (ii) if the amount paid is nominated to be a loan to the Company, it shall carry interest at a rate as may be agreed, as is agreed between the Directors and the Shareholder, shall not be repayable unless the Directors so determine, shall not confer on the Shareholder any rights attributable to subscribed capital, and shall, unless so repaid, be applied in payment of calls on the Share as and when the calls become due.

5.9 Outstanding Moneys

Any moneys payable in respect of a call made in accordance with this Constitution which remain outstanding shall from and including the day for payment until the date payment is received bear interest at the rate as may be agreed.

5.10 Revocation/Postponement or Extension

The Directors may revoke or postpone a call or extend time for payment in accordance with the Listing Rules and/or the Corporations Act, if revocation or postponement is not prohibited by either.

5.11 Compliance with the Applicable Law

The Company shall comply with the Applicable Law in relation to calls. All Listing Rule requirements in relation to calls are not covered in this Constitution.

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5.12 Waive

The Directors may, to the extent the law permits, waive or compromise all or part of any payment due to the Company under the terms of issue of a Share under this clause 5.

6. FORFEITURE OF SHARES

6.1 Failure to Pay Call

If a Shareholder fails to pay a call or instalment of a call on the day appointed for payment of the call or instalment, the Directors may, at any time after this day during the time any part of the call or instalment remains unpaid (but subject to this clause 6.1) serve a notice on such Shareholder requiring payment of so much of the call or instalment as is unpaid, together with any interest that has accrued and all costs and expenses incurred by the Company as a result of the non-payment. The notice shall name a further day being not less than 14 days after the date of notice on or before which the payment required by the notice is to be made and shall state that, in the event of non-payment at or before the time appointed, the Shares in respect of which the call was made will be liable to be forfeited.

6.2 Forfeiture

If the requirements of a notice served under clause 6.1 are not complied with, any Share in respect of which a call is unpaid at the expiration of 14 days after the day for its payment may be forfeited by a resolution of the Directors to that effect. Such a forfeiture shall include all dividends and other distributions declared in respect of the forfeited Shares and not actually paid or distributed before the forfeiture.

6.3 Sale of Forfeited Shares

Subject to the Corporations Act and the Listing Rules, a forfeited Share may be sold or otherwise disposed of on the terms and in the manner that the Directors determine and, at any time before a sale or disposition, the forfeiture may be cancelled on the terms the Directors determine.

6.4 Continuing Liability

A person whose Shares have been forfeited ceases to be a Shareholder in respect of the forfeited Shares, but remains liable to pay the Company all money that, at the date of forfeiture, was payable by him to the Company in respect of the Shares (including interest at the rate as may be agreed from the date of forfeiture on the money for the time being unpaid if the Directors decide to enforce payment of the interest), but his or her liability ceases if and when the Company receives payment in full of all the money (including interest) payable in respect of the Shares.

6.5 Officer's Statement Prima Facie Evidence

A statement in writing declaring that the person making the statement is a Director or a Secretary of the Company, and that a Share in the Company has been duly forfeited on a date stated in the statement, is prima facie evidence of the facts stated in the statement as against all persons claiming to be entitled to the Share.

6.6 Procedures

The Company may receive the consideration (if any) given for a forfeited Share on any sale or disposition of the Share, execute a transfer of the Share in favour of the person to whom the Share is sold or disposed of and take all other steps necessary or desirable to transfer or dispose of those Shares to the relevant transferee. Upon the execution of the transfer, the

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transferee shall be registered as the holder of the Share and is not bound to see to the application of any money paid as consideration. The title of the transferee to the Share is not affected by any irregularity or invalidity in connection with the forfeiture, sale or disposal of the Share.

6.7 Listing Rules

The Company shall comply with the Listing Rules with respect to forfeited Shares to protect any lien, charge or other right to which it may be entitled under any law or this Constitution.

6.8 Waive

The Directors may:

- (i) exempt a Share from all or part of this clause 6;
- (ii) waive or compromise all or part of any payment due to the Company under this clause 6; and
- (iii) before a forfeited Share has been sold, reissued and otherwise disposed of, cancel the forfeiture on the conditions they decide.

7. TRANSFER

OF SHARES⁸

7.1 Form of Transfer

Subject to this Constitution, Shareholders may transfer the legal title in any Shares held by them by an instrument in writing in the form for the time being approved by the Exchange or in any other form that the Directors approve.

7.2 Registration Procedure

Where an instrument of transfer referred to in clause 7.1 is to be used by a Shareholder to transfer Shares, the following provisions apply:

- (i) the instrument of transfer must be executed by or on behalf of both the transferor and the transferee, and must be witnessed, unless it is a sufficient transfer of marketable securities within the meaning of the Corporations Act, and provided that an instrument of transfer in respect of which the transferee is the Depository or its nominee (as the case may be) shall be effective although not signed or witnessed by or on behalf of the Depository or its nominee (as the case may be);

⁸—The provisions governing transfers of securities in the Corporations Act are complex. Section 1074D provides that if a transfer of a financial product is effected through a prescribed CS Facility and in accordance with the operating rules of that facility, the transfer is valid and effective. Section 1074G(6) then permits the use of any other form of transfer of financial products that is otherwise permitted by law. Section 10716(2) provides that, despite anything in its constitution, a company must only register a transfer of shares (except one effected through a prescribed CS facility) if a proper instrument of transfer has been delivered to the company. Section 10716(3) provides that a transfer is not a proper instrument of transfer unless it contains certain details (namely, for a transfer for unquoted securities, the state or territory in which the company is taken to be registered). Section 10716(4) provides that a transfer of a share in a company is not a proper instrument of transfer unless it is a sufficient transfer under the Corporations Regulations. However, the Corporations Regulations only appear to be relevant to transfers made through a broker – therefore on the face of it a transfer made otherwise than through a broker is not a sufficient transfer and therefore not capable of being a proper instrument of transfer. Saving the day is section 1073F(6). This provides that nothing in the Corporations Regulations prevents the use of any other form of transfer of securities that is otherwise permitted by law. In *Imperial Chemical Industries plc v Echo Tasmania Pty Ltd* [2007] FCA 173, Graham J held that this section meant that a traditional form of share transfer signed by a transferor and transferee in relation to the transfer of shares in a company effected otherwise than through a broker could constitute a proper instrument of transfer within the meaning of section 1071B, notwithstanding the lack of a sufficient transfer within the meaning of section 10716(4).

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- (ii) the instrument of transfer shall be left at the Registered Office or share registry of the Company for registration, accompanied by the certificate for the Shares to be transferred (if any) and such other evidence as the Directors may require to prove the title of the transferor and his right to transfer the shares;
- (iii) subject to clause ~~29~~ any ~~30~~ no fee may be charged on the registration of a transfer of Shares or other securities ~~shall not exceed two (2) Singapore dollars per transfer~~; and
- (iv) on registration of a transfer of Shares, the Company must cancel the old certificate (if any).

7.3 Completion of Registration

- (i) A transferor remains the holder of the Shares transferred until the transfer (if any) is registered and the name of the transferee is entered into the Register of Shareholders or (as the case may be) the Depository Register in respect of the Shares. The right to any dividends declared on any Shares subject to a transfer will be determined by reference to the record date for the purpose of that dividend and the date of registration of the transfer;
- (ii) The Company must comply with such obligations as may be imposed on it by the Applicable Law in connection with any transfer of Shares.

7.4 Power to Refuse to Register

The Directors may refuse to register any transfer of Shares where:

- (i) the Applicable Law require the Company to do so;
- (ii) the transfer is a transfer of Restricted Securities which is or might be in breach of the Listing Rules or any escrow agreement entered into by the Company in relation to such Restricted Securities pursuant to the Listing Rules; or
- (iii) notwithstanding clauses 2.13, 7.2(i) and 7.2(ii) (or as otherwise contained in this Constitution), there shall be no restriction on the transfer of fully paid up Shares but the Directors may in its discretion decline to register any transfer of Shares upon which the Company has a lien and in the case of Shares not being fully paid-up, may refuse to register a transfer to a transferee of whom they do not approve (except where such refusal to register contravenes the Corporations Act or the Listing Rules).

The Directors may refuse to register a transfer unless all or any part of the stamp duty (if any) payable on each Share certificate ~~and (in the event a fee is charged), such fee not exceeding two (2) Singapore dollars, or a foreign currency equivalent, as the Director may from time to time require in accordance with the provisions of these rules,~~ is paid to the Company or the relevant Government Authority (as applicable) in respect thereof.

If the Directors refuses to register a transfer of any Shares, they shall within ten (10) Market Days after the date on which the transfer was lodged with the Company (or such period of time as may be prescribed by the Listing Rules), send to the transferor and to the transferee, written notice of the refusal stating reasons for the refusal as required by the Applicable Laws.

~~7.5~~ **Closure of Register**

~~Subject to the provisions of the Applicable Law, the Register of Shareholders may be closed during such time as the Directors may determine, not exceeding thirty (30) days in each calendar year or any one (1) period of more than five (5) consecutive Market Days.~~

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7.5 ~~7.6~~ Retention of Transfers by Company

All instruments of transfer which are registered will be retained by the Company, but any instrument of transfer which the Directors decline or refuse to register (except in the case of fraud) shall on demand be returned to the transferee.

~~**7.7 Power to suspend registration of transfers**~~

~~The Directors may suspend the registration of transfers at any times, and for any periods, that they decide.~~

7.6 ~~7.8~~ Powers of Attorney

Any power of attorney granted by a Shareholder empowering the recipient to transfer Shares which may be lodged, produced or exhibited to the Company or any Officer of the Company will be taken and deemed to continue and remain in full force and effect, as between the Company and the grantor of that power, and the power of attorney may be acted on, until express notice in writing that it has been revoked or notice of the death of the grantor has been given and lodged at the Office or at the place where the Register of Shareholders is kept.

7.7 ~~7.9~~ Branch Register

The Company may cause a Register of Shareholders to be kept in any place (including without limitation, a branch register) and the Directors may from time to time make such provisions as they (subject to the Corporations Act and the Listing Rules) may think fit with respect to the keeping of any such Register.

7.8 ~~7.10~~ Compliance with Listing Rules

The Company shall comply with the Listing Rules in relation to all matters covered by those rules.

7.9 ~~7.11~~ Issuer Sponsored Subregister

The Company may establish and maintain an issuer sponsored subregister in compliance with any relevant provisions of the Corporations Act and the Listing Rules.

7.10 ~~7.12~~ Waive

The Directors may, to the extent the law permits, waive any of the requirements of this clause 7 and prescribe alternative requirements instead.

8. TRANSMISSION OF SHARES

8.1 Death of Shareholder Leaving a Will

On the death of a Shareholder who leaves a will appointing an executor, the executor shall be entitled as from the date of death, and on behalf of the deceased Shareholder's estate, to the same dividends and other advantages and to the same rights whether in relation to meetings of the Company, or voting or otherwise, as the Shareholder would have been entitled to if he or she had not died, whether or not probate of the will has been granted. Nevertheless, if probate of the will is granted to a person or persons other than the executor first referred to in this clause 8, his or her executor's rights shall cease, and these rights shall only be exercisable by the person or persons to whom probate is granted as provided in clauses 8.2

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and 8.3. The estate of a deceased Shareholder will not be released from any liability to the Company in respect of the Shares.

8.2 Death or Bankruptcy of Shareholder or the Shareholder becomes of unsound mind

Subject to clause 8.1, where the registered holder of a Share dies, becomes bankrupt, or the Shareholder becomes of unsound mind, his or her personal representative or the trustee of his or her estate, as the case may be, shall be entitled upon the production of such information as is properly required by the Directors, to the same dividends and other advantages, and to the same rights (whether in relation to meetings of the Company, or to voting or otherwise), as the registered holder would have been entitled to if he or she had not died or become bankrupt.

8.3 Registration by Transmission or to Beneficiary

A person becoming entitled to a Share in consequence of the death or, subject to the Bankruptcy Act 1966, the bankruptcy of a Shareholder or the Shareholder becoming of an unsound mind may, upon information being produced that is properly required by the Directors, elect by written notice to the Company either to be registered himself or herself as holder of the Share or to have some other person nominated by the person registered as the transferee of the Share. If this person elects to have another person registered, he or she shall execute a transfer of the Share to that other person.

8.4 Limitations to Apply

All the limitations, restrictions and provisions of this Constitution relating to the right to transfer Shares and the registration of a transfer of Shares are applicable to any notice or transfer as if the death, bankruptcy of the Shareholder or on the Shareholder becoming of unsound mind had not occurred and the notice or transfer were a transfer signed by that Shareholder.

8.5 Death of a Joint Holder

In the case of the death of a Shareholder who was a joint holder, the survivor or survivors shall be the only persons recognised by the Company as having any title to the deceased's interest in the Shares, but this clause 8.5 does not release the estate of a deceased joint holder from any liability in respect of a Share that had been jointly held by this person with one (1) or more other persons.

8.6 Joint Personal Representatives

Where two (2) or more persons are jointly entitled to any Share in consequence of the death of the registered holder, they shall, for the purpose of this Constitution, be deemed to be joint holders of the Share.

8.7 Joint Holders

If more than three (3) persons are registered as holders of Shares in the Company in the Register of Shareholders (or a request is made to register more than three (3) persons) or (as the case may be) the Depository Register, then only the first three (3) persons will be regarded as holders of Shares in the Company (except in the case of trustees, executors or administrators of a deceased Shareholder) and all other names will be disregarded by the Company for all purposes.

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9. CHANGES TO CAPITAL STRUCTURE

9.1 Alterations to Capital

Subject to the Corporations Act and the Listing Rules, the Company may, by ordinary resolution:

- (i) issue new Shares of such amount specified in the resolution;
- (ii) consolidate and divide all or any of its Shares into Shares of larger amount than its existing Shares;
- (iii) subject to the Listing Rules, sub-divide all or any of its Shares into Shares of smaller amount, but so that in the sub-division the proportion between the amount paid and the amount (if any) unpaid on each such Share of a smaller amount remains the same; and
- (iv) cancel Shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person or have been forfeited and, subject to the Corporations Act, reduce the amount of its share capital by the amount of the Shares so cancelled,

and the Directors may take such action as the Directors think fit to give effect to any resolution altering the Company's share capital.

9.2 Reduction of Capital

(i) Subject to the Corporations Act and the Listing Rules, the Company may reduce its share capital in any way including, but not limited to, distributing to Shareholders securities of any other body corporate ~~and, on behalf of the Shareholders, consenting to each Shareholder becoming a member of that body corporate and agreeing to be bound by the constitution of that body corporate.~~

(ii) Where the Company reduces its share capital by way of a distribution of shares or other securities in another body corporate:

(A) the Shareholders are deemed to have agreed to become members of that body corporate and are bound by the constitution of that body corporate;

(B) each Shareholder appoints the Company or any of the Directors as its agent to execute any transfer of shares or other securities, or other document required to give effect to the distribution of shares or other securities to that Shareholder; and

(C) any binding instruction or notification between the Shareholder and the Company (including any instructions relating to payment of dividends or to communications from the Company) will be deemed to be a similarly binding instruction or notification to the other body corporate until that instruction or notification is revoked or amended in writing addressed to the other body corporate (to the maximum extent permitted under Australian law, or the other body corporate's constitution).

9.3 Buy-Backs

- (i) In this clause "Buy-Back Provisions" means the provisions of Part 2J.1 Division 2 of the Corporations Act.

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- (ii) The Company may, subject to the Corporations Act and the Listing Rules and in accordance with the Buy-Back Provisions~~:-~~
- (A) purchase its own Shares on such terms and at such times as may be determined by the Directors from time to time~~:-~~ and
 - (B) ~~(iii) The Company may~~ give financial assistance to any person or entity for the purchase of its own Shares ~~in accordance with the Buy-Back Provisions~~ on such terms and at such times as may be determined by the Directors from time to time.

9.4 Fractions

If as a result of any issue of Shares or any alteration to the Company's share capital any Shareholders would become entitled to fractions of a Share, the Directors may deal with those fractions as the Directors think fit including by:

- (i) ignoring fractional entitlements or making cash payments in lieu of fractional entitlements;
- (ii) appointing a trustee to deal with any fractions on behalf of Shareholders; and
- (iii) rounding up each fractional entitlement to the nearest whole Share by capitalising any amount available for capitalisation under clause 21.1 even though only some of the Shareholders participate in the capitalisation.

9.5 Ancillary powers regarding distributions

Instead of making a distribution or issue of specific assets, shares, debentures or other securities to a particular Shareholder, the Directors may make a cash payment to that Shareholder, or allocate some or all of the assets, shares, debentures or other securities to a trustee or nominee to be sold (at the Shareholders' risk and expense, including as to brokerage and withholding tax) on behalf of, and for the benefit of, or in respect of, that Shareholder, if:

- (i) the distribution or issue would otherwise be illegal or unlawful;
- (ii) the distribution or issue would give rise to parcels of securities which do not constitute a Marketable Parcel;
- (iii) in the Directors' discretion, the distribution or issue would be unreasonable having regard to:
 - (A) the number of Shareholders in the place where the distribution or issue would be made; and/or
 - (B) the number and value of securities that would be offered; and/or
 - (C) the cost of complying with the legal requirements, and requirements of a regulatory authority, in the place; or
- (iv) the Shareholder so agrees.

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10. GENERAL MEETINGS

10.1 Convening of General Meetings of Shareholders by Directors' Resolution

The Directors may, by a resolution passed by a majority of Directors, convene a general meeting of Shareholders in accordance with this clause 10 and the requirements of the Corporations Act.

10.2 Change of place or postponement of a General Meeting of Shareholders⁹

The Directors may, subject to the Corporations Act and the Listing Rules, postpone a meeting of Shareholders or change the place for a general meeting of Shareholders by giving written notice to the Exchange. If a meeting of Shareholders is postponed for one (1) month or more, the Company must give new notice of the postponed meeting. The only business that may be transacted at a general meeting the holding of which is postponed is the business specified at the original meeting.

10.3 Cancellation of a General Meeting of Shareholders¹⁰

- (i) A general meeting of Shareholders convened by the Directors in accordance with clause 10.1 may be cancelled ~~by~~with effect from the passing of a resolution ~~passed~~ by a majority of Directors.
- (ii) Notice of the cancellation of a general meeting of Shareholders must be given to the Shareholders in accordance with clause 24, but notice of such cancellation must be given to each Shareholder not less than two (2) days prior to the date on which the meeting was proposed to be held.

10.4 Convening of General Meetings of Shareholders by a Director or requisition

Any Director may, whenever he or she thinks fit, convene a general meeting of Shareholders, and a general meeting shall also be convened on requisition as is provided for by the Corporations Act, or in default, may be convened by such requisitions as empowered to do so by the Corporations Act.¹¹ If there are no Directors for the time being, a Secretary may convene a general meeting of Shareholders for the purpose of enabling the election of Directors but for no other purpose. A general meeting may be held at two (2) or more venues simultaneously using any technology that gives the Shareholders as a whole a reasonable opportunity to participate.¹²

10.5 Notice¹³

A notice of a general meeting shall be given to all Shareholders, Depository and such persons as are entitled to receive notice under the Corporations Act or the Listing Rules at least ~~fourteen~~twenty eight (428) days (unless ~~clause 10.5(iv) applies~~a shorter period of notice is allowed under the Corporations Act or the Listing Rules) before such general meeting

⁹ ~~The Corporations Act does not deal with these issues and the directors only have power to take any of these steps if the constitution gives it to them.~~

¹⁰ ~~The Corporations Act does not deal with these issues and the directors only have power to take any of these steps if the constitution gives it to them.~~

¹¹ ~~Section 249D of the Corporations Act requires the directors to convene a meeting on the request of members holding 5% of the votes that may be cast at the meeting or at least 100 members who are entitled to vote at the meeting. Sections 249E and 249F provide rights for members to call general meetings in certain circumstances. Section 249CA permits a single director of a listed company to convene a meeting of shareholders.~~

¹² ~~Permitted under section 2495 of the Corporations Act.~~

¹³ ~~Section 249HA of the Corporations Act requires a listed company to give 28 days' notice of a general meeting. Section 249L sets out the requirements for the contents of the notice. Section 249R requires that a meeting of a company's members must be held at a reasonable time and place.~~

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(excluding the date of notice and the date of the meeting), in accordance with the requirements of clause 24 and the Applicable Laws, and:

- (i) must specify the place, the day and the time of the meeting;
- (ii) must state the general nature of the business to be transacted at the meeting;
- (iii) must be accompanied by a statement regarding the effect of any proposed resolutions ~~in the event the meeting is called to consider special business(es), and at least fourteen (14) days' and~~ notice of every such meeting shall be given by way of advertisement in the daily press and in writing to each stock exchange on which the Company is listed (including the Exchange);
- ~~(iv) must, if a special resolution is proposed at the meeting, the notice must be given to Shareholders at least twenty one (21) days before the meeting (excluding the date of notice and the date of the meeting), and set out an intention to propose the special resolution and state the resolution;~~
- (iv) ~~(v)~~ must include such statements about the appointment of proxies as are required by the Applicable Laws;
- (v) ~~(vi)~~ must specify a place and fax number for the purposes of receipt of proxy appointments; and
- (vi) ~~(vii)~~ may specify an electronic address for the purposes of receipt of proxy appointments,

and shall include any other information required to be included in the notice by the Listing Rules. The non-receipt of a notice of a general meeting by a Shareholder or the accidental omission to give this notice to a Shareholder shall not invalidate any resolution passed at the meeting.

10.6 Irregularities in giving notice

A person who attends any general meeting waives any objection that the person may have to any failure to give notice or any other irregularity in the notice of that meeting unless that person objects to the holding of the meeting at the start of the meeting. The accidental failure to give notice of a general meeting to, or the non-receipt of the notice by, any person entitled to receive notice of that meeting does not invalidate the proceedings at the meeting or any resolution passed at that meeting.

10.7 Business at General Meeting

Subject to the Corporations Act, only matters that appear in a notice of meeting shall be dealt with at a general meeting or an annual general meeting, as the case may be.

10.8 Annual General Meeting

An annual general meeting shall be held in accordance with the requirements of the Applicable Laws, and that the interval between the close of a financial year of the Company and the date of the Company's annual general meeting shall not exceed four (4) months.

10.9 General meetings to be held in Singapore

The Company shall hold all its general meetings in Singapore unless prohibited by the Corporations Act.

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11. PROCEEDINGS AT GENERAL MEETINGS

11.1 Quorum

No business, the election of a chairman and the adjournment of the meeting, shall be transacted at any general meeting unless a quorum is present comprising two (2) Shareholders present in person, by proxy, attorney or Representative. For the purpose of determining whether a quorum is present, a person attending as a proxy, attorney or Representative, shall be deemed to be the Shareholder present in person. If a quorum is not present within thirty (30) minutes after the time appointed for a general meeting, the meeting, if convened upon a requisition shall be dissolved, but in any other case, it shall stand adjourned to a date and at the time and place to be fixed by the Directors. If at such adjourned meeting a quorum is not present within thirty (30) minutes after the time appointed for the adjourned meeting, the meeting is dissolved.

11.2 Persons Entitled to Attend a General Meeting

The persons entitled to attend a general meeting shall be:

- (i) Shareholders, in person, by proxy, attorney or Representative;
- (ii) a Depositor;
- (iii) Directors and public officers of the Company;
- (iv) the Company's auditor; and
- (v) any other person or persons as the chairman or the Directors may approve.

11.3 Refusal of Admission to Meetings

The chairman of a general meeting may take any action he or she considers appropriate for the safety of persons attending the general meeting and the orderly conduct of the general meeting, and may refuse admission to a person, or require a person to leave and not return to, a meeting if the person:

- (i) refuses to permit examination of any article in the person's possession;
- (ii) is in possession of any:
 - (A) electronic or broadcasting or recording device;
 - (B) placard or banner; or
 - (C) other article,

which the chairman considers to be dangerous, offensive or liable to cause disruption;

- (iii) causes any disruption to the meeting; or
- (iv) is not entitled to attend the meeting under the Corporations Act or this Constitution.

The Chairman may delegate the powers conferred by this clause 11.3 to any person. Nothing in this clause limits the powers conferred on the chairman by law.

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~~11.4~~ **Insufficient room**

~~The chairman may arrange for any persons attending the meeting who the chairman considers cannot reasonably be accommodated in the place where the meeting is to take place to attend or observe the meeting from a separate place using any technology that gives members present at the meeting as a whole a reasonable opportunity to participate in the meeting.~~

11.4 ~~11.5~~ **Chairman**

The person elected as the chairman of the Directors' meeting under clause 14.9 shall, if willing, preside as chairman at every general meeting. Where a general meeting is held and a chairman has not been elected under clause 14.9 or the chairman or, in his absence, the vice-chairman is not present within 15 minutes after the time appointed for holding of the meeting or is unwilling to act:

- (i) the Directors present may elect a chairman of the meeting; or
- (ii) if no chairman is elected in accordance with subsection (i), the Shareholders present shall elect one (1) of their number to be the acting chairman of the meeting.

11.5 ~~11.6~~ **Vacating Chair**

At any time during a meeting and in respect of any specific item or items of business, the chairman may elect to vacate the chair in favour of another person nominated by the chairman (which person must be a Director unless no Director is present or willing to act). That person is to be taken to be the chairman and will have all the power of the chairman (other than the power to adjourn the meeting), during the consideration of that item of business or those items of business.

11.6 ~~11.7~~ **Disputes Concerning Procedure**

If there is a dispute at a general meeting about a question of procedure, the chairman may determine the question.

11.7 ~~11.8~~ **General Conduct**

~~The general conduct of each general meeting of the Company and the procedures to be adopted at the meeting will be determined by the chairman, including the procedure for the conduct of the election of Directors, chairman of a general meeting (including any person acting with authority of the chairman):~~

- (i) has charge of the general conduct of each general meeting of the Company and the procedures to be adopted at the meeting (including the procedure for the conduct of the election of Directors);
- (ii) may require any person wishing to attend the meeting to comply with searches, restrictions or other security arrangements considered appropriate;
- (iii) may take any action he or she considers appropriate for the safety of persons attending the meeting and the orderly conduct of the meeting and may refuse admission to, or require to leave and remain out of, the meeting any person:
 - (A) in possession of a pictorial-recording or sound-recording device;
 - (B) in possession of a placard or banner;

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- (C) in possession of an article considered by the chairperson to be dangerous, offensive or liable to cause disruption;
- (D) who refuses to produce or permit examination of any article, or the contents of any article, in the person's possession;
- (E) who refuses to comply with a request to turn off a mobile telephone, personal communication device or similar device;
- (F) who behaves or threatens to behave or who the chairperson has reasonable grounds to believe may behave in a dangerous, offensive or disruptive way; or
- (G) who is not entitled to receive notice of the meeting.

The chairperson may delegate the powers conferred by this article to any person he or she thinks fit;

- (iv) if there is insufficient room at the meeting venue, may arrange another or a second venue (without giving notice or putting the matter to a vote), even if the Shareholders present in the separate room are not able to fully participate in the conduct of the meeting, the meeting will nevertheless be treated as validly held in the main room;
- (v) may require the adoption of any procedure which is in the chairman's opinion necessary or desirable for proper and orderly debate or discussion and the proper and orderly casting or recording of votes at the general meeting;
- (vi) may determine that a vote be disregarded and treated as not having been cast (without requiring that the matter be put to a vote), if a person purports to cast a vote at or for the purposes of a general meeting in contravention of the Corporations Act or Listing Rules;
- (vii) subject to the Corporations Act, may refuse to allow:
 - (A) any amendment to be moved to a resolution set out in the notice of that meeting;
 - (B) any business to be transacted unless the general nature of the business is stated in the notice calling the meeting;
- (viii) may withdraw from consideration by the meeting any resolution that is set out in the notice of that meeting (other than those requisitioned by Shareholders or required by law); and
- (ix) subject to the Corporations Act, may terminate discussion or debate on any matter whenever the chairman considers it necessary or desirable for the proper conduct of the meeting.

A decision by the chairman under this article (including any person acting with the chairman's authority) is final.

11.8 ~~11.9~~ **Adjournment**

The chairman may adjourn the meeting from time to time and from place to place, but no business shall be transacted on the resumption of any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. The chairman may, but is not required to, seek consent of the meeting to the adjournment. A poll cannot be demanded on any resolution concerning the adjournment of a general meeting except by the chairman.

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11.9 ~~11.10~~ Notice of Resumption of Adjourned Meeting

When a meeting is adjourned for thirty (30) days or more, notice of the resumption of the adjourned meeting shall be given in the same manner as for the original meeting, but otherwise, it is not necessary to give any notice of any adjournment or of the business to be transacted on the resumption of the adjourned meeting.

11.10 ~~11.11~~ How resolutions are decided

Subject to the requirements of the Corporations Act, a resolution is taken to be carried if a particular majority of the votes cast on the resolution are in favour of it.

11.11 ~~11.12~~ Casting Vote

In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

11.12 ~~11.13~~ Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or Representative;
- (ii) on a show of hands, unless a poll is demanded, every person present who is a Shareholder or a proxy, attorney or Representative of a Shareholder has one (1) vote (even though he or she may represent more than one (1) member);
- (iii) in the event of joint holders of Shares, any one of such persons may vote, but if more than one (1) of such persons is present at a meeting, the person whose name stands first on the Register of Members shall alone be entitled to vote;
- (iv) an instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll; and
- (v) on a poll, every person present who is a Shareholder or a proxy, attorney or Representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or Representative, have one (1) vote for the Share, but in respect of partly paid Shares, shall have such number of votes being equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable in respect of those Shares (excluding amounts credited).

11.13 ~~11.14~~ Voting - Show of Hands

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded in accordance with:

- (i) clause ~~11.16~~11.18 of this Constitution; or
- (ii) the Applicable Law.

11.14 Direct voting

The Directors may determine that at any general meeting or class meeting, a Shareholder who is entitled to attend and vote on a resolution at that meeting is entitled to a direct vote in respect of that resolution. A "direct vote" includes a vote delivered to the Company by post.

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fax or other electronic means approved by Directors. The Directors may prescribe rules to govern direct voting including specifications as to the form, method and timing of giving the direct vote in order for the vote to be valid, and the treatment of direct votes.

11.15 Treatment of direct votes

A direct vote on a resolution at a meeting in respect of a share cast in accordance with clause 11.14 is of no effect and will be disregarded:

- (i) if, at the time of the resolution, the person who cast the direct vote:
 - (A) is not entitled to vote on the resolution in respect of the share; or
 - (B) would not be entitled to vote on the resolution in respect of the share if the person were present at the meeting at which the resolution is considered;
- (ii) if, had the vote been cast in person at the meeting at which the resolution is considered:
 - (A) the vote would not be valid; or
 - (B) the Company would be obliged to disregard the vote;
- (iii) subject to any rules prescribed by the Directors, if the person who cast the direct vote is present in person at the meeting at the time the resolution is considered; and
- (iv) if the direct vote was cast otherwise than in accordance with any regulations, rules and procedures prescribed by the Directors under clause 11.14.

11.16 Multiple votes

Subject to any rules prescribed by the Directors, if the Company receives a valid direct vote on a resolution in accordance with clause 11.14 and 11.15 and, prior to, after or at the same time as receipt of the direct vote, the Company receives an instrument appointing a proxy, attorney or Representative to vote on behalf of the same Member on that resolution, the Company may regard the direct vote as effective in respect of that resolution and disregard any vote cast by the proxy, attorney or Representative on the resolution at the meeting.

11.17 ~~11.15~~ Results of Voting

Unless a poll is so demanded, a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of general meetings of the Company, is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

~~11.16~~ ~~P014~~¹⁴

11.18 Poll

A poll may be demanded before or immediately upon the declaration of the result of the show of hands by:

- (i) the chairman of the general meeting;

¹⁴—Section 250L(2) permits the constitution to specify a smaller number/percentage but that would be very unusual for a listed company.

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- (ii) at least five (5) Shareholders present in person or by proxy, attorney or Representative having the right to vote on the resolution;
- (iii) any one or more Shareholders holding not less than 5% of the total voting rights of all Shareholders having the right to vote on the resolution; or
- (iv) where the Depository is a Shareholder, at least five (5) proxies representing the Depository,

and no poll may be demanded on the choice of a chairman of a general meeting.

For the purposes of determining the number of votes of a Depositor, or his proxy may cast at any general meeting on a poll, the reference to Shares held or represented shall in relation to Shares of that Depositor, be the number of Shares entered against his name in the Depository Register, forty-eight (48) hours before the time of the relevant general meeting as certified by the Depository to the Company.

11.19 ~~11.17~~ Manner of Taking Poll

If a poll is duly demanded, it shall be taken in such manner and either at once or after an interval or adjournment or otherwise as the chairman directs, and the result of the poll shall be the resolution of the meeting at which the poll was demanded. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith.

11.20 ~~11.18~~ Meeting May Continue

A demand for a poll shall not prevent the continuation of the meeting for the transaction of other business.

11.21 ~~11.19~~ Voting by Joint Holders

In the case of joint holders of Shares, the vote of the senior who tenders a vote, whether in person or by proxy, attorney or Representative, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the Register of Shareholders or (as the case may be) the Depository Register.

11.22 ~~11.20~~ Shareholder under Disability

If a Shareholder is of unsound mind or is a person whose person or estate is liable to be dealt with in any way under the law relating to mental health, his committee or trustee or any other person that properly has the management of his estate may exercise any rights of the Shareholder in relation to a general meeting as if the committee, trustee or other person were the Shareholder.

11.23 ~~11.21~~ Payment of Calls

A Shareholder is not entitled to any vote at a general meeting unless all calls presently payable by him in respect of Shares have been paid. Nothing in this clause prevents such a Shareholder from voting at a general meeting in relation to any other Shares held by that Shareholder provided all calls and other sums payable by him have been paid on those other Shares.

11.24 ~~11.22~~ Objection to Voting

An objection may be raised to the qualification of a voter only at the meeting or adjourned meeting at which the vote objected to is given or tendered. This objection shall be referred to

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the chairman of the meeting, whose decision shall be final. A vote not disallowed pursuant to such an objection is valid for all purposes.

11.25 ~~41.23~~ Restrictions on voting

A Shareholder is not entitled to vote on a resolution at a general meeting if they are prevented from doing so by the Corporations Act, the Listing Rules or this Constitution. The Company must disregard any vote purported to be cast on a resolution by a member or a Representative, proxy or attorney in breach of this clause ~~41.23~~11.25.

11.26 ~~41.24~~ Proxies

A Shareholder who is entitled to attend and cast a vote at a general meeting may appoint a person as the Shareholder's proxy to attend and vote for the Shareholder at the general meeting. A proxy need not be a Shareholder in the Company. Each Shareholder may appoint a proxy. A Shareholder who is entitled to cast two (2) or more votes at the meeting may appoint two (2) proxies. If the Shareholder appoints two (2) proxies and the appointment does not specify the proportion of votes that the proxy may exercise, each proxy may exercise half the votes. Any fraction of votes resulting from the application of this clause ~~41.24~~11.26 shall be disregarded. An instrument appointing a proxy:

- (i) shall be in writing under the hand of the appointor or of his attorney, or, if the appointor is a corporation, executed in accordance with the Applicable Law;
- (ii) may specify the manner in which the proxy is to vote in respect of a particular resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the resolution except as specified in the instrument;
- (iii) shall be deemed to confer authority to demand or join in demanding a poll;
- (iv) shall be in such form as the Directors determine including any form approved from time to time by the Depository and in such instance, the instrument in writing shall be signed by its duly authorised officer by some method or system of mechanical signature as the Depository may deem appropriate;
- (v) shall not be valid unless the original instrument and the power of attorney or other authority (if any) under which the instrument is signed, or a copy or facsimile which appears on its face to be an authentic copy of that proxy, power or authority, is or are deposited or sent ~~by facsimile transmission~~ to the Registered Office, or at such other place (being the place or being in the reasonable proximity of the place at which the meeting is to be held) as is specified for that purpose in the notice convening the meeting (with any Duty paid where necessary), by the time (being not less than forty-eight (48) hours) prior to the commencement of the meeting (or the resumption of the meeting if the meeting is adjourned and notice is given in accordance with clause ~~41.40~~11.9) as shall be specified in the notice convening the meeting (or the notice under clause ~~41.40~~11.9, as the case may be); and
- (vi) shall comply with the Applicable Law (and particularly, Division 6 of Part 2G.2 of the Corporations Act).

11.27 ~~41.25~~ Name of proxy

A proxy form issued by the Company must allow for the insertion of the name of the person to be primarily appointed as proxy and may provide that, in circumstances and on conditions specified in the form that are not inconsistent with this Constitution, the chairman of the relevant meeting (or another person specified in the form) is appointed as proxy.

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11.28 ~~11.26~~ **Incomplete proxy appointment**

Where an instrument appointing a proxy has been received by the Company within the period specified in clause ~~11.24~~11.26(v) and the Company considers that the instrument has not been duly executed or authenticated or is otherwise incomplete (other than by reason only that the name or office of the proxy has not been completed), the board, in its discretion, may:

- (i) return the instrument appointing the proxy to the appointing Shareholder; and
- (ii) request that the appointing Shareholder take such steps to complete, sign, execute or authenticate the proxy instrument within the time period notified to the appointing Shareholder.

11.29 ~~11.27~~ **No right to speak or vote if appointing Shareholder present**

The appointment of a proxy is not revoked if the appointing Shareholder is present in person or by Representative at a general meeting but the proxy must not speak or vote at the meeting while the appointing Shareholder is so present.

11.30 ~~11.28~~ **Rights where 2 proxies or attorneys are appointed**

Subject to the Applicable Law, a Shareholder who is entitled to cast two (2) or more votes at the meeting, except where that Shareholder is the Depository, may appoint not more than two (2) proxies to vote at a general meeting on that Shareholder's behalf, and may direct the proxy or proxies to vote for or against or to abstain or vote at the proxy's discretion in relation to each or any resolution.

11.31 ~~11.29~~ **Proxy Votes**

A vote given in accordance with the terms of an instrument of proxy or attorney is valid notwithstanding the previous death or unsoundness of mind of the principal, the revocation of the instrument (or the authority under which the instrument was executed) or the transfer of the Share in respect of which the instrument or power is given, if no intimation in writing of the death, unsoundness of mind, revocation or transfer has been received by the Company at the Registered Office before the commencement of the meeting or adjourned meeting at which the instrument is used or the power is exercised.

11.32 ~~11.30~~ **Representatives of Corporate Shareholders**

- (i) A body corporate (the **appointor**) that is a Shareholder may authorise, in accordance with section 250D of the Corporations Act, by resolution of its Directors or other governing body, such person or persons as it may determine to act as its Representative at any general meeting of the Company or of any class of Shareholders. A person so authorised shall be entitled to exercise all the rights and privileges of the appointor as a Shareholder. When a Representative is present at a general meeting of the Company, the appointor shall be deemed to be personally present at the meeting unless the Representative is otherwise entitled to be present at the meeting. The original form of appointment of a Representative, a certified copy of the appointment, or a certificate of the body corporate evidencing the appointment of a Representative is evidence of a Representative having been appointed.
- (ii) Where a Shareholder is the Depository (or its nominee, in each case, being a corporation), it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Shareholders provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this clause shall be entitled to exercise the same rights and powers as if such person was the registered holder of the Shares of the Company held by the

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Depository (or its nominee) in respect of the number and class of shares specified in the relevant authorisation including the right to vote individually on a poll.

11.33 ~~41.34~~ Depository as a Shareholder

- (i) the Depository may appoint more than two (2) proxies to attend and vote at the same general meeting and each proxy shall be entitled to exercise the same powers on behalf of the Depository as the Depository could exercise;
- (ii) unless the Depository specifies otherwise in a written notice to the Company, the Depository shall be deemed to have appointed as the Depository's proxies to vote on behalf of the Depository at a general meeting of the Company, each of the Depositors who are individuals or a corporation entitled to vote pursuant to clause ~~41.30~~11.32 above and whose names are shown in the records of the Depository as at a time not earlier than forty-eight (48) hours prior to the time of the relevant general meeting supplied by the Depository to the Company, or if any such Depositor has nominated a person or persons other than himself to be the Depository's proxy or proxies in accordance with clause ~~41.34~~11.33(iii) below and any proxy forms relating to the aforementioned being deposited with the Company at least forty-eight (48) hours prior to the time of the relevant general meeting;
- (iii) the Company shall accept as valid in all respects the form of instrument of proxy approved by the Depository (the "**CDP Proxy Form**") for use at the date relevant to the general meeting in question naming a Depositor (the "**Nominating Depositor**") and permitting that Nominating Depositor to nominate a person or persons other than himself as the proxy or proxies appointed by the Depository. The Company shall, in determining rights to vote and other matters in respect of a completed CDP Proxy Form submitted to it, have regard to the instructions given by and the notes (if any) set out in the CDP Proxy Form. The submission of any CDP Proxy Form shall not preclude a Depositor appointed as a proxy by virtue of this clause ~~41.34~~11.33(iii) from attending and voting at the relevant meeting but in the event of attendance by such Depositor, the CDP Proxy Form submitted bearing his name as the Nominating Depositor shall be deemed to be revoked;
- (iv) the Company shall reject any CDP Proxy Form of a Nominating Depositor if his name is not shown in the records of the Depository as at a time not earlier than forty-eight (48) hours prior to the time of the relevant general meeting supplied by the Depository to the Company. For this purpose, the CDP Proxy Form shall be deposited with the Company at least forty-eight (48) hours prior to the time of the relevant general meeting; and
- (v) on a poll the maximum number of votes which a Depositor, or proxies appointed pursuant to a CDP Proxy Form in respect of that Depositor, is able to cast shall be the number of Shares credited to the securities account of that Depositor as shown in the records of the Depository as at a time not earlier than forty-eight (48) hours prior to the time of the relevant general meeting supplied by the Depository to the Company, whether that number is greater or smaller than the number specified in any CDP Proxy Form or instrument of proxy executed by or on behalf of the Depository.

11.34 ~~41.32~~ More than one Representative present

If more than one (1) Representative appointed by a Shareholder (and in respect of whose appointment the Company has not received notice of revocation) is present at a general meeting then:

- (i) a Representative appointed for that particular meeting may act to the exclusion of a Representative whose appointment is a standing appointment; and

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- (ii) subject to clause ~~44.30~~11.32, the Representative appointed most recently in time may act to the exclusion of a Representative appointed earlier.

11.35 ~~44.33~~ Rights of Representatives, proxies and attorneys

Subject to clauses ~~44.23~~11.25 to ~~44.30~~11.32, unless the terms of appointment of a Representative, proxy or attorney provide otherwise, the Representative, proxy or attorney:

- (i) has the same rights to speak, demand a poll, join in the demanding of a poll or act generally at the meeting as the appointing Shareholder would have if the Shareholder had been present;
- (ii) is taken to have authority to vote on any amendment moved to the proposed resolutions, any motion that the proposed resolutions not be put or any similar motion and any procedural resolution, including any resolution for the election of a chairman or the adjournment of a general meeting; and
- (iii) may attend and vote at any postponed or adjourned meeting unless the appointing Shareholder gives the Company notice in writing to the contrary not less than forty-eight (48) hours before the time to which the holding of the meeting has been postponed or adjourned.

This clause ~~44.33~~11.35 applies even if the terms of appointment of a Representative, proxy or attorney refers to specific resolutions or to a specific meeting to be held at a specific time.

12. THE DIRECTORS

12.1 Directors to be natural persons

All directors of the Company shall be natural persons.

12.2 Number of Directors

The Company shall at all times have at least three (3) Directors. The number of Directors shall not exceed nine (9). Subject to the Corporations Act, the Company may,¹⁵ by ordinary resolution, increase or reduce the number of Directors and may also determine in what rotation the increased or reduced number is to go out of office. Subject to any resolution of the Company determining the maximum and minimum numbers of Directors, the Directors may from time to time determine the respective number of Executive and Non Executive Directors.

12.3 Rotation of Directors

Subject to clause 16.4, 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 three (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 three (3) years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself for re-election.¹⁶ 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,

¹⁵ ~~The effect of new sections 201N to 201U of the Corporations Act (introduced in July 2011) is that directors cannot set a limit on the number of directors unless that limit is approved by shareholders in general meeting (and the company complies with the procedural requirements of those sections in relation to the meeting). That requirement applies despite anything in the company's constitution. Therefore, this wording is preferable so that the relevant resolution can be passed by shareholders without regard to the procedural requirements referred to in sections 201N to 201U.~~

¹⁶ ~~Required by Listing Rule 14.4. Listing Rule 14.4 also provides that a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next AGM of the company.~~

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those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots. A retiring Director is eligible for re-election. An election of Directors shall take place each year.¹⁷

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; and/ or
- (ii) a Managing Director,

each of whom are exempt from retirement by rotation. However, if more than one (1) Managing Director has been appointed by the Directors, only one (1) 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.

12.4 Election of Directors

Subject to the provisions of this Constitution, the Company may elect a person as a Director by resolution passed in general meeting. A Director elected at a general meeting is taken to have been elected with effect immediately after the end of that general meeting unless the resolution by which the Director was appointed or elected specifies a different time. No person other than a Director seeking re-election or a person nominated by the Board for election at that meeting shall be eligible for election to the office of Director at any general meeting unless the person ~~or some Shareholder intending to propose his or her nomination has, at least eleven (11) clear days before the meeting, left at the Registered Office~~ has been nominated by at least the number of Shareholders required under the Corporations Act to give notice of a requisitioned resolution at a general meeting and, at least forty five (45) Market Days but no more than ninety (90) Market Days before the meeting, the Company has been given a notice in writing ~~duly signed by the relevant Shareholders stating their intention to nominate the person for election and a notice signed by the nominee giving his or her consent to the nomination and signifying his or her candidature for the office~~ or the intention of the Shareholder to propose the person. In the case of a person recommended by the Directors for election, not less than nine (9) clear days' notice shall be necessary. Notice of each and every candidature for election as a Director shall be given to each Shareholder with or as part of the notice of the meeting ~~at least seven (7) days prior to the meeting at which the election is to take place.~~ The Company shall observe the requirements of the Corporations Act with respect to the election of Directors. If the number of nominations exceeds the vacancies available having regard to clause 12.1, the order in which the candidates shall be put up for election shall be determined by the drawing of lots supervised by the Directors and once sufficient candidates have been elected to fill up the vacancies available, the remaining candidates shall be deemed defeated without the need for votes to be taken on their election.

12.5 Additional Directors

The Directors may at any time appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number specified by this Constitution. Any Director so appointed (apart from a Managing Director) holds office only until the next annual general meeting and is then eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

12.6 Removal of Director

The Company may by resolution remove any Director before the expiration of his period of office, and may by resolution appoint another person in his place. The person so appointed is

¹⁷ ~~Required by Listing Rule 14.5.~~

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subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.

12.7 Vacation of Office

The office of Director shall automatically become vacant if the Director:

- (i) ceases to be a Director by virtue of section 203D or any other provision of the Corporations Act;
- (ii) becomes bankrupt or insolvent or makes any arrangement or composition with his creditors generally;
- (iii) becomes prohibited from being a Director by reason of any order made under the Corporations Act;
- (iv) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;
- (v) resigns his or her office by notice in writing to the Company;
- (vi) is removed from office under clause 12.6;
- (vii) is absent for more than [6]⁺⁸ months, without permission of the Directors,

from meetings of the Directors held during that period; or

12.8 Disqualification of a Director

If a Director is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds, that Director shall immediately resign from office.

12.9 Remuneration

The Directors shall be paid out of the funds of the Company, by way of remuneration for their services as Directors. Subject to clause 12.10 below, the total aggregate fixed sum per ~~annum~~financial year to be paid to the Directors (excluding salaries of executive Directors) from time to time will not exceed the sum 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.~~

No ~~non-Director (other than an~~ executive ~~Director~~director or a managing director) shall be paid as part or whole of his remuneration a commission on or a percentage of profits or turnover, and no executive Director shall be paid as whole or part of his remuneration a commission on or percentage of turnover. The remuneration of a Director shall be deemed to accrue from day to day. Remuneration under this clause ~~12.8~~ 12.9 may be provided in such manner that the Directors decide (including by way of contribution to a superannuation fund on behalf of the Director) and if any part of the fees of any Director is to be provided other than in cash the Directors may determine the manner in which the non-cash component of the fees is to be valued.

12.10 Initial Fees to Directors

The total aggregate fixed sum per annum to be paid to Directors (excluding salaries of executive Directors) in accordance with clause ~~12.8~~12.9 shall ~~initially~~ be no more than

⁺⁸ ~~Take instructions but 6 months is common.~~

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SGD~~400,000~~800,000 and may be varied by ordinary resolution of the Shareholders in general meeting.

Such aggregate fixed sum to be paid to Directors shall not be increased except pursuant to a resolution passed at a general meeting where notice of the proposed increase has been given in the notice convening the meeting.

12.11 Expenses

The Directors shall be entitled to be paid reasonable travelling, accommodation and other expenses incurred by them respectively in or about the performance of their duties as Directors. If any of the Directors being willing are called upon to perform extra services or make any special exertions on behalf of the Company or its business, the Directors may remunerate this Director in accordance with such services or exertions, and this remuneration may be either in addition to or in substitution for his or her share in the remuneration provided for by clause 12.8.

12.12 No Share Qualification

A Director is not required to hold any Shares.

13. POWERS AND DUTIES OF DIRECTORS

13.1 Management of the Company

Subject to the Corporations Act and the Listing Rules and to any other provision of this Constitution, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in promoting and forming the Company, and may exercise all such powers of the Company as are not, by the Corporations Act or the Listing Rules or by this Constitution, required to be exercised by the Company in general meeting.

13.2 Borrowings

Without limiting the generality of clause 13.1, the Directors may at any time:

- (i) exercise all powers of the Company to borrow money, to charge any property or business of the Company or all or any of its uncalled capital and to issue debentures or give any other security for a debt, liability or obligation of the Company or of any other person;
- (ii) sell or otherwise dispose of the whole or any part of the assets, undertakings and other properties of the Company or any that may be acquired on such terms and conditions as they may deem advisable, but:
 - (A) if the Company is listed on the Exchange, the Company shall comply with the Listing Rules which relate to the sale or disposal of a company's assets, undertakings or other properties; and
 - (B) on the sale or disposition of the Company's main undertaking or on the liquidation of the Company, no commission or fee shall be paid to any Director or Directors or to any liquidator of the Company unless it shall have been ratified by the Company in general meeting, with prior notification of the amount of such proposed payments having been given to all Shareholders ~~at least seven (7) days prior to~~with or as part of the notice of the meeting ~~at which any such payment is to be considered; and~~;

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- (iii) take any action necessary or desirable to enable the Company to comply with the Listing Rules.

13.3 Attorneys

The Directors may, by power of attorney, appoint any person or persons to be the attorney or attorneys of the Company for the purposes, with the powers, authorities and discretions (being powers, authorities and discretions vested in or exercisable by the Directors), for the period and subject to the conditions as they think fit. This power of attorney may contain provisions for the protection and convenience of persons dealing with the attorney as the Directors may determine and may also authorise the attorney to delegate all or any of the powers, authorities and discretions vested in the person.

13.4 Cheques, etc.

All cheques, promissory notes, bankers drafts, bills of exchange, electronic transfers and other negotiable instruments, and all receipts for money paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by any two (2) Directors or in any other manner as the Directors determine.

13.5 Retirement Benefits for Directors

The Directors may at any time, subject to the Listing Rules, adopt any scheme or plan which they consider to be in the interests of the Company and which is designed to provide retiring or superannuation benefits for both present and future non-executive Directors, and they may from time to time vary this scheme or plan. Any scheme or plan may be effected by agreements entered into by the Company with individual Directors, or by the establishment of a separate trust or fund, or in any other manner the Directors consider proper. The Directors may attach any terms and conditions to any entitlement under any such scheme or plan that they think fit, including, without limitation, a minimum period of service by a Director before the accrual of any entitlement and the acceptance by the Directors of a prescribed retiring age. No scheme or plan shall operate to confer upon any Director or on any of the dependants of any Director any benefits exceeding those contemplated in section 200F of the Corporations Act or the Listing Rules, except with the approval of the Company in general meeting.

~~13.6 Securities to Directors or Shareholders~~

~~If a Director acting solely in the capacity of Director of the Company shall become personally liable for the payment of any sum primarily due by the Company, the Directors may create any mortgage, charge or security over or affecting the whole or an part of the assets of the Company by way of indemnity to secure the persons or person so becoming liable from any loss in respect of such liability.~~

14. PROCEEDINGS OF DIRECTORS

14.1 Convening a Meeting

A Director may at any time, and a Secretary shall, whenever requested to do so by one (1) or more Directors, convene a meeting of the Directors, but not less than 24 hours' notice of every such meeting shall be given to each Director, and to each Alternate Director, either by personal telephone contact or in writing by the convenor of the meeting. The Directors may by unanimous resolution agree to shorter notice. An accidental omission to send a notice of a meeting of Directors to any Director or the non-receipt of such a notice by any Director does not invalidate the proceedings, or any resolution passed, at the meeting.

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14.2 Procedure at Meetings

The Directors may meet together for the despatch of business and adjourn and, subject to this clause 14, otherwise regulate the meetings as they think fit.

14.3 Quorum

No business shall be transacted at any meeting of Directors unless a quorum is present, comprising two (2) Directors present in person, or by instantaneous communication device, notwithstanding that less than two (2) Directors may be permitted to vote on any particular resolution or resolutions at that meeting for any reason whatsoever. Where a quorum cannot be established for the consideration of a particular matter at a meeting of Directors, one (1) or more of the Directors may call a general meeting of the Company to deal with the matter. In determining whether a quorum is present, each individual participating as a Director or as an Alternate Director for another Director is to be counted except that an individual participating in more than one (1) capacity is to be counted only once.

14.4 Secretary May Attend and Be Heard

The Secretary is entitled to attend any meeting of Directors and is entitled to be heard on any matter dealt with at any meeting of Directors.

14.5 Majority Decisions

Questions arising at any meeting of Directors shall be decided by a majority of votes. A resolution passed by a majority of Directors shall for all purposes be deemed a determination of "the Directors". An Alternate Director has one (1) vote for each Director for whom he or she is an alternate. If an Alternate Director is also a Director, he or she also has a vote as a Director.

14.6 Casting Votes

In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote, but the chairman shall have no casting vote where only two (2) Directors are present and form the quorum or when only two (2) Directors are competent to vote on the matter at issue.

14.7 Alternate Directors

A Director may, with the approval of a majority of the other Directors, appoint any person (other than another Director) to be an Alternate Director in his or her place during any period as he or she thinks fit, and the following provisions shall apply with respect to any Alternate Director:

- (i) he or she is entitled to notice of meetings of the Directors and, if his or her appointor Director is not present at such a meeting, he or she is entitled to attend and vote in the place of the absent Director;
- (ii) he or she may exercise any powers that his or her appointor Director may exercise (except the "power to appoint an Alternate Director), and the exercise of any such power by the Alternate Director shall be deemed to be the exercise of the power by his or her appointor Director;
- (iii) he or she is subject to the provisions of this Constitution which apply to Directors, except that Alternate Directors, unless the Board otherwise determines, are not entitled in that capacity to any remuneration from the Company (but Alternate Directors are entitled to reasonable travelling, accommodation and other expenses as the Alternate Director may properly incur in travelling to, attending and returning from meetings of Directors or meetings of a committees by the Directors of which the

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appointor is not present), and any remuneration paid to the Alternate Director by the Company is to be deducted from the remuneration of the Director by whom the Alternate Director was appointed);

- (iv) he or she is not required to hold any Shares;
- (v) his or her appointment may be terminated at any time by his or her appointor Director notwithstanding that the period of the appointment of the Alternate Director has not expired, and the appointment shall terminate in any event if his or her appointor Director vacates office as a Director;
- (vi) the appointment, or the termination of an appointment, of an Alternate Director shall be effected by a written notice signed by the Director who made the appointment given to the Company;
- (vii) is, whilst acting as an Alternate Director, an officer of the Company and not the agent of the appointor and is responsible to the exclusion of the appointor for the Alternate Director's own acts and defaults; and
- (viii) he or she shall not act as an Alternate Director to more than one (1) Director at the same time.

14.8 Continuing Directors May Act

In the event of a vacancy or vacancies in the office of a Director, the remaining Directors may act but, if the number of remaining Directors is reduced below the minimum number fixed by or pursuant to the Constitution (or such other regulations of the Company), they may, except in a emergency, act only for the purposes of increasing the number of Directors to such minimum number, or in order to convene a general meeting of the Company.

14.9 Chairman

The Directors shall elect from their number a chairman of their meetings and may determine the period for which he or she is to hold office. Where a Directors' meeting is held and a chairman has not been elected or is not present at the meeting within ten (10) minutes after the time appointed for the meeting to begin, the Directors present shall elect one (1) of their number to be the acting chairman of the meeting. The Directors may elect a Director as deputy chairman to act as chairman in the chairman's absence.

14.10 Committees

The Directors may delegate any of their powers to a committee or committees consisting of such of their number as they think fit. The Directors may at any time revoke any such delegation of power. A committee to which any powers have been so delegated shall exercise the powers delegated in accordance with any directions of the Directors, and a power so exercised shall be deemed to have been exercised by the Directors. The members of such a committee may elect one (1) of their number as chairman of their meetings. Questions arising at a meeting of a committee shall be determined by a majority of votes of the members present and voting. In the case of an equality of votes, the chairman shall have a casting vote. The provisions of this Constitution applying to meetings and resolutions of Directors apply, so far as they can and with any necessary changes, to meetings and resolutions of a committee of Directors, except to the extent they are contrary to any direction given under this clause 14.10.

14.11 Written Resolutions

A resolution in writing signed by ~~all~~ a majority of the Directors for the time being (or their respective Alternate Directors), except those Directors (or their alternates) who expressly

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indicate their abstention in writing to the Company and those who would not be permitted, by virtue of section 195 of the Corporations Act to vote, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held. This resolution may consist of several documents in like form, each signed by one (1) or more Directors. Copies of the documents to be signed under this clause must be sent to every Director who is entitled to vote on the resolution. The resolution is taken to have been passed when the last Director signs the relevant documents. A facsimile transmission, an email bearing the signature of the Director or an email of the Director addressed to another officer of the Company confirming agreement with the resolution and undertaking to sign the resolution as soon as practicable shall be deemed to be a document in writing signed by the Directors.

14.12 Defective Appointment

All acts done by any meeting of the Directors or of a committee of Directors or by any person acting as a Director are, notwithstanding that it is afterwards discovered that there was some defect in the appointment of a person to be, or to act as, a Director, or that a person so appointed was disqualified, as valid as if the person had been duly appointed and was qualified to be a Director or to be a member of the committee.

14.13 Directors May Hold Other Offices

A Director may hold any other office or place of profit in or in relation to the Company or a related body corporate of the Company (except that of auditor) in conjunction with his or her office of Director and on any terms as to remuneration or otherwise that the Directors shall approve.

14.14 Directors May Hold Shares, etc.

A Director may be or become a shareholder in or director of or hold any other office or place of profit in or in relation to any other company promoted by the Company or a related body corporate of the Company or in which the Company may be interested, whether as a vendor, shareholder or otherwise.

14.15 Directors Not Accountable for Benefits

No Director shall be accountable for any benefits received as the holder of any other office or place of profit in or in relation to the Company or any other company referred to in clause 14.14 or as a shareholder in or director of any such company.

14.16 Disclosure of Interests in Related Matters

As required by the Corporations Act, a Director must give the Directors notice of any material personal interest in a matter that relates to the affairs of the Company. No Director shall be disqualified by his office from contracting with the Company whether as vendor, purchaser or otherwise, nor shall any such contract or proposed contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided or prejudiced on that account, nor shall any Director be liable to account to the Company for any profit arising from any such contract or proposed contract or arrangement by reason only of such Director holding that office or of the fiduciary relationship thereby established. A Director who directly or indirectly has a material personal interest in a matter that is being considered at a meeting of Directors must not be present while the matter is being considered at the meeting or vote on that matter.

14.17 Disclosure of Shareholding

A Director must give to the Company such information about the Shares or other securities in the Company in which the Director has a relevant interest and at the times that the Secretary

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requires, to enable the Company to comply with any disclosure obligations it has under the Corporations Act or the Listing Rules.

14.18 Related Body Corporate Contracts

A Director shall not be deemed to be interested or to have been at any time interested in any contract or arrangement by reason only that in a case where the contract or arrangement has been or will be made with, for the benefit of, or on behalf of a Related Body Corporate, he or she is a shareholder in that Related Body Corporate.

14.19 Voting, Affixation of Seal

A Director may in all respects act as a Director in relation to any contract or arrangement in which he or she is interested, including, without limiting the generality of the above, in relation to the use of the Company's common seal, but a Director may not vote in relation to any contract or proposed contract or arrangement in which the Director has directly or indirectly a material interest except as permitted by the Corporations Act.

15. MEETING BY INSTANTANEOUS COMMUNICATION DEVICE

15.1 Meetings to be Effectual

A Director shall be entitled to attend a Directors' meeting by means of an instantaneous communication device rather than in person. In those circumstances, a Director shall still receive all materials and information to be made available for the purposes of the Directors' meeting.

For the purposes of this Constitution, the contemporaneous linking together by instantaneous communication device of a number of consenting Directors not less than the quorum, whether or not any one (1) or more of the Directors is out of Australia, shall be deemed to constitute a Directors' meeting and all the provisions of this Constitution as to the Directors' meetings shall apply to such meetings held by instantaneous communication device so long as the following conditions are met:

- (i) all the directors for the time being entitled to receive notice of the Directors' meeting (including any alternate for any Director) shall be entitled to notice of a meeting by instantaneous communication device for the purposes of such meeting. Notice of any such Directors' meeting shall be given on the instantaneous communication device or in any other manner permitted by this Constitution;
- (ii) each of the Directors taking part in the Directors' meeting by instantaneous communication device must be able to hear each of the other Directors taking part at the commencement of the Directors' meeting; and
- (iii) at the commencement of the Directors' meeting each Director must acknowledge his or her presence for the purpose of a Directors' meeting of the Company to all the other Directors taking part.

A Directors' meeting held by instantaneous communication device shall be deemed to have been held at the Registered Office.

15.2 Procedure at Meetings

A Director may leave a Directors' meeting held under clause 15.1 by informing the Chairman of the Directors' meeting and then disconnecting his instantaneous communication device. Unless this procedure has been followed a Director shall be conclusively presumed to have

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been present and to have formed part of the quorum at all times during the Directors' meeting by instantaneous communication device.

15.3 Minutes

A minute of the proceedings at a meeting held under clause 15.1 shall be sufficient evidence of such proceedings and of the observance of all necessary formalities if certified as a correct minute by the chairman or the person taking the chair at the meeting under clause 15.1.

15.4 Definition

For the purposes of this Constitution, "**instantaneous communication device**" shall include telephone, television or any other audio or visual device which permits instantaneous communication.

16. MANAGING AND EXECUTIVE DIRECTORS AND SECRETARIES

16.1 Appointment

The Directors may from time to time appoint one (1) or more of their number to the office of managing director (**Managing Director**) of the Company or to any other office, (except that of auditor), or employment under the Company, either for a fixed term, but not for life and, subject to the terms of any agreement entered into in a particular case, may revoke any such appointment. Where an appointment is for a fixed term, such term shall not exceed five (5) years. A Director other than a Managing Director so appointed is in this Constitution referred to as an executive director (**Executive Director**). The appointment of a Managing Director or Executive Director so appointed automatically terminates if he ceases for any reason to be a Director.

16.2 Remuneration

Subject to clause 12.8, a Managing Director or Executive Director shall, subject to the terms of any agreement entered into in a particular case, receive remuneration (whether by way of salary, commission or participation in profits, or ~~partly in one (1) way and partly in another~~ by all or any of those modes, but may not be by a commission, percentage of turnover or percentage of operating revenue) as the Directors may determine.

16.3 Powers

A Managing Director (or a person holding an equivalent position) shall be subject to the control of the Board. The Directors may, upon such terms and conditions and with such restrictions as they think fit, confer upon a Managing Director or Executive Director any of the powers exercisable by them. Any powers so conferred may be concurrent with, or be to the exclusion of, the powers of the Directors. The Directors may at any time withdraw or vary any of the powers so conferred on a Managing Director or Executive Director.

16.4 Rotation

Subject to clause 12.3, a Managing Director shall not retire by rotation, but Executive Directors shall.

16.5 Secretary

A Secretary of the Company shall hold office on such terms and conditions, as to remuneration and otherwise, as the Directors determine. There must be at least one (1) Secretary of the Company at all times.

APPENDIX G – NEW CONSTITUTION (WITH PROPOSED AMENDMENTS MARKED UP)

17. SEALS

17.1 Common Seal

Subject to the Corporations Act, the Company may have a Seal. The Directors shall provide for the safe custody of the Seal. The Seal shall only be used by the authority of the Directors, or of a committee of the Directors authorised by the Directors to authorise the use of the Seal. Every document to which the Seal is affixed shall be signed by a Director and countersigned by another Director, (who may be an Alternate Director) a Secretary or another person appointed by the Directors to countersign that document or a class of documents in which that document is included.

17.2 Execution of Documents Without a Seal

Without limiting the ways a document can be signed under the Corporations Act, the Company may execute a document without using the Seal if the document is signed by:

- (i) two (2) Directors;
- (ii) a Director and a Secretary; or
- (iii) any person or persons authorised by the Directors for the purposes of executing that document or the class of document to which that document belongs.

17.3 Share Seal

Subject to the Corporations Act, the Company may have a duplicate Seal, known as the Share Seal, which shall be a facsimile of the Seal with the addition on its face of the words "**Share Seal**", and the following provisions shall apply to its use:

- (i) any certificate for Shares may be issued under the Share Seal and if so issued shall be deemed to be sealed with the Seal;
- (ii) subject to the following provisions of this clause 17.3, the signatures required by clause 17.1 on a document to which the Seal is affixed may be imposed by some mechanical means;
- (iii) subject to the following provisions of this clause 17.3, the Directors may determine the manner in which the Share Seal shall be affixed to any document and by whom a document to which the Share Seal is affixed shall be signed, and whether any signature so required on such a document must be actually written on the document or whether it may be imposed by some mechanical means;
- (iv) the only documents on which the Share Seal may be used shall be Share or stock unit certificates, debentures or certificates of debenture stock, secured or unsecured notes, option certificates and any certificates or other documents evidencing any Share Options or rights to take up any Shares in or debenture stock or debentures or notes of the Company; and
- (v) signatures shall not be imposed by mechanical means nor (except when the requirements of clause 17.1 as to signatures are complied with) shall the Share Seal be used on any certificate or other document mentioned in clause 17.3(iv) unless the certificate or other document has first been approved for sealing or signature (as the case may be) by the Board or other authorised person or persons.

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18. ACCOUNTS, AUDIT AND RECORDS

18.1 Accounting records to be kept

The Directors shall cause proper accounting and other records to be kept by the Company and shall distribute copies of the Company's accounts and reports as required by the Corporations Act and the Listing Rules.

18.2 Audit

The Company shall comply with the requirements of the Corporations Act and the Listing Rules as to the audit of accounts, registers and records.

18.3 Inspection

The Directors shall determine whether and to what extent, and at what time and places and under what conditions, the accounting records and other documents of the Company or any of them will be open to the inspection of Shareholders other than Directors. A Shareholder other than a Director shall not be entitled to inspect any document of the Company except as provided by law or authorised by the Directors or by the Company in general meeting.

19. MINUTES

19.1 Minutes to be Kept

The Directors shall cause to be kept, in accordance with section 1306 of the Corporations Act, minutes of:

- (i) all proceedings of general meetings and Directors meetings; and
- (ii) all appointments of Officers and persons ceasing to be Officers.

19.2 Signature of Minutes

All minutes shall be signed by the chairman of the meeting at which the proceedings took place or by the chairman of the next succeeding meeting.

19.3 Requirements of the Corporations Act

The Company and the Officers shall comply with the requirements of Part 2G.3 of Chapter 2G of the Corporations Act.

20. DIVIDENDS AND RESERVES

20.1 Dividends

Subject to and in accordance with the Corporations Act, the Listing Rules, the rights of any preference shareholders and to the rights of the holders of any Shares created or raised under any special arrangement as to dividend, the Directors may from time to time decide to pay a dividend to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares. The Directors may rescind a decision to pay a dividend if they decide, before the payment date, that the Company's financial position no longer justifies the payment.

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20.2 Interim Dividend

The Directors may from time to time pay to the Shareholders any interim dividends that they may determine.

20.3 No Interest

No dividend shall carry interest as against the Company.

20.4 Reserves

The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied. Pending any application of the reserves, the Directors may invest or use the reserves in the business of the Company or in other investments as they think fit. Any amount set aside as a reserve is not required to be held separately from the Company's other assets and may be used by the Company or invested as the Directors think fit.

20.5 Carrying forward profits

The Directors may carry forward any part of the profits of the Company that it decides not to distribute as dividends without transferring those profits to a reserve.

20.6 Alternative Method of Payment of Dividend

When declaring any dividend and subject at all times to the Corporations Act and the Listing Rules, the Directors may:

- (i) direct payment of the dividend to be made wholly or in part by the distribution of specific assets or documents of title (including, without limitation, paid-up Shares, debentures or debenture stock of this or any other company, gold, gold or mint certificates or receipts and like documents) or in any one or more of these ways, and where any difficulty arises with regard to the distribution the Directors may settle it as they think expedient and in particular may issue fractional certificates and may fix the value for distribution of specific assets or any part of them and may determine that cash payments shall be made to any Shareholders upon the basis of the value so fixed in order to adjust the rights of all parties and may vest any of these specific assets in trustees upon trusts for the persons entitled to the dividend as may seem expedient to the Directors; or
- (ii) direct that a dividend be payable to particular Shareholders wholly or partly out of any particular fund or reserve or out of profits derived from any particular source and to the remaining Shareholders wholly or partly or of any other particular fund or reserve or out of profits derived from any other particular source and may so direct notwithstanding that by so doing the dividend will form part of the assessable income for taxation purposes of some Shareholders and will not form part of the assessable income of others.

For the purposes of this clause, the Company is authorised to distribute securities of another body corporate by way of dividend and, on behalf of the Shareholders, provide the consent of each Shareholder to becoming a member of that body corporate and the agreement of each Shareholder to being bound by the constitution of that body corporate.

20.7 Shareholders entitled to dividend

Subject to this Constitution, a dividend in respect of a Share is payable to the person registered as the holder of that Share:

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- (i) if the Directors have fixed a time for determining entitlements to the dividend, at that time; and
- (ii) in any other case, on the date on which the dividend is paid.

20.8 Payment of Dividends

Any dividend payable may be paid by:

- (i) cheque sent through the mail directed to:
 - (A) the address of the Shareholder shown in the Register or to the address of the joint holders of Shares shown first in the Register; or
 - (B) an address which the Shareholder has, or joint holders have, in writing notified the Company as the address to which dividends should be sent;
- (ii) electronic funds transfer to an account with a bank or other financial institution nominated by the Shareholder and acceptable to the Company; or
- (iii) any other means determined by the Directors.

20.9 Unclaimed Dividends

Except as otherwise provided by statute, all dividends unclaimed for one (1) year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed.

20.10 Breach of Restriction Agreement

In the event of a breach of the Listing Rules relating to Restricted Securities or of any moratorium arrangement under the Listing Rules in relation to any Shares which are classified under the Listing Rules or by the Exchange as Restricted Securities, the Shareholder holding the Shares in question shall cease to be entitled to be paid any dividends in respect of those Shares for so long as the breach subsists.

20.11 Where the Depository is a Shareholder

For so long as the Shares of the Company are listed on the Exchange and the Depository is a Shareholder, references to Shareholders in this clause 20 shall be deemed to include the Depositors whose names are included in the Depository Register from time to time.

21. CAPITALISATION OF PROFITS

21.1 Capitalisation

The Directors, subject to the Listing Rules and any rights or restrictions for the time being attached to any class or class of shares, may from time to time resolve to capitalise any amount, being the whole or a part of the amount for the time being standing to the credit of any reserve account or the profit and loss account or otherwise available for distribution to Shareholders, and that that amount be applied, in any of the ways mentioned in clause 21.2 for the benefit of Shareholders in the proportions to which those Shareholders would have been entitled in a distribution of that amount by way of dividend.

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21.2 Application of Capitalised Amounts

The ways in which an amount may be applied for the benefit of Shareholders under clause 21.1 are:

- (i) in paying up any amounts unpaid on Shares held by Shareholders;
- (ii) in paying up in full, at an issue price decided by Director's resolution, unissued Shares or debentures to be issued to Shareholders as fully paid; or
- (iii) partly as mentioned in paragraph 21.2(i) and partly as mentioned in paragraph 21.2(ii).

21.3 Procedures

The Directors shall do all things necessary to give effect to the resolution referred to in clause 21.1 and, in particular, to the extent necessary to adjust the rights of the Shareholders among themselves, may:

- (i) issue fractional certificates or make cash payments in cases where Shares or debentures could only be issued in fractions; and
- (ii) authorise any person to make, on behalf of all the Shareholders entitled to any further Shares or debentures upon the capitalisation, an agreement with the Company providing for the issue to them, credited as fully paid up, of any further Shares or debentures or for the payment up by the Company on their behalf of the amounts or any part of the amounts remaining unpaid on their existing Shares by the application of their respective proportions of the sum resolved to be capitalised,
- (iii) and any agreement made under an authority referred to in paragraph 21.3(ii) is effective and binding on all the Shareholders concerned.

22. BONUS SHARE PLAN

22.1 Authorisation of Bonus Share Plan

Subject to the Listing Rules and the Corporations Act, the Company may, by ordinary resolution in general meeting, authorise the Directors to implement a Bonus Share Plan on such terms and conditions as are referred to in the resolution.

22.2 Amendment and Revocation

Any resolution passed by the Company in general meeting pursuant to clause 22.1 may, at any time, be amended or revoked by the Company by ordinary resolution in general meeting.

23. DIVIDEND REINVESTMENT PLAN

23.1 Authorisation of Dividend Reinvestment Plan

Subject to the Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a Dividend Reinvestment Plan on such terms and conditions as are referred to in the resolution and which plan provides for any dividend which the Directors may declare from time to time under clause 20 and payable on Shares which are participating Shares in the Dividend Reinvestment Plan, less any amount which the Company shall either pursuant to this Constitution or any law be entitled or obliged to retain, to be applied by the Company to the payment of the subscription price of ordinary fully paid Shares.

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23.2 Amendment and Revocation

Any resolution passed by the Directors pursuant to clause 23.1 may, at any time, be amended or revoked by the Company by ordinary resolution in general meeting.

24. NOTICES

24.1 Service by the Company to Shareholders

A notice may be given by the Company to any Shareholder either by:

- (i) serving it on him or her personally;
- (ii) by sending it by post to the Shareholder at his or her address as shown in the Register of Shareholders or the address supplied by the Shareholder to the Company for the giving of notices to this person, and in the case of the Depository as a Shareholder, each Depositor at his address entered into the Depository Register. Notices to Shareholders whose registered address is outside Australia shall be sent by airmail or, where applicable, by the means provided for by clause 24.9; ~~or~~
- (iii) be sending it by fax or other electronic means (including providing a URL link to any document or attachment) to the fax number or electronic address nominated by the Shareholder for giving notices; or

(iv) by notifying the Shareholder by an electronic means nominated by the Shareholder that:

(A) the document is available; and

(B) how the Shareholder may use the nominated access means to access the document; or

(v) by any other means permitted by law.

24.2 Service of notices by the Company to Directors

A notice may be given by the Company to a Director or Alternate Director by:

- (i) serving it on him or her personally;
- (ii) sending it by ordinary post to his or her usual residential or business address, or any other address he or she has supplied to the Company for giving notices; or
- (iii) sending it by fax or other electronic means (including providing a URL link to any document or attachment) to the fax number or electronic address he or she has supplied to the Company for giving notices.

24.3 Service of notices by Directors, Alternate Directors and Shareholders to the Company

Without limiting any other way that a communication may be given under the Corporations Act, a notice may be given by a Director or Alternate Director or a Shareholder to the Company by:

- (i) delivering it to the Company's registered office;
- (ii) sending it by ordinary post to the Company's registered office; or

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- (iii) sending it by fax or other electronic means to the principal fax number or electronic address at the Company's registered office.

24.4 Deemed receipt of Notice

A notice will be deemed to be received by a Shareholder when:

- (i) where a notice is served personally, service of the notice shall be deemed to be effected when hand delivered to the member in person;
- (ii) where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, pre-paying and posting ~~a letter containing~~ the notice, and to have been effected, ~~in the case of a notice of a meeting, on the date one day after the date of its posting and, in any other case, at the time at which the letter would be delivered in the ordinary course of post;~~
- (iii) where a notice is sent by facsimile, service of the notice shall be deemed to be effected upon confirmation being received by the Company that all pages of the notice have been successfully transmitted to the Shareholder's facsimile machine at the facsimile number nominated by the Shareholder; and
- (iv) where a notice is sent to an electronic address by electronic means, service of the notice shall be deemed to be effected once sent by the Company to the electronic address nominated by the Shareholder (regardless of whether or not the notice is actually received by the Shareholder).

24.5 Notice to Joint Holders

A notice may be given by the Company to the joint holders of a Share by giving the notice to the joint holder first named in the Register of Shareholders or (as the case may be) the Depository Register in respect of the Share.

24.6 Notices to Personal Representatives and Others

A notice may be given by the Company to a person entitled to a Share in consequence of the death or bankruptcy of a Shareholder by serving it on him or her or by sending it to him or her by post addressed to the person by name or by the title or representative of the deceased or assignee of the bankrupt, or by any like description, at the address (if any) supplied for the purpose by the person or, if such an address has not been supplied, at the address to which the notice might have been sent if the death or bankruptcy had not occurred.

24.7 Persons Entitled to Notice

Notice of every general meeting shall be given to each person who at the time of giving the notice is:

- (i) each Shareholder at his registered address as appearing in the Register of Shareholders, and in the case of the Depository as a Shareholder, each Depositor at his address entered into the Depository Register;
- (ii) a person entitled to a Share in consequence of the death or bankruptcy of a Shareholder who, but for his death or bankruptcy, would be entitled to receive notice of the meeting;
- (iii) a Director or Alternate Director; and
- (iv) the auditor for the time being of the Company,

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unless that person waives the right to receive notice by written notice to the Company. No other person is entitled to receive notices of general meetings.

For so long as the Shares of the Company are listed on the Exchange and the Depository is a Shareholder, the Depositors shall be entitled to receive copies of all notices that are sent to Shareholders from time to time including but not limited to all notices of general meetings of the Company. The Depository shall provide to the Company a list of all Depositors who are listed in its records as holding an interest in the Company on request from the Company together with the address, telex or facsimile number to which any such notices should be sent and the provisions of these rules in relation to the service of such notices shall mutatis mutandis apply.

24.8 Change of Address

The Company shall acknowledge receipt of all notifications of change of address by Shareholders.

24.9 Incorrect Address

Where the Company has bona fide reason to believe that a Shareholder is not known at his or her registered address, and the Company has subsequently made an enquiry in writing at that address as to the whereabouts of the Shareholder and this enquiry either elicits no response or a response indicating that the Shareholder or his present whereabouts are unknown, all future notices will be deemed to be given to the Shareholder if the notice is exhibited in the Registered Office (or, in the case of a Shareholder registered on a Branch Register, in a conspicuous place in the place where the Branch Register is kept) for a period of forty-eight (48) hours (and shall be deemed to be duly served at the commencement of that period) unless and until the Shareholder informs the Company of a new address to which the Company may send him notices (which new address shall be deemed his registered address).

25. WINDING UP

25.1 Distribution in Kind

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set a value as the liquidator considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. No member is obliged to accept any Shares, securities or other assets in respect of which there is any liability.

25.2 Trust for Shareholders

The liquidator may, with the authority of a special resolution, vest the whole or any part of any property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

25.3 Distribution in Proportion to Shares Held

Subject to the rights of Shareholders (if any) entitled to Shares with special rights in a winding-up and the Corporations Act all monies and property that are to be distributed among Shareholders on a winding-up, shall be distributed in proportion to the Shares held by them respectively, irrespective of the amount paid-up or credited as paid-up on the Shares.

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25.4 Where the Depository is a Shareholder

For so long as the Shares of the Company are listed on the Exchange and the Depository is a Shareholder, references to Shareholders in this clause 25 shall be deemed to include the Depositors whose names are included in the Depository Register from time to time.

26. UNMARKETABLE PARCELS

If the Company is admitted to the official list of the ASX, the Company may only invoke the procedures in this clause 26 once in any 12 month period.

26.1 Notice

If the number of shares registered in the name of a shareholder is less than a marketable parcel, the directors may send a notice to the shareholder that:

- (i) the Company intends to sell the Unmarketable Parcel; and
- (ii) the shares referred to in the notice are liable to be sold in accordance with this clause if the shareholder does not advise the Company before a specified date ("Relevant Date") that the shareholder wishes to keep those shares.
- (iii) if the shareholder holds shares in a CHESS holding, contain a statement to the effect that if those shares remain in a CHESS holding after the Relevant Date, the Company may, without further notice, move those shares from the CHESS holding to an issuer sponsored holding or a certificated holding for the purposes of divestment by the Company in accordance with this clause 26 and the Listing Rules.

The shareholder must be given at least six weeks from the date that the notice is sent in which to tell the Company that the shareholder wishes to retain the holding. If the shareholder notifies the Company to that effect, the Company may not sell the holding.

26.2 Divestiture

If the shareholder does not advise the Company by the date specified in the notice that the provisions of clause 26.1 are not to apply to the shares referred to in the notice, the Company may:

- (i) if the shareholder holds those shares in a CHESS holding, move those shares from the CHESS holding to an issuer sponsored holding or a certificated holding; and
- (ii) in any case, sell those shares in accordance with this clause 26.

Any shares sold under this clause may be sold on-market on the terms, in the manner and at the time determined by the directors and for the purposes of the sale. The shareholder:

- (i) appoints the Company as the shareholder's agent for sale;
- (ii) authorises the Company to effect a transfer of the shares on the shareholder's behalf; and
- (iii) appoints the Company and its directors to execute any document or take any other steps as the directors may consider appropriate to transfer the shares.

The transferee will not be bound to see to the regularity of proceedings or to the application of the purchase money and after the transferee's name has been entered in the register of

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shareholders in respect of the shares, the validity of the sale will not be impeached by any person.

26.3 Proceeds of sale

The proceeds of any sale of an Unmarketable Parcel less any unpaid calls and interest will be paid to the shareholder or as that shareholder may direct but only after the shareholder's certificate (if any) has been returned to the Company or the Company is satisfied the certificate (if any) is lost or destroyed.

26.4 Share Certificates

The Company will cancel the share certificates of all shareholders whose Unmarketable Parcel of shares are sold.

26.5 Costs

The Company or the purchaser will bear all costs, including brokerage and stamp duty associated with any Unmarketable Parcel of shares.

26.6 Takeovers

The power of the Company to sell an Unmarketable Parcel of shares lapses following the announcement of a takeover. However, the procedure may be started again after the close of offers made under the takeover.

27. PROPORTIONAL TAKEOVER BID

This clause 27 ceases to apply on the third anniversary of its last adoption, or last renewal, in accordance with the Corporations Act.

27.1 Requirement for an Approving Resolution

The Company must refuse to register a transfer of Shares giving effect to a takeover contract for a proportional takeover bid unless and until a resolution is passed in accordance with this clause 27 ("**Approving Resolution**").

The provisions of this constitution concerning meetings of Members (with the necessary changes) apply to a meeting held under clause 27.

27.2 Voting on an Approving Resolution

Where offers are made under a proportional takeover bid, the Directors must call and arrange to hold a meeting, before the 14th day before the last day of the bid period (**Deadline**).

A person (other than the bidder or an associate of the bidder) who, as at the end of the day on which the first offer under the proportional takeover bid was made, held bid class Shares is entitled to:

- (i) vote on an Approving Resolution; and
- (ii) has one vote for each bid class Share held.

To be effective, an Approving Resolution must be passed before the Deadline.

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An Approving Resolution that has been voted on is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50 per cent, and otherwise is taken to have been rejected.

If no Approving Resolution has been voted on as at the end of the day before the Deadline, an Approving Resolution is taken, for the purposes of this schedule, to have been passed in accordance with this clause 27.

28. ~~26.~~ INDEMNITIES AND INSURANCE

28.1 ~~26.1~~ Liability to Third Parties

To the extent permitted by law, the Company:

- (i) indemnifies and agrees to keep indemnified every Director, executive officer or Secretary of the Company; and
- (ii) may, by deed, indemnify or agree to indemnify an officer (other than a Director, executive officer or Secretary) of the Company,

against a liability to another person, other than the Company or a related body corporate of the Company, provided that:

- (iii) the provisions of the Corporations Act (including, but not limited to, Chapter 2E) are complied with in relation to the giving of the indemnity; and
- (iv) the liability does not arise in respect of conduct involving a lack of good faith on the part of the officer.

28.2 ~~26.2~~ Defending Proceedings

To the extent permitted by law, the Company:

- (i) hereby indemnifies and agrees to keep indemnified every Director, executive officer and Secretary of the Company; and
- (ii) may, by deed, indemnify or agree to indemnify an officer of the Company (other than a director, executive officer or secretary);

out of the property of the Company in relation to the period during which that officer held his or her office against a liability for costs and expenses incurred by that officer in that capacity:

- (iii) in defending proceedings, whether civil or criminal, in which:
 - (A) judgment is given in favour of that officer; or
 - (B) that officer is acquitted; or
- (iv) in connection with an application in relation to any proceedings referred to in clause ~~26.2~~28.2(iii) in which relief is granted to that officer by the Court under the Corporations Act.

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28.3 ~~26.3~~ Insurance

To the extent permitted by law, the Company or a related body corporate of the Company may pay, or agree to pay, a premium under a contract insuring an officer in relation to the period during which that officer held that office, including in respect of a liability for costs and expenses incurred by a person in defending civil or criminal proceedings whether or not the officer has successfully defended himself or herself in these proceedings, provided that:

- (i) the provisions of the Corporations Act (including, but not limited to, Chapter 2E) are complied with in relation to the payment of the premium; and
- (ii) the liability does not arise out of conduct involving a wilful breach of duty to the Company or a contravention of sections 182 or 183 of the Corporations Act.

28.4 ~~26.4~~ Disclosure

Subject to any exception provided for in the Corporations Act, full particulars of the Company's indemnities and insurance premiums in relation to the officers must be included each year in the Directors' Report.

28.5 ~~26.5~~ Definition

For the purposes of this clause ~~26.5~~28.5, "officer" means:

- (i) a Director, Secretary or executive officer of the Company, whether past, present or future by whatever name called and whether or not validly appointed to occupy or duly authorised to act in such a position; and
- (ii) any person who by virtue of any applicable legislation or law is deemed to be a Director or officer of the Company, including without limitation, the persons defined as an officer of a company by section 9 of the Corporations Act.

Nothing in this clause ~~26.5~~28.5 precludes the Company from indemnifying employees (other than officers) and consultants or sub-contractors where the Directors consider it is necessary or appropriate in the exercise of their powers to manage the Company.

29. ~~27.~~ DIRECTORS' ACCESS TO INFORMATION

Where the Directors consider it appropriate, the Company may:

- (i) give a former Director access to certain papers, including documents provided or available to the Directors and other papers referred to in those documents; and
- (ii) bind itself in any contract with a Director or former Director to give the access.

~~28.~~ ~~DISCOVERY~~

~~Save as provided by the Corporations Act or the Listing Rules no Shareholder shall be entitled to require discovery of any information in respect of any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or technical process which may relate to the business of the Company and which in the opinion of the Directors it would be expedient in the interests of the Shareholders of the Company to communicate.~~

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30. ~~29.~~ COMPLIANCE (OR INCONSISTENCY) WITH THE LISTING RULES

If the Company is admitted to the ~~Official List~~official list of ~~SGX-ST~~an Exchange, the following clauses apply:

- (i) ~~notwithstanding~~Notwithstanding anything contained in this Constitution, if the Listing Rules prohibit an act being done, the act shall not be done;
- (ii) nothing contained in this Constitution prevents an act being done that the Listing Rules require to be done;
- (iii) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (iv) if the Listing Rules require this Constitution to contain a provision and it does not contain such a provision, this Constitution is deemed to contain that provision;
- (v) if the Listing Rules require this Constitution not to contain a provision and it contains such a provision, this Constitution is deemed not to contain that provision; and
- (vi) if any provision of this Constitution is or becomes inconsistent with the Listing Rules, this Constitution is deemed not to contain that provision to the extent of inconsistency.

31. ~~30.~~ CONSISTENCY WITH CHAPTER 2E OF THE CORPORATIONS ACT

31.1 ~~30.1~~ Requirements of Chapter 2E

Notwithstanding any other provision to the contrary contained in this Constitution:

- (i) the Company shall not give a financial benefit to a related party except as permitted by Chapter 2E of the Corporations Act;
- (ii) all notices convening general meetings for the purposes of section 208 of the Corporations Act shall comply with the requirements of sections 217 to 227 of the Corporations Act;
- (iii) all meetings convened pursuant to section 221 shall be held in accordance with the requirements of section 225 of the Corporations Act; and
- (iv) no holder of Shares or person on their behalf shall be entitled to vote or vote on a proposed resolution under Part 2E.1 of the Corporations Act if that holder of Shares is a related party of the public company to whom the resolution would permit a financial benefit to be given or an associate of such a related party.

31.2 ~~30.2~~ Definitions

For the purposes of this clause ~~30~~31, the terms:

- (i) **"financial benefit"** and **"related party"** shall have the meanings given or indicated by Part 2E.1 and Part 2E.2 of the Corporations Act; and
- (ii) **"associate"** shall have the meaning given to it in Division 2 of Part 1.2 of the Corporations Act.

APPENDIX G – NEW CONSTITUTION (WITH PROPOSED AMENDMENTS MARKED UP)

32. ~~31.~~ INADVERTENT OMISSIONS

- (i) If some formality required by this Constitution is inadvertently omitted or is not carried out the omission does not invalidate any resolution, act, matter or thing which but for the omission would have been valid unless it is proved to the satisfaction of the Directors that the omission has directly prejudiced any Shareholder financially. The decision of the Directors is final and binding on all Shareholders.

33. ~~32.~~ TRANSITIONAL

33.1 ~~32.1~~ Provisions Relating to Official Quotation of Securities

Subject to clause ~~32.2~~33.2 the provisions of this Constitution which relate to the official quotation of the Company's securities on SGX-ST (**Official Quotation**), including but not limited to clauses which refer to SGX-ST and the Listing Rules shall not come into effect until such time as the Company is admitted to the official list of entities that SGX-ST has admitted and not removed.

33.2 ~~32.2~~ Severance

To the extent that any of the provisions of this Constitution referred to in clause ~~32.1~~33.1 above can continue to have effect following severance of the matters relating to Official Quotation, then such provisions shall be valid and effectual, notwithstanding clause ~~32.1~~33.1, as from the date of adoption of this Constitution by special resolution of the Shareholders of the Company.

**APPENDIX G – NEW CONSTITUTION
(WITH PROPOSED AMENDMENTS MARKED UP)**

SCHEDULE 1: PREFERENCE SHARES (CLAUSE 2.6)

1. In this schedule, unless the context otherwise requires:

Dividend Date means, in relation to a Preference Share, a date specified in the Issue Resolution on which a dividend in respect of that Preference Share is payable.

Dividend Rate means, in relation to a Preference Share, the term specified in the Issue Resolution for the calculation of the amount of dividend to be paid in respect of that Preference Share on any Dividend Date, which calculation may be wholly or partly established by reference to an algebraic formula.

Franked Dividend has the same meaning ascribed to Franked Distribution in Part 3-6 of the Tax Act.

Issue Resolution means the resolution specified in clause 4 of this schedule. Preference Share means a preference share issued under clause 2.6.

Redeemable Preference Share means a Preference Share which the Issue Resolution specified as being, or being at the option of the Company to be, liable to be redeemed.

Redemption Amount means, in relation to a Redeemable Preference Share, the amount specified to be paid on redemption of the Redeemable Preference Share.

Redemption Date means, in relation to a Redeemable Preference Share, the date specified in the Issue Resolution for the redemption of that Preference Share.

Tax Act means the *Income Tax Assessment Act 1997*.

2. Each Preference Share confers upon its holder:

- (a) the right in a winding up to payment in cash of the capital (including any premium) then paid up on it, and any arrears of dividend in respect of that Preference Share, in priority to any other class of Shares;
- (b) the right in priority to any payment of dividend to any other class of Shares to a cumulative preferential dividend payable on each Dividend Date in relation to that Preference Share calculated in accordance with the Dividend Rate in relation to that Preference Share; and
- (c) no right to participate beyond the extent elsewhere specified in clause 2 of this schedule in surplus assets or profits of the Company, whether in a winding up or otherwise.

3. Each Preference Share also confers upon its holder the same rights as the holders of ordinary Shares to receive notices, reports, audited accounts and balance sheets of the Company and to attend general meetings and confers upon its holder the right to vote at any general meeting of the Company in each of the following circumstances and in no others:

- (a) during a period during which a dividend (or part of a dividend) in respect of the Preference Share is in arrears for more than 6 months;
 - (b) on a proposal to reduce the Company's share capital;
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**APPENDIX G – NEW CONSTITUTION
(WITH PROPOSED AMENDMENTS MARKED UP)**

- (c) on a resolution to approve the terms of a buy-back agreement;
 - (d) on a proposal that affects rights attached to the Preference Share;
 - (e) on a proposal to wind up the Company;
 - (f) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
 - (g) during the winding up Of the Company; and
 - (h) in any other circumstances in which the Listing Rules require holders of Preference Shares to vote.
4. Each Preference Share issued ranks equally with, or in priority to, Preferences Shares already issued.
5. The Board may only issue a Preference Share where by resolution it specifies the Dividend Date, the Dividend Rate, and whether the Preference Share is or is not, or at the option of the Company is to be, liable to be redeemed, and, if the Preference Share is a Redeemable Preference Share, the Redemption Amount and Redemption Date for that Redeemable Preference Share and any other terms and conditions to apply to that Preference Share.
6. The Issue Resolution in establishing the Dividend Rate for a Preference Share may specify that the dividend is to be one of:
- (a) fixed;
 - (b) variable depending upon any variation of the respective values of any factors in an algebraic formula specified in the Issue Resolution; or
 - (c) variable depending upon such other factors as the Board may specify in the Issue Resolution, and may also specify that the dividend is to be a Franked Dividend or not a Franked Dividend.
7. Where the Issue Resolution specifies that the dividend to be paid in respect of the Preference Share is to be a Franked Dividend the Issue Resolution may also specify:
- (a) the extent to which such dividend is to be franked (within the meaning of the Tax Act); and
 - (b) the consequences of any dividend paid not being so franked, which may include a provision for an increase in the amount of the dividend to such an extent or by reference to such factors as may be specified in the Issue Resolution.
8. Subject to the Corporations Act, the Company must redeem a Redeemable Preference Share on issue:
- (a) on the specified date where the Company, at least 15 Business Days before that date, has given a notice to the holder of that Redeemable Preference Share stating that the Redeemable Preference Share will be so redeemed on the specified date; and
 - (b) in any event, on the Redemption Date,
- but no Redeemable Preference Share may be redeemed and no notice of redemption may be given before the date set by the Directors (if any) upon which that Redeemable Preference Share is issued.

**APPENDIX G – NEW CONSTITUTION
(WITH PROPOSED AMENDMENTS MARKED UP)**

9. The certificate issued by the Company in relation to any Preference Share must specify in relation to that Preference Share:
- (a) the date of issue of the Preference Share;
 - (b) the Dividend Rate and Dividend Dates;
 - (c) whether the Preference Share is a Redeemable Preference Share and if it is:
 - (1) the Redemption Amount and Redemption Date; and
 - (2) the conditions of redemption (if any);
 - (d) the conditions of participation (if any) in respect of the Preference Share set out in clause 3 of this schedule; and
 - (e) any other matter the Board determines.
10. On redemption of a Redeemable Preference Share, the Company, after the holder has surrendered to the Company the certificate in respect of that Redeemable Preference Share, must pay to the holder the Redemption Amount in cash, by cheque or in any other form that the holder agrees to in writing.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ALLIANCE MINERAL ASSETS LIMITED

(Company Registration Number: ACN 147 393 735)

(Incorporated in Australia on 6 December 2010)

All capitalised terms in this notice which are not defined herein shall have the same meanings ascribed to them in the circular to shareholders of the Company dated 20 August 2018 (“Circular”).

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“EGM”) of ALLIANCE MINERAL ASSETS LIMITED (“Company”) will be held on 21 September 2018 at 2:00 p.m. (Singapore time) at The SAF Warrant Office and Specialist Club, Carnation Room 1 & 2, Level 3, 48 Boon Lay Way, Singapore 609961, for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions.

ORDINARY RESOLUTION 1:

PROPOSED ACQUISITION OF 100% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF TAWANA RESOURCES NL THROUGH THE IMPLEMENTATION OF THE PROPOSED SCHEME, AS A MAJOR TRANSACTION UNDER CHAPTER 10 OF THE CATALIST RULES, AND THE PROPOSED ISSUANCE AND ALLOTMENT OF UP TO AN AGGREGATE OF 656,458,437 NEW ALLIANCE SHARES IN CONNECTION WITH THE PROPOSED SCHEME

That:

- (a) approval be and is hereby given, for the Company to acquire all of the Tawana Shares through the implementation of the Proposed Scheme, as a major transaction under Chapter 10 of the Catalist Rules, and the proposed issuance and allotment of up to an aggregate of 656,458,437 new Alliance Shares in connection with the Proposed Scheme;
- (b) the Alliance Directors and any of them be and are hereby authorised to do all acts and things and execute all documents as they or he may consider desirable, expedient or necessary to give effect to the Proposed Scheme and Proposed Issuance and Allotment (including any transactions ancillary to, in connection with, or arising out of, the Proposed Scheme and Proposed Issuance and Allotment or otherwise contemplated by this ordinary resolution or the Circular), including without limitation, approving any amendments, alterations and/or modifications to the Proposed Scheme and Proposed Issuance and Allotment to the extent considered to be in the best interests of the Company by the Alliance Directors acting in good faith; and
- (c) any acts, matters and things done or performed, and/or documents signed, executed, sealed or delivered by an Alliance Director to give effect to the Proposed Scheme and Proposed Issuance and Allotment (including any transactions ancillary to, in connection with, or arising out of, the Proposed Scheme and Proposed Issuance and Allotment or otherwise contemplated by this ordinary resolution or the Circular) be and are hereby approved, confirmed or ratified.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 2:

PROPOSED INCREASE TO NON-EXECUTIVE DIRECTOR FEES IN CONNECTION WITH THE EXPANDED MERGED GROUP BOARD

That subject to and contingent upon the passing of Ordinary Resolution 1:

- (a) approval be and is hereby given, for the Proposed Increase to Non-Executive Director Fees in connection with the expanded Merged Group Board, whereby the Company will be permitted to pay its non-executive Directors fees up to a maximum of A\$800,000 for each financial year;
- (b) the Alliance Directors and any of them be and are hereby authorised to do all acts and things and execute all documents as they or he may consider desirable, expedient or necessary to give effect to the Proposed Increase to Non-Executive Director Fees (including any transactions ancillary to, in connection with, or arising out of, the Proposed Increase to Non-Executive Director Fees or otherwise contemplated by this ordinary resolution or the Circular), including without limitation, approving any amendments, alterations and/or modifications to the Proposed Increase to Non-Executive Director Fees to the extent considered to be in the best interests of the Company by the Alliance Directors acting in good faith; and
- (c) any acts, matters and things done or performed, and/or documents signed, executed, sealed or delivered by an Alliance Director to give effect to the Proposed Increase to Non-Executive Director Fees (including any transactions ancillary to, in connection with, or arising out of, the Proposed Increase to Non-Executive Director Fees or otherwise contemplated by this ordinary resolution or the Circular) be and are hereby approved, confirmed or ratified.

Voting Exclusion Statement

In accordance with section 250BD of the Corporations Act, a vote on this resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such person if the vote is not cast on behalf of a person who is otherwise excluded from voting, and:

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairperson and the appointment does not specify how the Chairperson is to vote but expressly authorises the Chairperson to exercise the proxy even if the resolution is connected with the remuneration of a member of the Key Management Personnel.

NOTICE OF EXTRAORDINARY GENERAL MEETING

SPECIAL RESOLUTION 1:

PROPOSED AMENDMENTS TO THE CONSTITUTION IN CONNECTION WITH THE PROPOSED DUAL LISTING

That subject to and contingent upon the passing of Ordinary Resolution 1:

- (a) approval be and is hereby given, for the Proposed Amendments to the Constitution in connection with the Proposed Dual Listing as described in the Circular and the adoption of the proposed New Constitution as set out in Appendix G to the Circular;
- (b) the Alliance Directors and any of them be and are hereby authorised to do all acts and things and execute all documents as they or he may consider desirable, expedient or necessary to give effect to the Proposed Amendments to the Constitution (including any transactions ancillary to, in connection with, or arising out of, the Proposed Amendments to the Constitution or otherwise contemplated by this special resolution or the Circular), including without limitation, approving any amendments, alterations and/or modifications to the Proposed Amendments to the Constitution to the extent considered to be in the best interests of the Company by the Alliance Directors acting in good faith; and
- (c) any acts, matters and things done or performed, and/or documents signed, executed, sealed or delivered by an Alliance Director to give effect to the Proposed Amendments to the Constitution (including any transactions ancillary to, in connection with, or arising out of, the Proposed Amendments to the Constitution or otherwise contemplated by this special resolution or the Circular) be and are hereby approved, confirmed or ratified.

By Order of the Board

ALLIANCE MINERAL ASSETS LIMITED

Ms. Fiona Leaw Mun Ni
Mr. Shaun Menezes
Joint Company Secretaries

20 August 2018

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (1) A shareholder of the Company entitled to attend and vote at the EGM may appoint not more than two proxies to attend and vote in his/her stead. A shareholder of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a shareholder of the Company.
- (2) Intermediaries such as banks and capital markets services licence holders which provide custodial services and are shareholders of the Company may appoint more than two proxies provided that each proxy is appointed to exercise the rights attached to different shares held by the shareholder.
- (3) If a proxy is to be appointed, the instrument appointing a proxy must be duly deposited at the registered office of the Company at Lakeside Corporate Building Unit 6, 24 Parkland Road, Osborne Park, WA 6017, Australia, or the Company's share registrar's office at Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not later than 48 hours before the time appointed for the holding of the EGM.
- (4) The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.
- (5) A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to attend and vote at the EGM.
- (6) Terms not defined in this Notice of EGM shall have the meanings ascribed to them in the circular to shareholders dated 20 August 2018.

PERSONAL DATA PRIVACY:

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

GLOSSARY:

Closely Related Party of a member of the Key Management Personnel means:

- (a) spouse or a child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member of 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 2001* (Cth)

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 the 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.

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