



## ALLIANCE MINERAL ASSETS LIMITED

(Incorporated in the Australia on 6 December 2010)

(Company Registration no. ACN 147 393 735)

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### NEWS RELEASE

#### **ALLIANCE MINERAL ASSETS LIMITED SIGNS BINDING CONDITIONAL TERM SHEET FOR FARM-IN AGREEMENT AND JOINT VENTURE ARRANGEMENT TO ACCENTUATE CONFIDENCE IN BALD HILL PROJECT**

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Singapore, 3 June 2016 - Alliance Mineral Assets Limited (“AMAL” or the “Company”) is pleased to announce the execution of a binding terms sheet (“**Terms Sheet**”) with Lithco 2 Pty Ltd (“**Lithco**” or “**JV Partner**”) for, *inter alia*, a Farm-In and Joint Venture arrangement with respect to the Company’s Bald Hill project in Western Australia for the purpose of joint exploration and exploitation of lithium and other minerals (“**Joint Venture**”).

AMAL has entered into a proposed transaction that would be a major step forward for the Company to realising its long-term growth strategy. The management and Board believe that shareholder value will be enhanced by the Company’s ability to participate in the lucrative lithium industry.

#### **Highlights of Terms Sheet**

- Private Australian joint venture partner whose founders and management possess in-depth geological, mining and administration experience in multiple commodities and jurisdictions;
- Focus will be on exploration for lithium and additional tantalum, niobium and tin mineralisation;
- Significant earn-in expenditure requirement of A\$7.5 million by 31 December 2017 (“**Earn-in Period**”) will require a strong and highly focused exploration program from the JV Partner to earn 50% of Lithium mineral rights;
- JV Partner will earn a 50% interest in the Bald Hill project on completion of the full A\$20 million expenditure commitment;
- Terms Sheet subject to completion of equity funding raising of at least S\$5 million, in which a shareholder of Lithco would be involved (“**Capital Raising Exercise**”) to strengthen AMAL’s balance sheet and introduce investors who are excited with the Bald Hill joint venture and the invigorated exploration program over the period to 31 December 2017.

#### **Commercial Terms**

The JV Partner is required to incur A\$7.5 million expenditure up to 31 December 2017 (or such later date as may be agreed between the parties) to earn a 50% interest in the new lithium minerals found at the Bald Hill project. Exploration focus during the Earn-in Period will

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be for lithium mineralisation but the JV Partner also believes that there is significant potential for discovery of additional mineralisation of tantalum, niobium and tin.

Upon completion of the A\$20 million earn-in expenditure, the Joint Venture will be funded 50:50 by AMAL and the JV Partner. The proposed Capital Raising Exercise will assist in funding AMAL's share of joint venture expenditure.

The Terms Sheet is conditional on:

- (a) the receipt of all requisite necessary regulatory and shareholder approvals, consents, waivers, registrations or statements of no objection (as the case may be) required by the Company by law or any competent authorities;
- (b) Lithco being provided with satisfactory evidence by the Company that the Tenements are in good standing; and
- (c) completion of the Capital Raising Exercise.

The above conditions ("**Conditions Precedent**") must be satisfied or waived by the parties no later than 31 July 2016, unless extended by mutual agreement.

The Company has received the support of its controlling shareholder, Living Waters Mining (Australia) Pty Ltd, which currently holds a 49.80% interest in the Company, to vote in favour of resolutions to be tabled to give effect to the transactions contemplated in the Terms Sheet in the event that the approval of the Company's shareholders is required.

The Terms Sheet is binding on the parties but the parties will enter into binding definitive farm-in and joint venture agreements within 60 days.

### Existing Tantalum Outlook

Whilst the Tantalum concentrate market is still weak, the Company has been actively investigating opportunities in the Tantalum sector. Discussions are continuing with various Chinese parties to upgrade our Tantalum concentrate and for the Company to participate in downstream activities and to value add to our product. The Company will provide updates on any material developments in the discussions, and will disseminate any such information to shareholders in a timely manner.

***This news release is to be read in conjunction with the Company's announcement released today in relation to the aforementioned.***

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

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

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

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