



ALLIANCE MINERAL ASSETS LIMITED

(Incorporated in the Australia on 6 December 2010)

(Company Registration no. ACN 147 393 735)

VARIATION TO BINDING TERM SHEET

1. INTRODUCTION

The Board of Directors ("**Board**") of Alliance Mineral Assets Limited ("**AMAL**" or the "**Company**") refers to the announcements (i) dated 4 May 2017 in relation to the Lithium Concentrate Off-take Agreement ("**Off-take Agreement**") regarding the Bald Hill Project dated 20 April 2017, entered into between the Company and a wholly-owned subsidiary of Burwill Holdings Limited, Burwill Commodity Limited ("**Burwill**"); (ii) dated 20 September 2017 in relation to, *inter alia*, the discussions with Burwill on the third and final prepayment of A\$4,375,000 from Burwill that was due on 15 September 2017 and the Off-take Agreement; and (iii) dated 5 October 2017 in relation to, *inter alia*, the binding term sheet dated 2 October 2017 ("**Binding Term Sheet**") entered into with Burwill to vary the terms of the Off-take Agreement ("**Announcements**").

Unless otherwise defined, all capitalised terms used herein shall bear the same meaning as in the Announcements.

Further to the Announcements, the Board wishes to update shareholders of the Company ("**Shareholders**") that the Company had (a) entered into an amended and restated off-take agreement on substantially the terms set out in the Binding Term Sheet ("**Amended Off-take Agreement**") and (b) on 30 October 2017 entered into a Letter of Variation ("**LOV**") with Burwill to, *inter alia*, vary the terms of the Binding Term Sheet, the Subscription Agreement and Amended Offtake Agreement (as the case may be).

2. VARIATION TO BINDING TERM SHEET

The salient terms of the LOV varying the Binding Term Sheet, Subscription Agreement and Amended Offtake Agreement (as the case may be) are as follows:

- 2.1 The sequence of disbursement of funds pursuant to the grant of the loan and the subscription of the Tranche 4 Subscription Shares shall be reversed, such that Burwill shall pay:
 - a) A\$5.0 million as subscription consideration for the Tranche 4 Subscription Shares by 7 November 2017. AMAL will waive its right to retain the sum of A\$4.375 million paid by the Burwill as the second prepayment under the Off-take Agreement if it receives the aforesaid A\$5.0 million by 7 November 2017; and
 - b) A\$4.8 million by granting the Loan on or before 31 December 2017;
- 2.2 AMAL may no longer deliver lithium concentrate of a grade lower than 5.5% to Burwill in the event of a delay of the first shipment. In such event, the agreed price adjustments in the Off-take Agreement shall apply instead (as disclosed in page 2 of AMAL's announcement dated 4 May 2017); and
- 2.3 Paragraph 2.7 of the 2 October 2017 announcement has been deleted. Instead, AMAL shall sell all of its share of production of lithium concentrate of a grade of at least 5.5% to Burwill until 31 December 2022 in accordance with the provisions of the Amended Offtake Agreement. Thereafter, the parties shall negotiate the terms of sale of lithium concentrate to Burwill.

Save for consequential amendments to the delivery schedule as a result of the delay in delivery of the first shipment to 15 April 2018, all other terms of the Amended Off-take Agreement, the Binding Term Sheet and the Subscription Agreement (as the case may be) remain unchanged.

AMAL's Chief Executive Officer, Mr Tjandra Pramoko commented, "*The change in the sequence of disbursement of funds by Burwill will reduce interest payable by AMAL and improve its cash position. We are happy that the parties have managed to reach an agreement which is to the Company's benefit.*"

3. DEFINITIVE AGREEMENTS

The Board will update Shareholders as and when the Company has entered into the definitive agreements in relation to the LOV (including the loan agreement for the grant of the Loan).

4. INTEREST OF DIRECTORS' INTERESTS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company have any interest, directly or indirectly in the aforesaid transactions (save through their shareholdings in the Company, if any).

5. DOCUMENTS AVAILABLE FOR INSPECTION

The Off-take Agreement and the LOV 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 DMS Corporate Services Pte. Ltd. at 16 Collyer Quay, #17-00 Income at Raffles Place, Singapore 049318 for a period of three (3) months from the date of this announcement.

6. CAUTIONARY STATEMENT

In the meantime, 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.

BY ORDER OF THE BOARD

Suen Sze Man
Executive Director
31 October 2017

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).