

ALLIANCE MINERAL ASSETS LIMITED
(Incorporated in Australia on 6 December 2010)
(Company Registration no. ACN 147 393 735)

**ALLIANCE MINERAL ASSETS LIMITED SECURES LOAN FACILITY
WITH CONSORTIUM OF FINANCIAL INVESTORS**

1. LOAN DEED

- 1.1 The Board of Directors ("**Board**") of Alliance Mineral Assets Limited ("**AMAL**" or the "**Company**") is pleased to announce that it has secured up to A\$13,000,000 of debt funding ("**Loan**") from a consortium of investors ("**Consortium**") namely, Tribeca Investment Partners Pty Ltd ("**Tribeca**"), Precision Opportunities Fund Ltd ("**Precision**"), Adrinat Investments Pty. Ltd (as trustee for Baron Family Super Fund) ("**Adrinat**"), Crofton Park Developments Pty. Ltd (as trustee for Brougham Superannuation Fund) ("**Crofton**") and M. Alter Super Fund Pty Ltd (as trustee for Alter Family Superannuation Fund) ("**Alter**") (collectively, "**Lenders**").
- 1.2 The Company has entered into a loan deed with the Consortium ("**Loan Deed**") to fund the development of the Bald Hill lithium and tantalum mine. The Lenders will be conferred mortgage security over the Company's 50% interest in the Bald Hill joint venture agreement and its interest in all tenements connected with the joint venture ("**Mortgage Security**") in consideration of the Loan. The Loan can be drawn down by the Company for up to A\$8,000,000 pending such Mortgage Security registration and for up to A\$13,000,000 thereafter. The Company is entitled to make multiple drawdowns (at its discretion) during the 2-year tenure of the Loan.
- 1.3 The Consortium was led by cornerstone investors, Australian investment fund, Tribeca, and is composed of Australian-based professional investment funds and professional investors with extensive investing experience in the small-cap resources sector.
- 1.4 Under the Loan Deed, Tribeca, Precision, Crofton, Adrinat and Alter will be extending A\$9,000,000, A\$1,000,000, A\$1,000,000, A\$1,000,000 and A\$1,000,000 of the Loan amount, respectively. In the event any Lender shall fail to furnish its Loan quantum, other Lenders are also entitled to extend any shortfall amount. 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% of the Loan amount is also payable by the Company to the Lenders.
- 1.5 Canaccord Genuity (Australia) Limited ("**Canaccord**") and Ashanti Capital Pty Ltd ("**Ashanti**") acted as joint arrangers ("**Joint Arrangers**") to the Loan. A commission of 5% of the amount of the Loan, representing A\$650,000 is payable by the Company in cash to the Joint Arrangers for identifying and securing the funding from the Lenders.
- 1.6 Canaccord is the Australian subsidiary of Canaccord Genuity Corp, a global, full-service investment bank focused on growth companies with operations worldwide, and Ashanti is an institutional stockbroking and advisory firm with offices in Perth & Hong Kong, providing corporate finance, institutional sales and funds management services.

2. LOAN DEED OPTIONS

- 2.1 On the date of receipt of LQN (as defined below), each of the Lenders will also be granted certain number of options ("**Loan Deed Options**") as tabulated in the table below, with each option being exercisable into one (1) ordinary share in the capital of the Company ("**Share**") at an exercise

price of S\$0.4875 per Share ("**Exercise Price**"). For a period of 60 days after the date of the Loan Deed (or earlier, if there is an event of default under the Loan Deed), the Lenders (other than Tribeca) will only be entitled to exercise such number of Loan Deed Options (upon grant by the Company) corresponding to the amount of funds drawn down by the Company from such Lenders (i.e. the number of Loan Deed Options being the Loan amount drawn down by the Company from the Lender multiplied by 1.2). This is to take into account the Company's expected draw down of the Loan from the Lenders as well as Tribeca being the principal Lender and having committed the majority of the Loan quantum. In addition, in the event any Lender shall fail to furnish its Loan quantum and other Lenders extend the shortfall, the Loan Deed Options granted in favour of the defaulting Lender will be cancelled by the Company and an equivalent number of Loan Deed Options will instead be granted to the extending Lenders.

Subject to the listing and quotation notice ("**LQN**") being obtained from the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Loan Deed Options can be exercised at any time by the Lenders after the date of LQN, and will expire three (3) years from the date of issue, being the date of the Loan Deed.

The Exercise Price represents a premium of 24.74% to the volume weighted average price ("**VWAP**") of S\$0.3669 of the Company's Shares based on trades done on the SGX-ST on 28 March 2018, being the full market day preceding the signing of the Loan Deed.

The number of Loan Deed Options granted to the respective Lenders and the shareholding percentage upon the exercise of the options are tabulated as below:

Lender(s)	Number of Loan Deed Options granted	Number of new Shares to be issued pursuant to the Loan Deed Options (" New Shares ")	Shareholding percentage (%) based on the Existing Share Capital ⁽¹⁾	Shareholding percentage (%) based on the Enlarged Share Capital ⁽²⁾
Tribeca ⁽³⁾	10,800,000	10,800,000	1.94	1.85
Precision	1,200,000	1,200,000	0.22	0.21
Crofton	1,200,000	1,200,000	0.22	0.21
Adrinat	1,200,000	1,200,000	0.22	0.21
Alter	1,200,000	1,200,000	0.22	0.21
Total	15,600,000	15,600,000	2.81	2.68

Notes:

- (1) As at the date of this announcement, the issued and paid-up share capital of the Company is 555,573,988 Shares ("**Existing Share Capital**")
- (2) As at the date of this announcement, the Company has 11,400,000 options granted to Canaccord on 24 May 2017 which are exercisable into 11,400,000 new Shares ("**Canaccord Options**"). Assuming full exercise of the Canaccord Options and the Loan Deed Options, the enlarged share capital of the Company will be 582,573,988 Shares ("**Enlarged Share Capital**")
- (3) Tribeca is an existing shareholder in the Company, holding 25,340,000 Shares, representing approximately 4.6% of the Company's Existing Share Capital. Assuming the full exercise of the Loan Deed Options by Tribeca, Tribeca will hold approximately 6.2% shareholding interest in the Company Shares based on the Enlarged Share Capital.
- (4) The table assumes that all the Lenders will furnish their Loan amounts on the terms of the Loan Deed. In the event there is any shortfall from any Lender and such shortfall is extended by another Lender, the Loan Deed Options granted to the former will be cancelled and granted to the extending Lender.

- 2.2 Pending the receipt of the LQN, the Lenders shall collectively (and not individually) be entitled to elect to receive a cash settlement amount in lieu of the Loan Deed Options, which is an amount equal to (a) the VWAP of the Shares traded on the SGX-ST for five consecutive full trading days ending on the date falling immediately prior to the receipt of a notice of election from all the Lenders by the Company, less (b) the aggregate deemed Exercise Price (assuming the Lenders had been granted the Options and had exercised the same), provided that where the deemed Exercise Price exceed such VWAP, the cash settlement amount shall be a nominal amount of A\$0.01. By way of illustration, assuming a 5-day VWAP of S\$0.50, the Lenders would collectively be entitled to receive $S\$0.0125 \times 15,600,000 = S\$195,000$ (or the Australian dollar equivalent thereof).
- 2.3 Tribeca is an Australian based fund manager with a reputation for delivering on performance targets and was established in 1998. Precision is a specialist investment manager with a focus on identifying opportunities and undervalued companies listed on the ASX. Crofton is an investment entity owned by Samuel Brougham, the founder of Australian small-cap fund Ceres Capital Pty Ltd. Adrinat is an investment vehicle being part of Baron Corporation Pty Ltd, a private Australian investment group owned by Stewart Baron. Alter is an investment entity owned by Samuel Alter, Director of the Australian based property development business Pacific Group.
- 2.4 The Company's Sponsor, PrimePartners Corporate Finance Pte. Ltd. will be applying to the SGX-ST, on behalf of the Company, for the grant of the Loan Deed Options and listing of and quotation for up to an aggregate 15,600,000 New Shares on the Catalist of the SGX-ST upon the exercise of the Loan Deed Options. An announcement will be made once the LQN in respect of the New Shares has been obtained.
- 2.5 On the assumption that the LQN is obtained and is not revoked or amended, the New Shares, when fully paid and issued, shall be free from all claims, charges, liens and other encumbrances whatsoever and the New Shares, shall be freely transferable and rank *pari passu* in all respects with and shall carry all rights similar to the existing Shares, except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the relevant date of issue of the New Shares.

The Directors are of the opinion that, after taking into consideration the present bank facilities, the remaining unutilised proceeds from the Burwill Placement Shares (as defined herein) and the Loan, the working capital available to the Company is sufficient to meet its present requirements.

- 2.6 The New Shares will be issued pursuant to the general share issuance mandate obtained at the annual general meeting of the Company held on 30 October 2017 ("**2017 AGM**") ("**Existing Share Issue Mandate**") which authorises the Directors of the Company to allot and issue Shares not exceeding 100% of the total number of issued Shares as at the date of the 2017 AGM, of which the aggregate number of Shares to be issued other than on a pro-rata basis to the existing Shareholders shall not exceed 50% (excluding treasury shares and subsidiary holdings).

The number of issued Shares as at the date of the 2017 AGM was 480,763,760 Shares. From the date of the 2017 AGM up to the date of this announcement, 74,810,228 Shares had been issued to Burwill Holdings Limited pursuant to the placement exercise under the Existing General Mandate ("**Burwill Placement Shares**"). The remaining maximum number of Shares that can be issued under the Existing Share Issue Mandate other than on a *pro-rata* basis is therefore 165,571,652 Shares. Accordingly, the allotment and issue of the New Shares falls within limits of the Existing Share Issue Mandate.

- 2.7 Save for Tribeca who is the existing shareholder of the Company, holding 25,340,000 Shares (comprising approximately 4.6% of the Company's Existing Share Capital), none of the Company, its directors or its substantial shareholders have any connection (including business relationship) with the Lenders or their respective directors or respective substantial shareholders.

- 2.8 The Lenders do not fall within the categories of persons set out in Rule 812(1) of the Catalist Rules, which rule requires specific shareholders' approval to be obtained for any issuance of shares to such persons.
- 2.9 The Lenders are also not acting in concert with one other to obtain or consolidate effective control of the Company through the Loan Deed Options (including as contemplated in the Singapore Code on Take-overs and Mergers).
- 2.10 The exercise of the Loan Deed Options will not result in any transfer of controlling interest in the Company.
- 2.11 Assuming the Loan Deed Options are fully exercised, the Company will receive additional proceeds of S\$7,605,000, which will similarly be applied to fund the development of the Bald Hill lithium and tantalum mine.

3. RATIONALE FOR LOAN DEED AND LOAN DEED OPTIONS

The Loan Deed has been entered into, and the Loan Deed Options have been granted in conjunction with the Loan Deed, to secure the requisite funding for the Company to continue the development of the Bald Hill lithium and tantalum mine. The Board is of the view that the entry into the Loan Deed and the grant of the Loan Deed Options in conjunction with the Loan Deed are in the best interests of the Company.

4. FINANCIAL EFFECTS

- 4.1 The financial effects of the Loan and the exercise of the Loan Deed Options are presented solely for illustrative purposes and are not intended to be indicative or reflective of the actual future financial situation of the Company after the drawdown of the Loan and exercise of the Loan Deed Options.

The financial effects of the Loan and the Loan Deed Options have been computed based on the audited consolidated financial statements of the Company for the financial year ended 30 June 2017 ("FY2017"). The financial effects are based on the following assumptions:

- (a) the financial effect of the net tangible asset ("NTA") per Share is computed based on the assumption that the drawdown of the Loan and exercise of the Loan Deed Options were completed on 30 June 2017;
- (b) the financial effect on the loss per Shares ("LPS") is computed based on the assumption that the drawdown of the Loan and the exercise of the Loan Deed Options were completed on 1 July 2016;
- (c) the financial effect on the gearing of the Company is computed based on assumption that the drawdown of the Loan and the exercise of the Loan Deed Options were completed on 30 June 2017; and
- (d) the financial effect on the share capital does not take into account the Burwill Placement Shares nor any new Shares to be issued upon exercise of the Canaccord Options.

4.2 SHARE CAPITAL

	As at 30 June 2017	After drawdown of Loan and exercise of the Loan Deed

		Options⁽¹⁾
Issued and paid-up share capital (A\$'000)	38,960	46,261
Total number of issued Shares (excluding treasury shares) ('000)	480,764	496,364

Note:

(1) Exchange rate 1 SGD to AUD: 0.96

4.3 NTA PER SHARE

	As at 30 June 2017	After drawdown of Loan and exercise of Options⁽²⁾
NTA (A\$'000)	14,428	8,729
NTA per Share (A\$ cents) ⁽¹⁾	3.1	1.8

Notes:

(1) NTA per Share is calculated based on the NTA and the issued and paid-up Shares (excluding treasury shares and subsidiary holdings).

(2) Exchange rate 1 SGD to AUD: 0.96

4.4 LPS

	As at 30 June 2017	After drawdown of Loan and exercise of Options
Loss attributable to the Shareholders (A\$'000)	4,804	4,804
Weighted average number of Shares ('000)	480,764	496,364
LPS (A\$ cents) ⁽¹⁾	(1.0)	(1.0)

Note:

(1) LPS is calculated based on the profit attributable to Shareholders and the number of issued and paid up Shares (excluding treasury shares and subsidiary holdings).

4.5 GEARING

	As at 30 June 2017	After drawdown of Loan and exercise of Options⁽¹⁾
Total debt (A\$'000)	42	13,042
Total equity (A\$'000)	14,428	21,729
Debt to equity ratio	0.003	0.600

Note:

(1) Exchange rate 1 SGD to AUD: 0.96

5. INTEREST OF DIRECTORS' AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company have any interest, directly or indirectly, in the aforesaid transactions.

6. DOCUMENTS AVAILABLE FOR INSPECTION

The Loan Deed is available for inspection during normal business hours of the Company's registered address at Lakeside Corporate Building Unit 6, 24 Parkland Road, Osborne Park 6017, Western Australia and at the office of Opal Lawyers LLC at 30 Raffles Place, #19-04 Chevron House, Singapore 048622 for a period of three (3) months from the date of this announcement.

7. CAUTIONARY STATEMENT

The Board wishes to advise Shareholders and investors to exercise caution when dealing in the Shares and to refrain from taking any action in relation to their Shares which may be prejudicial to their interests. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants, tax advisers or other professional advisers immediately.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm that after making all reasonable enquires, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Loan Deed and the Loan Deed Options, the Company and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in this proper form and context.

BY ORDER OF THE BOARD

Pauline Gately
Chairperson
29 March 2018

This announcement has been prepared by Alliance Mineral Assets Limited (the "Company") and its contents have been reviewed by 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 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. The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).