

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

**Unaudited Financial Statement and Dividend Announcement
For the Second Quarter Ended 31 December 2014 (“Q2 FY 2015”)**

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” or “PPCF”).

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. The Sponsor has also not drawn on any specific technical expertise in its review 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 Mr Lance Tan, Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.

Background

The Company was incorporated in the Commonwealth of Australia on 6 December 2010 under the Corporations Act as a public company limited by shares, under the name of “HRM Resources Australia Ltd”. On 13 March 2014, the Company’s name was changed to “Alliance Mineral Assets Limited.” The Company was admitted to the Catalist on 25 July 2014 (“Listing”).

The Company is currently headquartered in Perth, Western Australia, and possesses the right to explore and mine Tantalum at the Bald Hill Tantalite Mine, and surrounding areas. The Bald Hill Project, which spans 59,000 hectares, is located within the Eastern Goldfields Province of the Archaean Yilgarn Block, within the Shire of Coolgardie, approximately 50 km east of Widgiemooltha, the nearest township.

The Company has completed the refurbishment of the Bald Hill Treatment Plant and has commenced trial mining, production and treatment of Tantalite Ore at the Bald Hill Project.

The Company has no subsidiary companies and therefore, all figures presented herein are those of the Company.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	For 3 months Ended 31 December			For 6 months Ended 31 December		
	2014	2013	Increase /	2014	2013	Increase /
	(Unaudited) A\$	(Unaudited) A\$	(Decrease) %	(Unaudited) A\$	(Unaudited) A\$	(Decrease) %
Interest income	3,510	-	n.m	4,755	527	n.m
Other Income	11,181	-	n.m	11,181	-	n.m
Gain on foreign exchange	203,413	(81,114)	n.m	592,012	(81,114)	n.m
Gain / Loss on disposal of fixed assets	160	-	n.m	(1,244)	-	n.m
Loss on settlement of financial instruments	-	-	n.m	(280,428)	-	n.m
Fair value movement on derivatives	-	-	n.m	(14,889)	-	n.m
Accounting and audit expenses	(61,113)	(68,300)	(10.5)	(99,816)	(87,677)	13.8
Consultants and contractors fees	(66,097)	(77,358)	(14.6)	(90,252)	(107,358)	(15.9)
Directors' fees	(24,185)	-	n.m	(47,415)	-	n.m
Tenement expenses	(11,712)	(5,794)	n.m	(100,593)	(55,482)	81.3
Bald Hill project expenses	(236,252)	(17,529)	n.m	(236,878)	(26,621)	n.m.
Listing expenses	(36,449)	(133,071)	(72.6)	(441,392)	(133,071)	n.m
Administrative expenses	(143,211)	(58,330)	n.m	(218,945)	(80,883)	n.m
Employee salaries and other benefits expenses	(144,932)	-	n.m	(454,408)	-	n.m
Borrowing costs	(140,650)	(19,971)	n.m	(287,485)	(20,120)	n.m
Loss before income tax	(646,337)	(461,467)	40.1	(1,665,797)	(591,799)	n.m
Income tax expense	-	-	-	-	-	-
Loss after tax	(646,337)	(461,467)	40.1	(1,665,797)	(591,799)	n.m
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period attributable to owners of the Company	(646,337)	(461,467)	40.1	(1,665,797)	(591,799)	n.m

(i) n.m = not meaningful

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

	For 3 months Ended			For 6 months Ended		
	31 December		Increase / (Decrease)	31 December		Increase / (Decrease)
	2014	2013		2014	2013	
(Unaudited)	(Unaudited)	(Decrease)	(Unaudited)	(Unaudited)	(Decrease)	
	A\$	A\$	%	A\$	A\$	%
Interest income	3,510	-	n.m	4,755	527	n.m
Insurance claim proceeds	11,181	-	n.m	11,181	-	n.m
Gain/(loss) on foreign exchange	203,413	(81,114)	n.m	592,012	(81,114)	n.m
Gain/(loss) on disposal of fixed assets	160	-	n.m	(1,244)	-	n.m
Loss on settlement of financial instruments	-	-	n.m	(280,428)	-	n.m
Fair value movement on derivatives ⁽¹⁾	-	-	n.m	(14,889)	-	n.m
Borrowing costs	(140,650)	(19,971)	n.m	(287,485)	(20,120)	n.m
Depreciation expense	(9,116)	-	n.m	(13,241)	-	n.m
Listing expenses	(36,449)	(133,071)	(72.6)	(441,392)	(133,071)	231.7

- (1) In accordance with IAS 39 Financial Instruments, the mandatory conversion right has been bifurcated and accounted for on a fair value basis with all movements recognized in profit and loss.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	As at	
	31 December 2014 (Unaudited) A\$	30 June 2014 (Audited) A\$
CURRENT ASSETS		
Cash and cash equivalents	6,982,140	3,686,272
Other receivables	125,698	382,386
Prepayments	26,933	-
Other current assets	-	510,486
TOTAL CURRENT ASSETS	7,134,771	4,579,144
NON CURRENT ASSETS		
Other receivables	957,872	-
Exploration and evaluation expenditure	427,407	427,407
Mine development	9,627,051	9,037,188
Property plant & equipment	13,113,251	10,257,281
TOTAL NON CURRENT ASSETS	24,125,581	19,721,876
TOTAL ASSETS	31,260,352	24,301,020
CURRENT LIABILITIES		
Employee benefit liabilities	112,483	-
Trade and other payables	653,760	1,485,061
Interest bearing loans and borrowings	47,423	3,251,746
TOTAL CURRENT LIABILITIES	813,666	4,736,807
NON CURRENT LIABILITIES		
Trade and other payables	3,443,909	3,169,939
Provision for rehabilitation	600,000	600,000
Interest bearing loans and borrowings	986,059	28,990
TOTAL NON CURRENT LIABILITIES	5,029,968	3,798,929
TOTAL LIABILITIES	5,843,634	8,535,736
NET ASSETS	25,416,718	15,765,284
EQUITY		
Issued capital	34,011,266	20,157,971
Reserves	1,781,663	4,317,728
Accumulated losses	(10,376,211)	(8,710,415)
TOTAL EQUITY	25,416,718	15,765,284

(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31 December 2014 (Unaudited)		As at 30 June 2014 (Audited)	
Secured A\$	Unsecured A\$	Secured A\$	Unsecured A\$
15,788	31,635	7,229	3,244,517

Amount repayable after one year

As at 31 December 2014 (Unaudited)		As at 30 June 2014 (Audited)	
Secured A\$	Unsecured A\$	Secured A\$	Unsecured A\$
986,059	-	28,990	-

Details of any collateral

The secured borrowings comprised finance lease liabilities of A\$75,716 (30 June 2014: \$36,219), which are secured on the Company's motor vehicles and the Singapore dollar S\$1.0 million bank loan of which the amount outstanding is A\$926,130 as of 31 December 2014 ("**SGD Bank Loan**") (30 June 2014: Nil) which is secured by the Singapore dollar S\$1.03 million term deposit ("**SGD Term Deposit**").

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	For 3 months Ended 31 December		For 6 months Ended 31 December	
	2014 Unaudited A\$	2013 Unaudited A\$	2014 Unaudited A\$	2013 Unaudited A\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest received	3,510	-	4,755	527
Interest paid	(3,667)	-	(26,054)	(3)
Proceeds from insurance claim	11,181	-	11,181	-
Payments to suppliers, contractors and employees	(771,943)	(323,156)	(2,106,971)	(424,359)
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(760,919)	(323,156)	(2,117,089)	(423,835)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of fixed assets	160	-	47,660	-
Release of performance bonds	-	-	-	133,470
Payments for mine development	(325,635)	-	(589,863)	-
Purchase and refurbishment of plant & equipment	(451,428)	(324,298)	(2,872,376)	(324,298)
Payments for Term Deposit	(924,865)	-	(924,865)	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(1,701,768)	(324,298)	(4,339,444)	(190,828)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from share issue	-	2,669,039	8,568,759	2,669,039
Payments for share issue costs	-	(141,817)	(328,217)	(141,817)
Proceeds from share with buyback clause	-	-	-	-
Payment to insurance premium loan principal	(7,909)	-	(7,909)	-
Payment to finance lease principal	(3,809)	-	(6,242)	-
Proceeds from borrowing	897,927	-	897,927	-
Repayment of secured loan	-	(272,544)	-	(272,544)
NET CASH FLOWS FROM FINANCING ACTIVITIES	886,209	2,254,678	9,124,318	2,254,678
Net increase/(decrease) in cash and cash equivalents	(1,576,477)	1,607,224	2,667,786	1,640,015
Cash and cash equivalents at beginning of year	8,352,440	47,262	3,686,272	14,471
Net foreign exchange difference on cash balances	206,177	(75,280)	628,082	(75,280)
CASH AND CASH EQUIVALENTS AT END OF YEAR	6,982,140	1,579,206	6,982,140	1,579,206

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Issued Capital A\$	Reserves A\$	Accumulated Losses A\$	Total A\$
(Unaudited)				
Balance as at 1 July 2013	13,374,625	676,683	(2,414,759)	11,636,549
Loss for 1Q FY2014 representing total comprehensive loss for the period	-	-	(130,332)	(130,332)
Balance as at 30 September 2013 and 1 October 2013	13,374,625	676,683	(2,545,091)	11,506,217
Loss for 2Q FY2014 representing total comprehensive loss for the period	-	-	(461,467)	(461,467)
<u>Equity Transactions:</u>				
Issue of share capital	2,669,039	-	-	2,669,039
Transaction costs on shares issued	(141,817)	-	-	(141,817)
Balance as at 31 December 2013	15,901,847	676,683	(3,006,558)	13,571,972
(Unaudited)				
Balance as at 1 July 2014	20,157,971	4,317,728	(8,710,415)	15,765,284
Loss for 1Q FY2015 representing total comprehensive loss for the period	-	-	(1,019,458)	(1,019,458)
<u>Equity Transactions:</u>				
Share based payment reserve	-	20,494	-	20,494
Issuance of 18,115,943 shares to convertible loan holders pursuant to the conversion	3,566,680	-	-	3,566,680
Transfer of PPCF and Lionbridge Group Pte. Ltd. ("Lionbridge") share based payment reserve to shares	-	(2,556,559)	-	(2,556,559)
Issuance of 13,122,261 shares to PPCF and Lionbridge as success fees upon Listing	2,556,559	-	-	2,556,559
Issuance of 43,479,000 placement shares pursuant to placement	8,568,759	-	-	8,568,759
Transaction costs on shares issued	(838,703)	-	-	(838,703)
Balance as at 30 September 2014 and 1 October 2014	34,011,266	1,781,663	(9,729,874)	26,063,055
Loss for 2Q FY2014 representing total comprehensive loss for the period	-	-	(646,337)	(646,337)
Balance as at 31 December 2014	34,011,266	1,781,663	(10,376,211)	25,416,718

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of ordinary shares	Share Capital A\$
Closing balance as at 30 September 2014 and Opening balance as at 1 October 2014	393,930,427	34,011,266
Closing balance as at 31 December 2014	393,930,427	34,011,266

There was no change in the Company's share capital from 1 October 2014 to 31 December 2014.

There were no outstanding options ("**Options**") as at 31 December 2014 (31 December 2013: 750,000 Options, convertible into 750,000 shares of the Company).

The Company had on 16 June 2014, adopted the Alliance Employee Share Option Scheme ("**Scheme**") and as at 31 December 2014 and as at the date of this announcement, no options has been granted under the Scheme.

Save as disclosed above, there were no other outstanding convertibles as at 31 December 2014 and 31 December 2013.

The Company did not have any treasury shares as at 31 December 2014 and 31 December 2013.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

The total number of issued ordinary shares was 393,930,427 as at 31 December 2014 and 319,213,223 as at 30 June 2014.

The Company did not have any treasury shares as at 31 December 2014 and 30 June 2014.

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in paragraph 5 below, the Company has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the most recently audited financial statements for the financial year ended 30 June 2014.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Company adopted a number of new International Financial Reporting Standards ("IFRS"), amendments to standards and interpretations that are effective for annual periods beginning on or after 1 July 2014. The adoptions of these new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements of the Company for the current financial period reported on.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	3 months ended 31 December	
	2014 (Unaudited)	2013 (Unaudited)
Basic and diluted loss per share (AU cents)	(0.2) ⁽¹⁾	(0.2) ⁽²⁾
Loss for the period attributable to owners of the Company (A\$)	<u>(646,337)</u>	<u>(461,467)</u>
Number of weighted ordinary shares used in calculating basic and diluted loss per share for the financial period	<u>393,930,427</u>	<u>245,000,000</u>

Notes:

- (1) The basic and diluted loss per share for the 3 months financial period ended 31 December 2014 were the same as there were no potentially dilutive ordinary shares in issue as at 31 December 2014.
- (2) For comparison and illustrative purposes, the basic and diluted loss per share for the 3-months financial period ended 31 December 2013 ("2Q FY2014") is calculated based on the loss attributable to owners of the Company for 2Q FY2014 and the ordinary shares of 245,000,000, assuming that the share split of 1 to 7 had taken place at the beginning of 2Q FY2014.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**

- (a) **current financial period reported on; and**
(b) **immediately preceding financial year.**

	As at	
	31 December 2014 (Unaudited)	30 June 2014 (Audited)
Net asset value per ordinary share based on issued share capital (AU cents)	6.5	4.9
Net asset value as at the end of the respective financial years (A\$)	25,416,718	15,765,284
Number of ordinary shares as at the end of the respective financial years	393,930,427	319,213,223

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss:-**

- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

3 months ended 31 December 2014 ("2Q FY2015") vs. 3 months ended 31 December 2013 ("2Q FY2014")

Review of the Income Statement

Revenue

There was no revenue in 2Q FY2015 and 2Q FY2014 as we had not commenced the production and sale of Tantalite concentrate.

Interest income

Interest income of A\$3,510 in 2Q FY2015 (2Q FY2014: Nil) is mainly due to an increase in cash at bank.

Other Income

Other income A\$11,181 in 2Q FY2015 (2Q FY2014: Nil) is due to the proceeds from insurance claims received in relation to the loss of machinery.

Gain on foreign exchange

The gain on foreign exchange increased by A\$284,527 or 350.8% from a loss on foreign exchange of A\$81,114 in 2Q FY2014 to a gain on foreign exchange of A\$203,413 in 2Q FY2015 is mainly

due to the increase in Singapore dollar cash balances in banks and the appreciation of Singapore dollar against Australian dollar in 2Q FY2015.

Gain / Loss on disposal of fixed assets

The gain on disposal of fixed assets of A\$160 in 2Q FY2015 (2Q FY2014: Nil) is due to the sale of scrap metal in 2Q FY2015.

Accounting and audit expenses

Accounting and audit expenses decreased by A\$7,187 or 10.5% from A\$68,300 in 2Q FY2014 to A\$61,113 in 2Q FY2015 mainly due to fewer senior accounting consultants engaged by the Company in 2Q FY2015. Senior accounting consultants were previously engaged by the Company in 2QFY2014 in preparation for the Company's Listing.

Consultants and contractors fees

Consultants and contractors fees decreased by A\$11,261 or 14.6% from A\$77,358 in 2Q FY2014 to A\$66,097 in 2Q FY2015 mainly due to the Company taking onboard previously engaged consultants to the Company as full time employees.

Directors' fees

Directors' fees of A\$24,185 in 2Q FY2015 (2Q FY2014: Nil) is due to the appointment of more directors in relation to the Company's Listing.

Tenement expenses

Tenement expenses increased by A\$5,918 from A\$5,794 in 2Q FY2014 to A\$11,712 in 2Q FY2015 due to the increase in engineering, geological and environmental work performed on the mining Tenements in preparation for trial mining and processing of Tantalite concentrate.

Bald Hill Project expenses

Bald Hill Project expenses increased by A\$218,723 from A\$17,529 in 2Q FY2014 to A\$236,252 in 2Q FY2015 due to the increase in activities at Bald Hill mine site in preparation for trial mining and processing of Tantalite concentrate, in particular an increase in camp facilities running costs, employees' food expenses and other miscellaneous overhead expenses.

Listing expenses

Listing expenses of A\$36,449 in 2Q FY2015 relates to the expenses incurred in relation to the Company's Listing.

Administrative expenses

Administrative expenses increased by A\$84,881 from A\$58,330 in 2Q FY2014 to A\$143,211 in 2Q FY2015 mainly due to an increase in insurance and travelling expenses, head office overhead costs and other fees and charges incurred pursuant to the Company's Listing. In addition, there is a depreciation expense of A\$9,116 in 2Q FY2015 (2Q FY2014: Nil).

Employee salaries and other benefits

Employee salaries and other benefits of A\$144,932 in 2Q FY2015 (2Q FY2014: Nil) is due to the payment of salaries and on-costs for taking onboard full time employees who were previously engaged as consultants to the Company.

Borrowing costs

Borrowing costs increased by A\$120,679 from A\$19,971 in 2Q FY2014 to A\$140,650 in 2Q FY2015 mainly due to the notional interest on the amount owing to Living Waters Mining of A\$136,986.

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

Loss before income tax

In view of the foregoing, loss before taxation increased by A\$184,870 or 40.1% from A\$461,467 in 2Q FY2014 to A\$646,337 in 2Q FY2015.

Review of the Financial Position of the Group

Non-current assets

As at 31 December 2014, our non-current assets of A\$24,125,581 accounted for 77.2% of our total assets. Our non-current assets comprised of other receivables, exploration and evaluation expenditure, mine development and property, plant and equipment.

Other receivables of A\$957,872 representing 4.0% of our total non-current assets. It comprised of the security rental bond of A\$3,958 for the Boulder property to place our second beneficiation plant and the SGD Term Deposit of A\$953,914 as security for our SGD Bank Loan.

Exploration and evaluation expenditure of A\$427,407 representing 1.8% of our total non-current assets relates to the acquisition cost for the Tenements and surrounding Tenements that are prospective for similar minerals of the Bald Hill Project.

Mine development of A\$9,627,051 representing 39.9% of our total non-current assets, comprised of the reclassification amount from exploration and evaluation expenditure of A\$8,882,593 which were transferred in the financial year ended 30 June 2014 and a total of A\$744,458 of further capitalisation of direct and indirect site costs in accordance with IAS 16: Property, Plant & Equipment.

Property, plant and equipment amounting to A\$13,113,251 representing 54.4% of our total non-current assets, comprises of the processing plant, mining equipment, site accommodation facilities, office premises, office furniture & fittings, motor vehicles and other minor assets.

The increase in property, plant and equipment of A\$2,855,970 or 27.8% from A\$10,257,281 as at 30 June 2014 is pursuant to the purchase of Tantalum Mine Plant & Equipment of A\$919,856, employee mine camp of \$1,086,827, office premises of A\$795,885, office furniture & fitting of A\$8,192, two light vehicles of A\$66,293 which are under finance lease and office computer equipment of A\$41,062. These were partially offset by accumulated depreciation of A\$13,241 and the disposal of a cone crusher of A\$48,904.

Current assets

As at 31 December 2014, our current assets of A\$7,134,771, represents 22.8% of our total assets. Our current assets as at 31 December 2014 consist of cash and cash equivalents, other receivables and prepayments.

Other receivables of A\$125,698, representing 1.8% of our total current assets comprise mainly of Goods and Services Tax receivables of A\$125,208.

There were no other current assets as at 31 December 2014 as the amount of A\$510,486 as at 30 June 2014, being deferred Listing expenses, has been transferred to equity as share issue costs upon the Company's Listing in July 2014.

The increase in prepayments of A\$26,933 was due to insurance premium incurred for workers' compensation, motor vehicles, corporate travel and general liabilities insurances.

Cash and cash equivalents of A\$6,982,140 represents 97.9% of total current assets. The increase in cash and cash equivalents of A\$3,295,868 from A\$3,686,272 as at 30 June 2014 is mainly due to the proceeds from the issue of placement shares of A\$8,568,759, offset by payments to suppliers and employees of A\$2,106,971.

Non-current liabilities

As at 31 December 2014, our non-current liabilities of A\$5,029,968 represented 86.1% of our total liabilities. Our non-current liabilities relates to the provision for rehabilitation required at the Bald Hill Tantalite Mine, interest bearing loans and borrowings as well as trade and other payables.

Provision for rehabilitation of A\$600,000, representing 11.9% of our total non-current liabilities, represents management's best estimate as at balance sheet date to rehabilitate the existing Bald Hill tantalum mine site.

Interest bearing loans and borrowing of A\$986,059, representing 19.6% of our total non-current liabilities, comprised the SGD Bank Loan of A\$926,130 which is secured against the SGD Term Deposit and the finance lease liabilities of A\$59,929 which are secured on the Company's motor vehicles. The increase in interest bearing loans and borrowing of A\$957,069 from A\$28,990 as at 30 June 2014 is due to the purchase of two new motor vehicles during 1Q FY2015 and obtaining the SGD Bank Loan for the purchase of our head office premises in Osborne Park, Perth, Australia.

Trade and other payables being amount due to controlling entity, Living Waters Mining of A\$3,443,909, represented 68.5% of our total non-current liabilities. This is in relation to the A\$4,000,000 due to Living Waters Mining under the Sale of Business Agreement ("Cash Component"), discounted by A\$849,419 to its fair value pursuant to the supplemental deed on 18 June 2014 entered into between Living Waters Mining and the Company. Pursuant thereto, the Cash Component (previously payable on demand) is to be paid only after 18 months commencing from the date of the Listing ("Minimum Non-Payment Period"). Under IAS 39, the financial liability has initially been recognised at fair value and then at amortised costs. On the initial recognition at fair value, A\$849,419 has been recognised as parent equity contribution. As at 30 June 2014, the carrying amount was A\$3,169,938. The accumulated amortisation discount recognised was A\$273,970 and hence the carrying amount as at 31 December 2014 was A\$3,443,909.

Current liabilities

As at 31 December 2014, our current liabilities of A\$813,666, representing 13.9% of our total liabilities comprised trade and other payables, employee benefit liabilities and interest bearing loans and borrowings.

Trade and other payables of A\$653,760, represented 80.3% of our total current liabilities. The decrease in trade and other payables by A\$831,302 from A\$1,485,061 as at 30 June 2014 is mainly attributable to improved payment cycle.

Employee benefit liabilities of A\$112,483, representing 13.8% of our total current liabilities. The increase in employee benefit liabilities by A\$112,483 (30 June 2014: nil) is due to taking on board full time employees who were previously engaged as consultants to the Company.

Interest bearing loans and borrowings, representing A\$47,423 or 5.8% of our total current liabilities comprised finance lease liabilities A\$15,788 and insurance premium loan of A\$31,635. The decrease of A\$3,204,323 from A\$3,251,746 as at 30 June 2014 is mainly due to the conversion of the entire amount of the convertible loan outstanding to each convertible loan holder into fully paid ordinary Shares on 7 July 2014.

Shareholders' equity

As at 31 December 2014, our Shareholders' equity amounted to A\$25,416,718 comprising A\$34,011,266 of issued share capital, A\$1,104,979 of parent equity contribution, A\$676,683 of executive option reserve and A\$10,376,211 of accumulated losses.

Review of the Cash Flow Statement of the Group

In 2Q FY2015, we recorded a net cash outflow from operating activities of A\$760,919 which comprised payments made to suppliers and employees of A\$771,943 mainly due to increase in activities at Bald Hill mine site in preparation for trial mining and processing of Tantalite concentrate, interests paid mainly for finance lease of A\$1,094, SGD Bank Loan of \$1,999 and insurance premium loan of A\$545. These are offset by interest received from bank deposits of A\$3,510 and proceeds from insurance claims for loss of machinery of \$11,181.

Net cash outflow from investing activities amounted to A\$1,701,768, which was attributable to purchase and refurbishment plant & equipment of A\$451,428, payments for mine development of A\$325,635 and placement of the SGD Term Deposit to secure the SGD Bank Loan, offset by receipt of funds from sale of scrap metal of A\$160.

Net cash inflow from financing activities amounted to A\$886,209 which were as a result of proceeds from obtaining the SGD Bank Loan to purchase our head office premises, offset by repayment of hire purchase of A\$3,809 and insurance premium loan of A\$7,909.

As at 31 December 2014, our cash and cash equivalents amounted to A\$6,982,140.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The Company had, in page 140 of the Offer Document, stated that *"We are currently in the final stages of refurbishing our Bald Hill Treatment Plant. Work has progressed both in line with project milestones and our budget. In the second half of 2014, we expect to begin test production ahead of full production in preparation for the commissioning of our Bald Hill Treatment Plant in the second half of the year"* and in page 142 of the Offer Document stated that *"The Bald Hill Project is in the process of being refurbished and our Company plans to commence trial mining and processing of Tantalite concentrate at the Bald Hill Tantalite Mine site in the second half of 2014. The processing capacity is expected to be 350,000t to 400,000tpa of Ore. Production and sale of Tantalite concentrate is expected to commence in FY2015. As such, our Company is not expected to generate any revenue arising from the sale of Tantalite concentrate in FY2014."*

As mentioned in the announcement dated 16 October 2014, pre-commission testing of the processing plant has already been successfully completed. The Company also had on 23 October

2014, announced that it has received approval for its Mining Proposal to commence mining operations at its Bald Hill Tantalite Project from The Department of Mines and Petroleum of Western Australia. The Company also had on 4 February 2015, announced that it had commenced trial mining, production and treatment operations at Boreline Pit and the reason for the delay from the initial timeframe of the second half of 2014 was due to the delay in obtaining licensing approvals.

Please refer to the Offer Document for more details on the aforementioned prospect statements, the announcements made by the Company dated 16 October 2014, 23 October 2014 and 4 February 2015 in relation to the update on the Bald Hill Tantalum mine site, the Company obtaining Mining Approval for the Bald Hill Tantalite Project and the commencement of trial mining, respectively.

Save as disclosed, the Company did not issue any other prospect statement.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Bald Hill Tantalite Project has reached an exciting milestone in the preparation of the mine site towards commercial operations. Following the recent receipt of approval from the Australia's Department of Environment Regulation (DER) for the operating license for the on-site processing plant and the approval of the project management plan from the Department of Mining, the Company has commenced its initial phase of works at the Bald Hill Mine. This phase includes the trial mining of free-dig material within the Boreline Pit and ramping up works to provide ore for the Company's processing plant. To support the plan, the Company will also re-commission the Tailings Storage Facility and the existing power generator.

The Company also has finalised the technical and economic studies for Boreline to support the decision to commence the initial phase of works at the Bald Hill Mine.

In January 2015, we received a long awaited visit from our distributor Mitsubishi Corporation RtM Japan Ltd. ("Mitsubishi") to inspect the progress of the refurbishment of the Primary Processing Plant at the Bald Hill Mine Site and the Secondary Beneficiation Plant at Boulder. A sample concentrate will be prepared from our ore, to be sent to Japan for analysis and verification purposes in anticipation of receiving commercial quantities in the near future in accordance with the off-take agreement with Mitsubishi.

11. If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No dividend has been declared for 2Q FY2015.

(b)(i) Amount per share (cents)

Not applicable.

(b)(ii) Previous corresponding period (cents)

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) Book closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended for 2Q FY2015.

13. If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have a general mandate for recurrent interested person transactions. Other than the interested person transactions as disclosed on pages 171 to 173 of the Company's Offer Document, there were no new interested person transactions which were more than S\$100,000 entered into during the financial period reported on.

14. Use of IPO proceeds

Subsequent to FY2014, the Company completed its IPO and raised gross proceeds of S\$10 million ("IPO Proceeds"). As at the date of this announcement, the IPO Proceeds have been utilised as follows:

Use of Proceeds	Amount Allocated (S\$'000)	Amount Utilised (S\$'000)	Amount Unutilised (S\$'000)
Exploration and drilling	1,200	107	1,093
Internal scoping study	500	-	500
Development of mining deposits	500	21	479
Working capital ⁽¹⁾	5,511	603	4,908
Listing expenses	2,289	2,289	-
Total	10,000	3,020	6,980

Note:

- (i) The amount of working capital was used for minesite production ramp up at the Bald Hill Tantalite Mine and for the increase in raw materials, manpower and engagement of mining consultants leading up to commencement of production of the Bald Hill Project.

ADDITIONAL DISCLOSURE REQUIRED FOR MINERAL, OIL AND GAS COMPANIES

15a. Rule 705 (6)(a) of the Catalist Listing Manual

i. Use of funds/cash for the quarter:-

For the quarter ended 31 December 2014 ("2Q FY2015"), funds / cash were mainly used for the following activities:-

Purpose	Amount (A\$) Projected Usage	Amount (A\$) Actual Usage
Purchase of property, plant & equipment	975,000	451,428
Working capital (i)	1,581,018	458,546
Corporate administrative expenses	601,243	513,660
Exploration and Drilling	180,000	99,400
Mine development costs	363,776	325,635
Total	3,701,037	1,948,515

Note:

- (i) The amount of working capital is intended to be used for minesite production ramp up at the Bald Hill Tantalite Mine and for the increase in raw materials, manpower and engagement of mining contractors leading up to commencement of production of the Bald Hill Project.

Explanation for the variances:

Lower purchase of property, plant and equipment is mainly due to the delay in reinstating the tailings storage facility, delivery of the vertical shaft impactor and the purchase of the mobile equipment for the mine site.

Lower expenditure for working capital, exploration and drilling and mine development costs are mainly due to the delay in obtaining all necessary license approvals required for earthwork, trial mining and processing of Tantalite concentrate and also unavailability of labour due to the year end holiday season.

Lower corporate administration expenses are mainly due to the capitalisation of site employees' costs to assets as mine development and processing plant in accordance with IAS 16: Property, Plant & Equipment.

ii. Projection on the use of funds/cash for the next immediate quarter, including principal assumptions:-

For the next immediate quarter (financial period from 1 January 2015 to 31 March 2015 ("3Q FY2015")), the Company's use of funds/cash for development activities are expected to be as follows:-

Purpose	Amount (A\$)
Purchase of property, plant & equipment	1,234,370
Working capital (i)	1,506,469
Corporate administrative expenses	445,753
Exploration and Drilling	180,000
Mine development costs	336,216
Total	3,702,808

Note:

- (ii) The amount of working capital is intended to be used for minesite production ramp up at the Bald Hill Tantalite Mine and for the increase in raw materials, manpower and engagement of mining contractors leading up to commencement of production of the Bald Hill Project.

16a. Rule 705 (7)(a) of the Catalyst Listing Manual

Details of exploration (including geophysical surveys), mining development and/or production activities undertaken by the Company and a summary of the expenditure incurred on those activities, including explanation for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity respectively, that fact must be stated;

The Company has undertaken our second major Metallurgical drilling program on the 4 November 2014. This is a 3000m RC (Reverse Circulation) drilling program designed to fully define three of the known tantalite-bearing pegmatite bodies in the Central Zone at the Bald Hill. It is expected that these deposits will be sequentially developed as the Boreline Prospect deposit is mined.

The results from our first drill program at the Boreline Prospect at the Bald Hill Tantalite Project commencing on the 25 July 2014 has been analysed to produce a mineral resource model to aid the commencement of mining. This information, along with the results of the latest drill campaign will be used to provide the Company with a resource upgrade which will be verified by a qualified person and announced at a later date once the review has been finalised.

The Company decided to award the Earthmoving contract which is for the earthworks required to re-instate the tailing storage facility after the Christmas and New Year holiday period due to the unavailability of operators and to avoid having to pay unnecessarily for idle machinery on-site. Prior to the holiday season, several quotations were obtained from potential mining contractors. After a diligent due diligence process and careful calculations, we have selected a suitable candidate for the earthworks and Earthmoving work has already commenced. Separately, the Mining Contract and Scope of Works has been finalised and awarded.

We are currently in the process of converting our Retention Lease which contains the known Creekside and Fenceline Prospects into a Mining Lease. The application is now at stage where it is subject to stakeholder consultation with the Native Title Holders. A preliminary meeting has been obtained to commence discussions.

Nagrom Mineral Processors, a world leading expert in the processing of tantalum has been engaged to supervise and construct the beneficiation plant. After intensive planning and discussions a process flow sheet was designed specifically for the Company to treat all minerals from the concentrate from the Bald Hill Mine Site.

Due to the limited availability of fresh water at the Bald Hill Mine Site, it was necessary to build the Secondary Beneficiation Plant off site. After an intensive search and selection process, a suitable site has been obtained in Boulder. This Secondary Beneficiation Plant will upgrade the Tantalite concentrate from the Primary Plant at the Bald Hill Mine Site to a saleable 25-30% Tantalite concentrate.

It is anticipated that the tailored design of the Secondary Beneficiation Plant will enable the Company to separate other valuable minerals besides tantalum from the concentrate produced at the Primary Processing Plant from the Bald Hill Mine Site.

A summary of the expenditure incurred in 2Q FY2015 for the aforementioned activities are as follows:-

	Amount (A\$)
Drilling	99,400
Testing / Assays	7,106
Mining engineering & consultants	99,845
Mine proposal	27,824
Site employees' salaries & other benefits	156,645
Site food & Accommodation	99,824

Other overhead costs	67,748
Total:	558,392

16b. Rule 705 (7)(b) of the Catalist Listing Manual

Update on its reserves and resources, where applicable, in accordance with the requirements set out in Practice Note 4C, including a summary of reserves and resources as set out in Appendix 7D.

The Company has no material updates on the reserves and resources as set out in the IQPR (Independent Qualified Person's Report) dated 13 June 2014. A copy of the IQPR can be found in the Company's Offer Document dated 16 July 2014.

17. Negative Confirmation by the Board pursuant to Rule 705(5) and Rule 705(6)(b) of Catalist Listing Manual.

We, Pauline Gately and Simone Suen, being two directors of Alliance Mineral Assets Limited, do hereby confirm on behalf of the Board of Directors of the Company (the "**Board**") to their best knowledge, that nothing has come to the attention of the Board which may render the unaudited financial statements for the financial period ended 31 December 2014 to be false or misleading in any material aspect.

On behalf of the Board

Pauline Gately
Independent and Non-Executive Chairman

Simone Suen
Executive Director

BY ORDER OF THE BOARD

Simone Suen
Executive Director
10 February 2015