



ALLIANCE MINERAL ASSETS LIMITED

(Incorporated in the Australia on 6 December 2010)
(Company Registration no. ACN 147 393 735)

NEWS RELEASE

METALLURGICAL EVALUATION, INITIAL RESULTS PROVIDE CONFIDENCE IN BALD HILL PROJECT AND DIVERSIFICATION INTO LITHIUM

Singapore, 3 October 2016 Alliance Mineral Assets Limited (“AMAL” or the “Company”) refers to the announcements (“**Announcements**”) dated 3 June 2016, 25 July 2016, and 17 August 2016 in relation to the binding terms sheet (“**Terms Sheet**”) entered into between the Company and Lithco 2 Pty Ltd (“**Lithco**” or “**JV Partner**”), and circular (“**Circular**”) dated 24 August 2016 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**”).

During the commissioning phase to produce tantalite concentrate, metallurgical tests have confirmed that lithium (“spodumene”) is present in the ore that is being processed. As such, further work is to be undertaken to assess the extractability of the spodumene.

In connection therewith, AMAL and Lithco have commenced preliminary metallurgical test work on bulk pegmatite samples from an open pit at Bald Hill and the Company is pleased to update as follows:

Highlights:

- **Metallurgical test-work commenced for Lithium mineral spodumene**
- **Early analysis of results indicate high grade concentrates can be achieved by gravity at a coarse crush size, indicating a simple low cost process.**
- **Exploration and Resource definition drilling to commence within 3 weeks**

Independent mineral processing and analytical laboratory Nagrom is undertaking the metallurgical test work for Lithco. Nagrom has ISO9001:2008 accreditation and is a specialist in lithium and tantalum test work. Nagrom has used Dense Media Separation (“**DMS**”) to produce concentrates, all analysis was undertaken using XRF and ICP methodology.

ALLIANCE MINERAL ASSETS LIMITED

Page 2



Pegmatite samples awaiting transport to Nagrom (independent Metallurgical consultants)

Initial results from first pass +1mm DMS were very encouraging with excellent spodumene recovery and concentrate grades. At a crush size of 6.3mm, 93.7% of the spodumene reported to initial gravity concentrate at relatively high grade of 5.08% Li_2O prior to cleaning.

Ongoing metallurgical test work will include further beneficiation of the medium grade concentrates. Gravity and floatation will be undertaken on the -1mm fraction and gravity overflow.

Analysis of mine beneficiation concentrates obtained during commissioning of the tantalum circuit returned similarly high grade spodumene concentrates of 5.75% to 6.73% Li_2O .

These early results indicate that future Bald Hill spodumene concentrates have potential to be a medium to high grade marketable product. Bald Hill is already noted for its track record of producing premium tantalum concentrates.

Exploration and Resource definition drilling is expected to commence within 3 weeks. Drilling approvals have been granted by the West Australian Department of Mines and Petroleum. Drilling will initially focus on the existing Mining Lease, within and adjacent to the current pit design which has been optimized on tantalum resources only, due to the limited lithium assay data.

Subject to further metallurgical test results, AMA will be moving on with Lithco to undertake a study on retrofitting a lithium circuit onto the existing tantalum plant and to select design engineering consultants.

For further information on the Joint Venture and the Company's expansion into Lithium, please refer to the Announcements, Circular and announcement dated 31 August 2016 and announcement dated 30 September 2016 in relation to updates to the Binding Terms Sheet.

The will Company keep shareholders updated and as when there are any material developments in relation to the aforementioned.

ALLIANCE MINERAL ASSETS LIMITED

Page 3

compliance with the SGX-ST Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this news release. The Sponsor has also not drawn on any specific technical expertise in its review of this news release.

This news release has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this news release including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this news release. The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.