

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 Third Quarter Ended 31 March 2016 (“Q3 FY 2016”)**

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. 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 Ms Gillian Goh, Director, Head of 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 had produced and sold its first Tantalum Concentrate after commissioning of the Bald Hill Plant and is currently working through the requirements to recommence mining activities and commence commercial production of Tantalum Concentrate.

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 March | | | For 9 months Ended 31 March | | |
|--|--------------------------------|--------------------|-----------------|--------------------------------|--------------------|-----------------|
| | 2016 | 2015 | Increase / | 2016 | 2015 | Increase / |
| | (Unaudited) A\$ | (Unaudited) A\$ | (Decrease) % | (Unaudited) A\$ | (Unaudited) A\$ | (Decrease) % |
| Interest income | 268 | 2,744 | n.m | 23,451 | 7,500 | n.m |
| Other Income | - | 74,719 | n.m | - | 85,900 | n.m |
| Gain on foreign exchange | 19,054 | 134,317 | n.m | 79,990 | 726,329 | n.m |
| Loss on disposal of fixed assets | - | - | 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 | (5,475) | (10,384) | n.m | (41,570) | (110,199) | n.m |
| Consultants and contractors fees | - | (45,285) | n.m | - | (135,537) | n.m |
| Directors' fees | (81,619) | (24,229) | n.m | (251,986) | (71,643) | n.m |
| Tenement expenses | (4,842) | (8,658) | (44) | (130,433) | (109,251) | 19 |
| Bald Hill project expenses | - | (193,406) | n.m | - | (430,284) | n.m |
| Listing expenses | - | - | n.m | - | (441,392) | n.m |
| Administrative expenses | (223,673) | (76,956) | 191 | (579,290) | (295,901) | 96 |
| Employee salaries and other benefits expenses | (119,791) | (143,261) | (16) | (433,634) | (597,669) | (27) |
| Borrowing costs | (149,583) | (140,980) | 6 | (435,367) | (428,465) | 2 |
| Loss before income tax | (565,661) | (431,379) | 31 | (1,768,839) | (2,097,173) | (16) |
| Income tax expense | - | - | - | - | - | - |
| Loss after tax | (565,661) | (431,379) | 31 | (1,768,839) | (2,097,173) | (16) |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive loss for the period attributable to owners of the Company | (565,661) | (431,379) | 31 | (1,768,839) | (2,097,173) | (16) |

(i) n.m. = not meaningful

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

| | For 3 months Ended 31 March | | | For 9 months Ended 31 March | | |
|---|--------------------------------|-------------|------------|--------------------------------|-------------|------------|
| | 2016 | 2015 | Increase / | 2016 | 2015 | Increase / |
| | (Unaudited) | (Unaudited) | (Decrease) | (Unaudited) | (Unaudited) | (Decrease) |
| | A\$ | A\$ | % | A\$ | A\$ | % |
| Interest income | 268 | 2,744 | n.m | 23,451 | 7,500 | n.m |
| Insurance claim proceeds | - | - | n.m | - | 11,181 | n.m |
| Gain on foreign exchange | 19,054 | 134,317 | n.m | 79,990 | 726,329 | n.m |
| Loss on disposal of fixed assets | - | - | 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 | (149,583) | (140,980) | 6 | (435,367) | (428,465) | 2 |
| Depreciation expense | (12,032) | (8,526) | n.m | (36,100) | (21,767) | n.m |
| Listing expenses | - | - | n.m | - | (441,392) | n.m |

- (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 March 2016 (Unaudited) A\$ | 30 June 2015 (Audited) A\$ |
| CURRENT ASSETS | | |
| Cash and cash equivalents | 1,705,704 | 3,856,137 |
| Other receivables | 96,154 | 1,839,040 |
| Prepayments | 38,522 | - |
| Other current assets | - | 31,163 |
| TOTAL CURRENT ASSETS | 1,840,380 | 5,726,340 |
| NON CURRENT ASSETS | | |
| Other receivables | 995,554 | 986,212 |
| Mine development | 1,473,397 | 392,602 |
| Deferred tax asset | 1,710,948 | 1,710,948 |
| Property plant & equipment | 15,836,542 | 14,309,402 |
| TOTAL NON CURRENT ASSETS | 20,016,441 | 17,399,164 |
| TOTAL ASSETS | 21,856,821 | 23,125,504 |
| CURRENT LIABILITIES | | |
| Employee benefit liabilities | 54,475 | 32,716 |
| Trade and other payables | 2,204,760 | 860,770 |
| Interest bearing loans and borrowings | 16,321 | 42,352 |
| TOTAL CURRENT LIABILITIES | 2,275,556 | 935,838 |
| NON CURRENT LIABILITIES | | |
| Trade and other payables | 1,947,642 | 2,783,948 |
| Provision for rehabilitation | 1,417,521 | 1,417,521 |
| Interest bearing loans and borrowings | 1,006,077 | 1,009,333 |
| TOTAL NON CURRENT LIABILITIES | 4,371,240 | 5,210,802 |
| TOTAL LIABILITIES | 6,646,796 | 6,146,640 |
| NET ASSETS | 15,210,025 | 16,978,864 |
| EQUITY | | |
| Issued capital | 34,011,265 | 34,011,265 |
| Reserves | 2,463,505 | 2,463,505 |
| Accumulated losses | (21,264,745) | (19,495,906) |
| TOTAL EQUITY | 15,210,025 | 16,978,864 |

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

Amount repayable in one year or less, or on demand

| As at 31 March 2016 (Unaudited) | | As at 30 June 2015 (Audited) | |
|--|--------------------------|---|--------------------------|
| Secured A\$ | Unsecured A\$ | Secured A\$ | Unsecured A\$ |
| 16,321 | - | 16,088 | 26,264 |

Amount repayable after one year

| As at 31 March 2016 (Unaudited) | | As at 30 June 2015 (Audited) | |
|--|--------------------------|---|--------------------------|
| Secured A\$ | Unsecured A\$ | Secured A\$ | Unsecured A\$ |
| 1,006,077 | - | 1,009,333 | - |

Details of any collateral

The secured borrowings comprised (a) finance lease liabilities of A\$ 55,840 (30 June 2015: A\$67,934), which are secured on the Company's motor vehicles; and (b) the Singapore dollar S\$ 1.0 million bank loan of which the amount outstanding is A\$ 966,558 as of 31 March 2016 (30 June 2015: \$957,488) which is secured by the SGD 1.03 million term deposit which is valued at A\$995,554 as at 31 March 2016.

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 March | | For 9 months Ended 31 March | |
|---|--------------------------------|--------------------------|--------------------------------|--------------------------|
| | 2016 Unaudited A\$ | 2015 Unaudited A\$ | 2016 Unaudited A\$ | 2015 Unaudited A\$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Interest received | 268 | 2,744 | 23,451 | 7,500 |
| Interest paid | (814) | (7,134) | (15,333) | (33,188) |
| Proceeds from insurance claim | - | - | - | 11,181 |
| Income Received | 1,058,392 | 74,719 | 1,703,412 | 74,719 |
| Payments to suppliers, contractors and employees | (355,510) | (894,681) | (1,465,211) | (3,001,653) |
| NET CASH FLOWS GENERATED FROM/(USED IN) OPERATING ACTIVITIES | 702,336 | (824,352) | 246,319 | (2,941,441) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Proceeds from sale of fixed assets | - | - | - | 47,660 |
| Payments for mine development | (577,236) | (423,497) | (1,216,966) | (1,013,360) |
| Purchase and refurbishment of plant & equipment | (13,161) | (474,707) | (1,221,419) | (3,347,083) |
| Payments for Term Deposit | - | - | - | (924,865) |
| NET CASH FLOWS USED IN INVESTING ACTIVITIES | (590,397) | (898,204) | (2,438,385) | (5,237,648) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Proceeds from share issue | - | - | - | 8,568,759 |
| Payments for share issue costs | - | - | - | (328,217) |
| Payment to insurance premium loan principal | - | (32,551) | (26,111) | (40,460) |
| Payment to finance lease principal | (4,089) | (3,864) | (12,245) | (10,106) |
| Proceeds from borrowing | - | - | - | 897,927 |
| Repayment of secured loan | - | - | - | - |
| NET CASH FLOWS FROM FINANCING ACTIVITIES | (4,089) | (36,415) | (38,356) | 9,087,903 |
| Net increase/(decrease) in cash and cash equivalents | 107,850 | (1,758,971) | (2,230,422) | 908,814 |
| Cash and cash equivalents at beginning of period | 1,578,800 | 6,982,139 | 3,856,137 | 3,686,272 |
| Net foreign exchange difference on cash balances | 19,054 | 135,418 | 79,989 | 763,500 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 1,705,704 | 5,358,586 | 1,705,704 | 5,358,586 |

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 2014 | 20,157,971 | 4,317,728 | (8,710,415) | 15,765,284 |
| Loss for the period | - | - | (2,097,173) | (2,097,173) |
| Total comprehensive loss for the period | - | - | (2,097,173) | (2,097,173) |
| <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 31 March 2015 | 34,011,266 | 1,781,663 | (10,807,588) | 24,985,341 |
| (Unaudited) | | | | |
| Balance as at 1 July 2015 | 34,011,265 | 2,463,505 | (19,495,906) | 16,978,864 |
| Loss for the period | - | - | (1,768,839) | (1,768,839) |
| Total comprehensive loss for the period | - | - | (1,768,839) | (1,768,839) |
| Balance as at 31 March 2016 | 34,011,265 | 2,463,505 | (21,264,745) | 15,210,025 |

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\$ |
|---|------------------------------|----------------------|
| As at 31 December 2015 and 31 March 2016 | 393,930,427 | 34,011,265 |

The Company had on 16 June 2014, adopted the Alliance Employee Share Option Scheme ("Scheme") As at 31 March 2016, no options has been granted under the Scheme.

There were no outstanding convertibles as at 31 March 2016 and 31 March 2015.

The Company did not have any treasury shares as at 31 March 2016 and 31 March 2015.

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 March 2016 and 393,930,427 as at 30 June 2015.

The Company did not have any treasury shares as at 31 March 2016 and 30 June 2015.

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 2015.

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 2015. 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 March | |
|--|------------------------------------|----------------------|
| | 2016 | 2015 |
| | (Unaudited) | (Unaudited) |
| Basic and diluted loss per share (AU cents) | (0.1) ⁽¹⁾ | (0.1) ⁽¹⁾ |
| Loss for the period attributable to owners of the Company (A\$) | <u>(565,661)</u> | <u>(431,379)</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>393,930,427</u> |

Notes:

- (1) The basic and diluted loss per share for the 3-month financial period ended 31 March 2016 and 31 March 2015 were the same as there were no potentially dilutive ordinary shares in issue as at 31 March 2016 and 31 March 2015.

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 March 2016 (Unaudited) | 30 June 2015 (Audited) |
| Net asset value per ordinary share based on issued share capital (AU cents) | 3.9 | 4.3 |
| Net asset value as at the end of the respective financial period/year (A\$) | 15,210,025 | 16,978,864 |
| Number of ordinary shares as at the end of the respective financial period/year | 393,930,427 | 393,930,427 |

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 March 2016 ("3Q FY2016") vs. 3 months ended 31 March 2015 ("3Q FY2014")

Review of the Income Statement

Revenue

There was no revenue in 3Q FY2016 and 3Q FY2015 as we had not commenced the commercial production and sale of Tantalite.

Interest income

Interest income of A\$268 in 3Q FY2016 (3Q FY2015: \$2,744) is mainly due to a decrease in our cash balances in banks.

Gain on foreign exchange

The gain on foreign exchange of A\$19,054 in 3Q FY2016 as compared to a gain on foreign exchange of A\$134,317 in 3Q FY2015 was mainly due to a decrease in Singapore dollar cash balances in banks and the only a small movement of Singapore dollar against Australian dollar in 3Q FY2016.

Other Income

There was no other income in 3Q FY2016. During 3QFY2015, other income of A\$74,719 was in relation to the refund from the Australian Taxation Office ("ATO") for the research and development costs that have been expended in FY2013 on the 'New' processing methods being adopted for the Company's processing facilities

Accounting and audit expenses

Accounting and audit expenses decreased from A\$10,384 in 3Q FY2015 to A\$5,475 in 3Q FY2016 mainly due to fewer senior accounting consultants engaged by the Company in 3Q FY2016.

Consultants and contractors fees

There were no consulting costs in 3Q FY2016 compared to A\$45,285 in 3Q FY2015 mainly due to the Company taking on-board previously engaged consultants to the Company as full time employees and consulting costs relating to mine development and commissioning works incurred are being capitalised to Mine Development or Property, Plant and Equipment ("PPE").

Directors' salary & fees

Directors' salary and fees of A\$81,619 in 3Q FY2016 (3Q FY2015: A\$24,229) includes the Company's executive director's salary while that of 3Q FY2015 only comprise non-executive directors' fees as the executive director's salary for 3Q FY2015 was classified as Salary & Wages. The salary for the Company's executive director for 3Q FY2016 was A\$41,538 (3Q FY2015: A\$41,538)

Tenement expenses

Tenement expenses decreased to A\$4,842 in 3Q FY2016 from A\$8,658 in 3Q FY2015 due to the receipt of invoices from council shires and various government departments after the close of the 3Q FY2016.

Bald Hill Project expenses

Bald Hill Project expenses were NIL for the period (3Q FY2015: A\$193,406) as such expenses incurred in 3Q FY2016 are capitalised to PPE or Mine Development.

Administrative expenses

Administrative expenses increased by A\$146,717 from A\$76,956 in 3Q FY2015 to A\$223,673 in 3Q FY2016 mainly due to insurance expenses of A\$82,238 recognised in 3Q FY2016 (3Q FY2015: A\$7,571), compliance costs of A\$49,429 (3Q FY2015: A\$Nil) and office administration expenses of A\$92,006 (3Q FY2015: A\$69,385). The insurance expenses have increased due to an increase in property, plant and equipment, and activities as compared to 3Q FY2015 and the expensing of one of its policy premiums which was included in capitalised project costs in the prior year. The compliance costs have been classified as administrative expenses in 3Q FY2016 compared to being recognised as consulting and contractor fees in the prior comparative period to more accurately reflect the cost on an ongoing basis. The increase in office administration expenses was pursuant to additional corporate activity during the period.

Depreciation expenses

Depreciation expenses increased from A\$8,526 in 3Q FY2015 to A\$12,032 in 3Q FY2016 mainly pursuant to an increase in plant, property and equipment.

Loss before income tax

In view of the foregoing, loss before taxation increased from A\$431,379 in 3Q FY2015 to A\$565,661 in 3Q FY2016.

Review of the Financial Position of the Group

Non-current assets

As at 31 March 2016, our non-current assets of A\$20,016,441 accounted for 92% of our total assets. Our non-current assets comprised of other receivables, deferred tax asset, mine development and property, plant and equipment.

Other receivables of A\$995,554 relates to the SGD Term Deposit of S\$1,030,000 as security for our SGD Bank Loan which has increased from June 2015 as a result of an appreciation of SGD against the AUD.

Mine development increased by A\$1,080,795 to A\$1,473,397 mainly due to the capitalisation of expenses in relation to commissioning activities that have been ongoing at the Bald Hill Mine Site.

Property, plant and equipment increased by A\$1,527,140 to A\$15,836,542 mainly due to the construction related commissioning activities that have been ongoing at the Bald Hill Mine Site.

Current assets

As at 31 March 2016, our current assets of A\$1,840,380, represents 8% of our total assets. Our current assets as at 31 March 2016 consist of cash and cash equivalents, other receivables and prepayments.

Cash and cash equivalents of A\$1,705,704 decreased by A\$2,150,433 pursuant to expenditure relating to the commissioning of the Bald Hill Mine and associated administration overheads offset by the receipt of a Research and Development Tax Refund from the ATO ("**R&D Tax Refund**") of \$1,058,392 relating to the FY2015 period.

Other receivables decreased by A\$1,742,886 to A\$96,154 mainly as a result of the receipt of the R&D Tax Refund, Net Goods and Services Tax refund and fuel tax credit.

Prepayments of A\$38,522 represents insurance premium prepaid and expensed over the period of insurance cover.

Non-current liabilities

As at 31 March 2016, our non-current liabilities of A\$4,371,240 represented 66% of our total liabilities. Our non-current liabilities relate to the provision for rehabilitation required at the Bald Hill Tantalite Mine, interest bearing loans and borrowings as well as trade and other payables.

Trade and other payables comprising of amount due to controlling entity, Living Waters Mining ("**LWM**") of A\$1,947,642 ("**Living Waters Loan**") is \$836,306 lower due to the amortisation of the nominal interest and the re-classification of A\$1,500,000 to current liabilities in accordance with its repayment period.

Provision for rehabilitation of A\$1,417,521 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\$1,006,077, decreased slightly from A\$1,009,333 as at 30 June 2015 due to foreign currency changes offset by repayments of the principal amount of the finance leases for vehicles.

Current liabilities

As at 31 March 2016, our current liabilities of A\$2,275,556, representing 34% of our total liabilities comprised trade and other payables, employee benefit liabilities and interest bearing loans and borrowings.

Trade and other payables increased by A\$1,343,990 to A\$2,204,760

Employee benefit liabilities increased A\$21,759 to A\$54,475 as a result of annual leave accruals for our employees.

Interest bearing loans and borrowings, amounting to A\$16,321 as at 31 December 2015, reduced by \$26,032 mainly due to the payment of insurance premium funding in 1Q FY2016.

Shareholders' equity

As at 31 March 2016, our Shareholders' equity amounted to A\$15,210,025 comprising A\$34,011,265 of issued share capital, A\$1,786,822 of parent equity contribution, A\$676,683 of executive option reserve and A\$21,264,745 of accumulated losses.

Working Capital

The Group recorded a negative working capital of A\$435,176 as at 31 March 2016. This is mainly attributable to a A\$1,500,000 portion of the Living Waters Loan being reclassified from non-current to current. As set out in Note 24 of the Company's annual report for the financial year ended 30 June 2015, payment of the A\$4.0 million ("**Cash Component**") due to LWM by the Company shall amongst others, be made by the Company to LWM subject to the Company having adequate cash flow, and subject to remitting set amounts per six-month blocks commencing from January 2016 till June 2017 based on the terms of Deed of Variation dated 30 June 2015 ("**Deed**"). Notwithstanding the aforementioned, no monies has been paid to LWM as of to date and, LWM has provided a confirmation to the Company that it will not demand for cash payment of the entire Cash Component owing to it by the Company within the next 12 months. The Cash Component shall also remain interest-free. Therefore, the Company is of the view that it is able to operate as a going concern. The Company and LWM will be re-looking at the terms of the Deed and will update shareholders of the Company as and when there are any material developments.

Review of the Cash Flow Statement of the Group

In 3Q FY2016, we recorded a net cash inflow from operating activities of A\$702,336 which comprised payments made to suppliers and employees of A\$355,510, interests for finance lease and SGD Bank Loan of A\$814, these are offset by R&D Tax Refund received of A\$1,058,392 and interest received from bank deposits of A\$268.

Net cash outflow from investing activities amounted to A\$590,397, which was mainly attributable to expenses relating to the commissioning of the Bald Hill Plant.

Net cash outflow from financing activities amounted to A\$4,089 were mainly as a result of repayment of hire purchase liabilities.

As at 31 December 2015, our cash and cash equivalents amounted to A\$1,705,704.

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 142 of the Offer Document, stated that "Production and sale of Tantalite concentrate is expected to commence in the financial year ending 30 June 2015 ("FY2015")". This was stated under the heading of Revenue.

In an article published by The Edge Singapore dated 6 July 2015, it was mentioned that "...AMA starts booking revenues and cash flow in 1Q FY2016.", in the Company's results announcement dated 28 August 2015 for the financial year ended 30 June 2015, it was mentioned that "As at

the date of this announcement, the Company is expecting to book cash flow through the sale of tantalite concentrate in the second quarter of the financial year ending 30 June 2016”, and in the Company’s AR2015, it was mentioned that “At the time of writing, management is targeting commercial production by early 2016.”

During 2Q FY2016, the Company successfully produced and sold its first concentrate as we worked towards production and full scale mining operations which are targeted to commence in 3Q FY2016 as noted in our 1QFY2016 Financial Results. However, the full scale mining and 24-hour production did not commence in 3Q FY2016 mainly due to the current depressed spot prices for Tantalum Concentrate as this has a significant impact on cash flow and revenue received, further details of which is set out in paragraph 10 below.

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.

Tantalum Concentrate spot prices still remain depressed and this could impact cash flow and revenue received from initial sales. The decision to move forward with commercial Tantalum production involves large expenditure commitments (to recommence mining and 24-hour plant production) and may not be commercially feasible even with the ability to command a premium above current spot prices of Tantalum Concentrate. The Company is seeking opportunities to expand into other commodities and not be just a “tantalite producing” operation. If the spot price for Tantalum Concentrate remains at current levels of US\$50 / US\$60 per pound (A\$71 / A\$85) even with a premium over current spot market prices it is likely that a further impairment charge will be required as noted in the Company’s FY2015 Annual Report (Refer Note 5) for the financial year ending 30 June 2016.

Due to current economic conditions, greater importance is now being placed on the capturing of the other minerals inherent in our ore to produce additional revenue streams in the short term or to move the project into further expansion or vertical integration activities (ie. refining) in the long term.

Out of the various minerals inherent in our ore, lithium has been the most outstanding mineral with current lithium prices increasing exponentially compared to other commodity prices. This has prompted the expedition of investigations into the lithium potential of the Bald Hill Project as referenced in the Company’s response to SGX queries announced on 23 February 2016. Various opportunities have been identified and the exploitation of this potential will be investigated thoroughly.

Lithium is present in the our ore in the form of Spodumene or $\text{LiAl}(\text{SiO}_3)_2$. An indication of this mineral was observed during the processing of our Tantalum concentrate which further work is required to isolate and commercialise the mineral. As well as seeing Spodumene in our concentrate, metallurgical tests has confirmed that it is present in the tailings that is being produced during Tantalum production. From previous historical production there is a significant tailings resource available which further work will be needed to assess whether we can cost effectively re-process the tailings and capture the Spodumene.

As previously announced on 23 November 2015, the Company is constantly on the lookout for opportunities to develop our business and to continually deliver value to shareholders through a combination of initiatives, including but not limited to joint ventures, merger, acquisitions or purchase or sale of significant assets.

The Company is currently evaluating proposals from potential investors in relation to funding, exploration and development of all resources in our extensive tenement portfolio with particular focus on our lithium potential.

Shareholders should note that as at the date of this announcement, no definitive agreements have been entered into and there is no certainty that such proposals will materialise into definitive transactions. The Company will keep shareholders updated on any material developments as and when appropriate.

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 3Q 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 3Q FY2016.

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

Pursuant to its IPO, the Company 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⁽¹⁾ | Amount Allocated (A\$'000) | Amount Utilised (A\$'000) | Amount Unutilised (A\$'000) |
|--------------------------------------|-----------------------------------|----------------------------------|------------------------------------|
| Exploration and drilling | 1,028 | 197 | 831 |

| | | | |
|--------------------------------|--------------|--------------|--------------|
| Internal scoping study | 428 | 300 | 128 |
| Development of mining deposits | 428 | 335 | 93 |
| Working capital ⁽¹⁾ | 4,723 | 4,662 | 61 |
| Listing expenses | 1,962 | 1,962 | - |
| Total | 8,569 | 7,456 | 1,113 |

Notes:

- (1) The IPO Proceeds were received on 2 September 2014 and for the purpose of comparability have been converted to AUD on the date received.
- (2) The amount of working capital has been utilised for refurbishment and construction of the Bald Hill and Boulder Facilities.

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 March 2016 (“**3Q FY2015**”), funds / cash were mainly used for the following activities:-

| Purpose | Amount (A\$) Projected Usage | Amount (A\$) Actual Usage |
|---|---|--------------------------------------|
| Purchase of property, plant & equipment | 800,000 | 590,397 |
| Corporate administrative expenses | 550,000 | 355,510 |
| Mine development costs | - | - |
| Total | 1,350,000 | 945,907 |

Explanation for the variances:

Mine development and purchase of property, plant & equipment of \$590,397 was lower than the forecast of A\$800,000 for the period as the commissioning activities at Bald Hill slowed during the quarter due to the low tantalum price.

Administrative expenses were below forecast due to the reduction in activities at Bald Hill.

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 April 2016 to 30 June 2016 (“**4Q FY2016**”), the Company’s use of funds/cash for development activities are expected to be as follows:-

| Purpose | Amount (A\$) |
|---|---------------------|
| Purchase of property, plant & equipment | - |
| Corporate administrative expenses | 300,000 |
| Mine development costs | 400,000 |
| Total | 700,000 |

16a. Rule 705 (7)(a) of the Catalist 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;

AMA has continued its commissioning of its Bald Hill facility during the quarter ended 31 March 2016 and has expended A\$590,397 for Mine Development and Property, Plant and Equipment. These costs are incurred as part of the commissioning on the assets and mine infrastructure at the Bald Hill Mine Site. No significant development or production activities occurred during the period.

In December 2015, a 227 reconnaissance sample soil sampling program was carried out which successfully identified several anomalous areas but most significantly a large anomalous area, with a strike length of some 2km and 1.4km wide, to the east of the current mine that has not been properly tested by drilling previously.

The aim of the mapping and soil sampling program was to map outcropping pegmatites and take soil samples within the three Exploration Licences ("EL") (E 15/1161, E 15/1162 and E 15/1212) to the north, east and south of the main Mining Lease (M 15/400) to determine if the soil sampling method used would identify any anomalous areas located in these ELs.

Nine outcrops of pegmatite were sampled by sampling both the rock and the soil. The anomalous rock chips were matched with anomalous soil assays indicating that sampling the soil could identify, geochemically, nearby pegmatites.

The reconnaissance sampling and mapping program successfully identified a continuous anomalous zone east of the main workings with pegmatite outcrops that needs to be followed up with further soil sampling, mapping and a targeted Reverse Circulation drilling program.

Extensive work was also conducted to include all data available which now has been compiled into our current Master Database. Where there previously were 1,811 drill holes and now there are 4,183; previously 21,285 assays and now there are 35,602; previously 1,708 Li assays and now there are 4,011 and where there used to be 5,714 Ta assays now there are 8,824.

Analysing the revised data and studying the geological trends, the Company applied for 2 new exploration licenses expanding the Bald Hill Tantalite Project a further 226km² to a total of 776km² to expand the exploration and development potential of the Bald Hill Project.

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 16 July 2015.

17. Confirmation pursuant to Rule 720 (1) of the SGX-ST Listing Manual

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7H) pursuant to Rule 720 (1) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited

18. Negative Confirmation by the Board pursuant to Rule 705(5) and Rule 705(6)(b) of Catalyst 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**”) that to the best of their knowledge, nothing has come to the attention of the Board which may render the unaudited financial statements for the financial period ended 31 March 2016 and the above information provided 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
14 May 2016