

CIRCULAR DATED 24 AUGUST 2016

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN DOUBT ABOUT ITS CONTENTS OR THE ACTION THAT YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your ordinary shares of Alliance Mineral Assets Limited (the “**Company**”) through the Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular to the purchaser or transferee as CDP will arrange for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your shares which are not deposited with CDP, you should forward this Circular together with the Notice of Extraordinary General Meeting and the enclosed Proxy Form immediately to the purchaser or the transferee or to the stockbroker, bank or agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, 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 independently verified the contents of this Circular.

This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assumes no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.

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.



**ALLIANCE MINERAL
ASSETS LIMITED**

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

**CIRCULAR TO SHAREHOLDERS
IN RELATION TO THE**

- (1) THE PROPOSED FARM-IN AND JOINT VENTURE ARRANGEMENT WITH LITHCO NO. 2 PTY LTD**
- (2) THE PROPOSED EXPANSION OF THE COMPANY’S BUSINESS TO INCLUDE THE EXPLORATION, MINING, DEVELOPMENT AND PRODUCTION OF LITHIUM AND OTHER MINERALS**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	13 September 2016 at 2.00 p.m. (Singapore time)
Date and time of Extraordinary General Meeting	:	15 September 2016 at 2.00 p.m. (Singapore time)
Place of Extraordinary General Meeting	:	RELC International Hotel Singapore 30 Orange Grove Road, Tanglin 2, Level 1 Singapore 258352

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CONTENTS

	PAGE
DEFINITIONS	2
LETTER TO SHAREHOLDERS	7
1. INTRODUCTION	7
2. THE PROPOSED TRANSACTION	7
3. RATIONALE FOR THE PROPOSED TRANSACTION	14
4. CHAPTER 10 RELATIVE FIGURES AND FINANCIAL EFFECTS	15
5. THE PROPOSED EXPANSION	18
6. INTERESTS OF DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS	26
7. DIRECTORS' RECOMMENDATION	27
8. SERVICE CONTRACTS OF THE DIRECTORS	27
9. EXTRAORDINARY GENERAL MEETING	27
10. ACTION TO BE TAKEN BY SHAREHOLDERS	28
11. DIRECTORS' RESPONSIBILITY STATEMENT	28
12. DOCUMENTS AVAILABLE FOR INSPECTION	28
APPENDIX 1 – EXECUTIVE SUMMARY OF THE INDEPENDENT QUALIFIED PERSON'S REPORT ON THE BALD HILL TANTALUM PROJECT WESTERN AUSTRALIA PREPARED FOR ALLIANCE MINERAL ASSETS LIMITED	29
APPENDIX 2 – COMPETENT PERSON STATEMENT	34
NOTICE OF EXTRAORDINARY GENERAL MEETING	35
PROXY FORM	

DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:

- 3Q 2016 Results Announcement* : The Company's Unaudited Financial Statement and Dividend Announcement for the third quarter ended 31 March 2016
- "A\$" : Australian dollars and cents respectively, the lawful currency of the Commonwealth of Australia
- "Act" : The Corporations Act 2001 (Cth), as amended or modified from time to time
- "Associate" : (a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any company which is its subsidiary or holding company or is a subsidiary of any such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- "Bald Hill" or "Project"* : The Bald Hill project comprising both the Tenements and Plant collectively, located within the Eastern Goldfields Province of the Archaean Yilgarn Block, within the Shire of Coolgardie in Western Australia
- "Binding Terms Sheet"* : The conditional binding terms sheet executed on 3 June 2016 which sets out the terms and conditions upon which Lithco will, *inter alia*, farm into the Project for the purposes of earning 50% of the legal and beneficial interest in the Project, together with any variations thereto
- "Board"* : The board of directors of the Company as at the Latest Practicable Date
- "Business Day"* : A day (other than Saturday, Sunday or public holiday) on which banks are open for business in Singapore

DEFINITIONS

<i>“Catalist”</i>	:	The sponsor-supervised listing platform of the SGX-ST
<i>“Catalist Rules”</i>	:	The SGX-ST Listing Manual Section B: Rule of Catalist, as amended, modified or supplemented from time to time
<i>“Capital Expenditure”</i>	:	Has the meaning ascribed to it in Section 2.4.1(b)(ii) of this Circular
<i>“Capital Raising”</i>	:	Has the meaning ascribed to it in Section 2.4.1(e) of this Circular
<i>“Circular”</i>	:	This circular to Shareholders dated 24 August 2016 in respect of the Proposed Transaction and the Proposed Expansion
<i>“Company”</i>	:	Alliance Mineral Assets Limited
<i>“Constitution”</i>	:	The constitution of the Company
<i>“Definitive Agreements”</i>	:	Formal binding definitive agreements to be entered between the Parties, including (a) a farm-in agreement; and (b) two joint venture agreements annexed to the farm-in agreement (which will come into effect without any further action required of the Parties upon the achievement of the Expenditure Commitment or the Capital Expenditure (as the case may be))
<i>“Directors”</i>	:	The directors of the Company as at the date of this Circular
<i>“EGM”</i>	:	Extraordinary general meeting
<i>“Expenditure”</i>	:	Has the meaning ascribed to it in Section 2.4.1(b)(i) of this Circular
<i>“Expenditure Commitment”</i>	:	Has the meaning ascribed to it in Section 2.4.1(b)(i) of this Circular
<i>“FY”</i>	:	Financial year of the Company ended or ending 30 June (as the case may be)
<i>“IQPR”</i>	:	The independent technical report dated 12 August 2016 prepared by Al Maynard & Associates Pty Ltd in accordance with the Catalist Rules, the executive summary and competent person statement of which are set out in Appendix 1 and Appendix 2 of this Circular respectively
<i>“Joint Venture”</i>	:	Means the Lithium Rights Joint Venture and or the Project Joint Venture (as the context requires)
<i>“JV Committee”</i>	:	Has the meaning ascribed to it in Section 2.4.2 of this Circular

DEFINITIONS

<i>“Latest Practicable Date”</i>	:	17 August 2016, being the latest practicable date prior to the printing of this Circular
<i>“Lithco”</i>	:	Lithco No. 2 Pty Ltd
<i>Lithium Rights Joint Venture</i>	:	Has the meaning given to it in Section 2.4.1(c)
<i>“Parties”</i>	:	The Company and Lithco
<i>“Pegmatite”</i>	:	Crystalline, intrusive igneous rock composed of interlocking crystals usually larger than 2.5cm in size
<i>“Placement”</i>	:	The placement of (i) 83,500,000 Shares with an issue price of S\$0.06 per Share to subscribers procured by Canaccord Genuity (Australia) Limited pursuant to an engagement letter dated 3 June 2016, and (ii) 3,333,333 Shares with an issue price of S\$0.06 per Share to Canaccord Genuity (Australia) Limited in payment of a placement commission of S\$200,000, which was completed on 27 June 2016
<i>“Plant”</i>	:	The treatment and processing plant, camp and other infrastructure located on the Tenements
<i>“Proposed Transaction”</i>	:	The proposed establishment of a farm-in and joint venture arrangement with Lithco with respect to the Project, pursuant to which Lithco is entitled to firstly, earn a 50% joint venture interest in the rights to explore and mine for lithium on the Project, and secondly, a further right to earn a 50% joint venture interest in all the minerals, the Plant and the Tenements comprising the Project on the terms of the Definitive Agreements, which is conditional upon Shareholders’ approval being obtained for the Proposed Expansion
<i>“Proposed Expansion”</i>	:	The expansion of the Company’s core business to include the exploration, mining, development and production of lithium, tin, niobium, rubidium, gold and other minerals which may be mined from the Project
<i>Project Joint Venture</i>	:	Has that meaning given to it in Section 2.4.1(c)
<i>“ppm”</i>	:	parts per million
<i>“Required Approvals”</i>	:	Has the meaning ascribed to it in Section 2.4.1(d)(ii) of this Circular
<i>“S\$” and “Singapore cents”</i>	:	Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore

DEFINITIONS

<i>“SFA”</i>	:	The Securities and Futures Act (Chapter 289 of Singapore), as amended or modified from time to time
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Shareholders”</i>	:	The registered holders of the Shares in the register of members of the Company, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares
<i>“Shares”</i>	:	Fully paid ordinary shares in the capital of the Company
<i>“Tantalum Concentrate” or “Ta₂O₅”</i>	:	Tantalum pentoxide, the principal product of the Company
<i>“Tenement Area”</i>	:	Has the meaning ascribed to it in Section 2.4.1(a) of this Circular
<i>“Tenements”</i>	:	Mining tenements in relation to the Company’s Project comprising Western Australian tenements: M15/400, M15/1470, M15/1811, M15/1305, M15/1308, M59/714, G15/17, L15/265, L15/266, L15/267, L15/268, L15/269, L15/270, P15/5465, P15/5466, P15/5467, P15/5862, P15/5863, P15/5864, P15/5865, P15/5866, R15/1, E15/1058, E15/1212, E15/1161, E15/1162, E15/1166, E15/1353, E15/1066 and E15/1067 and Mining lease application M15/1811 (together with any tenement applied for or granted in renewal, substitution, variation or extension of such tenements)

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the same meanings ascribed to them, respectively, in Section 81SF of the SFA.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word or term defined under the Act, the SFA, the Catalist Rules or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Act, the SFA, the Catalist Rules or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

DEFINITIONS

Any reference to a time of day and to dates in this Circular shall be a reference to Singapore time and dates, unless otherwise stated.

Any discrepancies in this Circular between the sum of the figures stated and the total thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures which precede them.

LETTER TO SHAREHOLDERS

ALLIANCE MINERAL ASSETS LIMITED

(Company Registration Number: ACN 147 393 735)

(Incorporated in the Australia on 6 December 2010)

Directors:

Pauline Gately (Independent Non-Executive Chairman)
Suen Sze Man (Executive Director)
Mahtani Bhagwandas (Independent Director)
Ong Kian Guan (Independent Director)

Registered Office:

Lakeside Corporate Building
Unit 6, 24 Parkland Road,
Osborne Park 6017,
Western Australia

24 August 2016

To: The Shareholders of Alliance Mineral Assets Limited

Dear Sir/Madam

- (1) **THE PROPOSED FARM-IN AND JOINT VENTURE ARRANGEMENT WITH LITHCO NO. 2 PTY LTD**
- (2) **THE PROPOSED EXPANSION OF THE COMPANY'S BUSINESS TO INCLUDE THE EXPLORATION, MINING, DEVELOPMENT AND PRODUCTION OF LITHIUM AND OTHER MINERALS**

1. INTRODUCTION

The Board is convening the EGM to be held on 15 September 2016 to seek the approval of the Shareholders for the following proposals:

- (a) The Proposed Transaction; and
- (b) The Proposed Expansion.

The purpose of this Circular is to provide Shareholders with relevant information relating to the Proposed Transaction and the Proposed Expansion, and to seek Shareholders' approval for the same at the EGM.

Shareholders are to note that the passing of ordinary resolution 1 to approve the Proposed Transaction is subject to and conditional upon the passing of ordinary resolution 2 approving the Proposed Expansion. If ordinary resolution 2 is not passed, the Proposed Transaction will not be undertaken. For the avoidance of doubt, ordinary resolution 2 is not conditional upon the passing of ordinary resolution 1.

2. THE PROPOSED TRANSACTION

2.1 Background

On 3 June 2016, the Company announced, *inter alia*, that it had entered into the Binding Terms Sheet with Lithco, pursuant to which the Parties have agreed upon the principal terms for, amongst other things, the establishment of a farm-in and joint venture arrangement with respect to the Project, pursuant to which Lithco is entitled to earn a 50%

LETTER TO SHAREHOLDERS

joint venture interest in all rights to lithium minerals on the Tenements, including the rights to explore and mine for lithium on the Tenements, and provided further expenditure commitments are met, the right to earn a 50% joint venture interest in the overall Project.

The Company is required, *inter alia*, to seek Shareholders' approval for the Company to proceed with the Proposed Transaction with Lithco as contemplated by the Binding Terms Sheet as a condition precedent to the Proposed Transaction by 31 July 2016. The Company had announced on 25 July 2016 that the Parties had mutually agreed to extend the deadline for obtaining the Required Approvals (including Shareholders' approval) ("**Deadline**") to 30 August 2016 and had on 17 August 2016 announced a further extension of the Deadline to 30 September 2016. The key terms of the Proposed Transaction are set out in section 2.4 of this Circular.

2.2 Information on Lithco

Lithco is an Australian private company whose founders and management team comprise experienced and well credentialed mining industry professionals. Their skill set covers mineral exploration, development, production, project finance and capital markets.

Lithco was incorporated on 31 May 2016 for the purpose of exploring for and evaluating lithium deposits of the Project. As at the Latest Practicable Date, Lithco's board of directors and key management personnel comprise the following persons:

- (a) Mark Calderwood – a mining industry professional with multi-commodity and international experience, the former Chief Executive Officer of gold producer Perseus Mining Limited (listed on both the Australian Securities Exchange and the Toronto Stock Exchange), and a senior executive of Corporate & Resource Consultants Pty Ltd. Mr Calderwood is also a leading authority on Pegmatites in Western Australia and was a co-author to "The Guidebook to the Pegmatites of Western Australia" which summarises the history, geology and mineralogy for pegmatites in Western Australia; and
- (b) Susmit Shah – a chartered accountant who has been involved as a director and company secretary of various Australian public companies for many years. Mr Shah has considerable experience providing consulting services to public companies on a variety of matters including listing requirements of the Australian Securities Exchange, joint venture negotiation and corporate fund raising.

At all times Lithco will be solely responsible for the costs, remuneration and expenses associated with its employees, representatives, officers, advisers and consultants and must maintain adequate insurance coverage for its proposed activities (including coverage for the aforementioned persons) on the Tenements.

Upon receipt of Shareholders' approval, Lithco will commence implementation of its exploration plans for the Tenements. A technical team managed by Lithco and under the guidance of Mr Calderwood will carry out a systematic and methodical exploration program with a focus on lithium. To the best of the Directors' knowledge, the directors, management and shareholders of Lithco have industry contacts and resources to raise capital to fund the exploration programs, and Lithco intends to raise funds on an on-going basis, subject to exploration success. Any fund-raising undertaken by Lithco will not involve the allotment and issuance of the Company's Shares and will not dilute the Company's interest in the Joint Venture.

LETTER TO SHAREHOLDERS

The Company's technical and management team will work closely with Lithco's team to achieve the common objective in developing the exploration and mining programs on the Project. The Company will provide timely updates to Shareholders on material developments in relation to the Proposed Transaction and/or the Project.

2.3 Information on the Project

The Project is located within the Eastern Goldfields Province of the Archaean Yilgarn Block, within the Shire of Coolgardie, Western Australia. The Project covers an area of approximately 59,000 hectares and comprising the Tenements.

As disclosed in the executive summary of the IQPR in Appendix 1, as at 31 March 2016, tantalum mineral resources in the Tenements comprises total mineral resources of 1,740,000 tonnes averaging 326 ppm Ta₂O₅, which includes indicated resources of approximately 650,000 tonnes averaging 306 ppm Ta₂O₅ and inferred resources of 1,100,000 tonnes averaging 339 ppm Ta₂O₅. Most of these mineral resources are located in the central mine area (North Pit, West Pit, South Pit, Hill's End and Hill View), and additional mineral resources are located at both Boreline and Creekside.

Work has been undertaken for the purposes of re-commissioning the Plant and site preparation for the mining of mineral resources. Some limited exploration north and east of the main mining area has also been completed. As at the Latest Practicable Date, the Company has yet to commence full 24-hour production of commercial Tantalum Concentrate due to the weak Tantalum concentrate market. The Company is still actively investigating various opportunities in the tantalum sector, further details of which are set out in Section 5.4 of this Circular entitled "Prospects for the Proposed Expansion".

As announced in the 3Q 2016 Results Announcement, tests have shown that lithium is present in the Bald Hill ore in the form of spodumene or LiAl(SiO₃)₂. As well as identifying spodumene, metallurgical tests have confirmed that lithium is present in the tailings that are being produced during tantalum production. From previous historical production there is potential for a significant tailings resource and further work will be needed to assess whether the Company can cost effectively re-process the tailings and capture the spodumene.

2.4 Material terms of the Proposed Transaction

Notwithstanding that the Binding Terms Sheet is legally binding on the Parties, the Parties have agreed to enter into the Definitive Agreements on terms which are consistent with the Binding Terms Sheet by no later than 30 September 2016, including a farm-in agreement and two joint venture agreements annexed to the farm-in agreement (which will come into effect without any further action required of the Parties upon the achievement of the Expenditure Commitment or the Capital Expenditure (as the case may be)).

The Parties intend that, upon execution, the Definitive Agreements will supersede and replace the Binding Terms Sheet in its entirety. The Company will seek Shareholders' approval should the material terms of the Definitive Agreements differ materially from the material terms of the Proposed Transaction as disclosed in this Circular.

LETTER TO SHAREHOLDERS

The Parties intend that the Definitive Agreements will contain, *inter alia*, the following terms regarding the Proposed Transaction:

2.4.1 Farm-in Agreement

(a) **Grant of Exploration and Prospecting Rights**

The Company has agreed to grant Lithco sole and exclusive exploration and prospecting rights over all minerals within the area enclosed by the external boundaries of the Tenements and the area within a 10 km radius of the Tenements ("**Tenement Area**").

(b) **Lithco Commitment**

Lithco will undertake exploration and feasibility for lithium and other minerals in the Tenement Area and undertakes to:

- (i) spend, by 31 December 2017 (or such later date as mutually agreed by the Parties), a minimum of A\$7,500,000 ("**Expenditure Commitment**") on all activities aimed at the discovery, location and delineation of lithium mineralisation, or its appraisal in economic terms, maintaining, preserving, renewing or replacing the Tenements or ancillary matters, rehabilitation works (including expenditure obligations under the Mining Act 1978 (WA)) ("**Expenditure**"); and
- (ii) spend A\$12,500,000 on all costs and expenses associated with upgrading, converting or developing the Plant (or constructing additional mines on the Tenements) for processing ore mined from the Tenements, and all activities directly relating thereto, including without limitation pre-stripping and the removal and disposal of over burden and waste ("**Capital Expenditure**").

(c) **Joint Venture**

Upon completion of the Expenditure Commitment, Lithco shall be entitled to 50% of all rights to lithium minerals from the Tenements and the Parties will form an unincorporated 50:50 joint venture to govern the rights to lithium on the Tenements ("**Lithium Rights Joint Venture**"). Until such time as the Project Joint Venture is formed, the Company will retain 100% rights to all other minerals on the Tenements.

Provided both the Expenditure Commitment and the Capital Expenditure are met by Lithco, a new unincorporated joint venture will be formed whereby the Parties will each have an equal 50:50 legal and beneficial interest in the overall Project (and the previous Lithium Rights Joint Venture will then cease to apply) ("**Project Joint Venture**").

Each Joint Venture will be governed by a joint venture agreement (which will come into effect without any further action required of either party) upon the achievement of the Expenditure Commitment or the Capital Expenditure (as the case may be) by Lithco.

LETTER TO SHAREHOLDERS

For the purpose of determining the amounts spent on the Expenditure Commitment and the Capital Expenditure, Lithco's auditors will itemise the moneys spent by Lithco and such itemisation shall, subject to the review of the Company's auditors (acting reasonably), be conclusive evidence that the moneys were so spent.

(d) **Conditions Precedent**

The Binding Terms Sheet is conditional upon the satisfaction or waiver of the following conditions by no later than 30 September 2016:

- (i) Lithco being provided with satisfactory evidence by the Company that the Tenements are in good standing; and
- (ii) receipt of all requisite regulatory and shareholders' approvals, consents, waivers, registrations or statements of no objection (as the case may be) required by the Company by law or any competent authorities having jurisdiction over the Company and the matters contemplated in the Binding Terms Sheet ("**Required Approvals**").

(e) **Capital Raising**

The Company was required to undertake a capital raising of not less than S\$5,000,000 ("**Capital Raising**") under the Binding Terms Sheet. By way of an announcement dated 14 June 2016, the Company updated the Shareholders that the Parties had mutually agreed to waive the condition precedent that the Required Approvals for the Capital Raising be obtained prior to the completion of the Capital Raising. For the avoidance of any doubt, the Required Approvals will still be a condition precedent to the Binding Terms Sheet.

The Company successfully completed the Capital Raising by completing the Placement on 27 June 2016, raising gross Placement proceeds of S\$5,010,000. The Company intends to use the Placement Proceeds for general working capital purposes, which includes funding the Company's share of future expenditure in relation to the Joint Venture.

(f) **Rights and Obligations of the Company**

Until the formation of the Project Joint Venture, all minerals other than lithium which are mined, extracted, produced or sold from the Tenements will be the sole property of the Company and may be dealt with and disposed of in such manner as the Company may decide.

However, the Company shall not transfer or assign any legal or beneficial interest or rights in relation to any Tenements or the rights to the lithium minerals to any third party or grant any options or rights in respect of the Tenements or lithium minerals to third Parties or grant any encumbrance over any Tenement without the consent of Lithco.

LETTER TO SHAREHOLDERS

(g) **Withdrawal**

Lithco may, at its sole discretion, withdraw from the Binding Terms Sheet or the binding farm-in agreement (as the case may be) at any time prior to completing the Expenditure Commitment, in which case, Lithco shall have no interest in the Project whatsoever.

If after completing the Expenditure Commitment, Lithco does not complete the Capital Expenditure, then the Parties interests will be governed by the Lithium Rights Joint Venture and both Parties (acting reasonably) shall use their best endeavours to monetise the lithium minerals comprised in the Tenements for mutual benefit.

2.4.2 Joint Venture Agreements

The material terms of the joint venture agreement governing the operations of the Joint Venture are as follows:

- (a) Each Joint Venture will have a joint venture committee (“**JV Committee**”) whereby the Parties will each have equal representation and voting rights (subject to dilution). The Committee shall plan and manage Project activity generally, including continuing exploration, development and Plant expenditure, but all Expenditure Commitment and Capital Expenditure will be the sole responsibility of Lithco as a pre-requisite to forming the relevant Joint Venture. Save for the Expenditure Commitment and Capital Expenditure, all project activities for the Joint Venture will be funded by the Joint Venture, with each Joint Venture participant contributing to the expenditure of the Joint Venture in proportion to their then relevant JV interest (subject to dilution). If and when the relevant Joint Venture reaches the production stage, the Parties will negotiate and enter into a production sharing joint venture;
- (b) Following either satisfaction of the Expenditure Commitment or Capital Expenditure (as the case may be), or election by Lithco that it will no longer continue to meet these expenditure requirements, standard dilutionary provisions will then apply to the parties based on their contribution to the costs of the Joint Venture (which are based on approved JV Committee budgets and programs) proportional to their relevant Joint Venture Interests. If either party dilutes to a 3% Joint Venture interest, then such party will be deemed to have withdrawn from the relevant Joint Venture;
- (c) The Parties may each appoint two members to the JV Committee, with the quorum for a meeting of the JV Committee comprising one appointee of each party. Should any party fail to attend a duly convened meeting, the meeting shall be adjourned and any party present at the adjourned meeting shall constitute the quorum;
- (d) Decisions of the JV Committee will be by majority vote at a duly convened meeting, other than decisions relating to budgets, cash calls or funding which shall require a unanimous vote of the JV Committee. In the event of a 50:50 voting stalemate, the Parties will use their best endeavours to agree on a suitable independent third party who will have the final decision on such decision put to vote, or failing expeditious agreement, as is appointed at the request of any party by the President for the time being of the Australasian Institute of Mining and Metallurgy Inc;
- (e) Lithco shall also act as Chairman of the JV Committee (whilst it is manager of the JV), but will not have a casting vote on JV Committee decisions; and

LETTER TO SHAREHOLDERS

- (f) The manager of the Joint Venture shall be Lithco or its nominee, and shall be responsible for carrying out and managing all activities of the Joint Venture as directed by the JV Committee and in accordance with programs and budgets set by the JV Committee.

2.5 Qualified Person Report

- 2.5.1 Rule 1014(2) of the Catalist Rules provides that in the case of a major transaction which relates to a disposal of a mineral, oil and gas asset of a mineral, oil and gas company, the circular to Shareholders must contain, amongst others, a qualified person's report that is prepared by an independent qualified person who meets the requirements in Rule 442 of the Catalist Rules.

Allen J Maynard of Al Maynard & Associates Pty Ltd has been appointed as the independent qualified person to prepare the IQPR, the executive summary of which is set out in Appendix 1 of this Circular. Allen J Maynard is considered as an Independent Qualified Person under the Rule 442 of the Catalist Rules and a copy of the Competent Person Statement extracted from the IQPR is attached as Appendix 2 of this Circular. The table below is extracted from page 3 of the executive summary of the IQPR, which sets out the summary of the reserves and contingent resources of Bald Hill as at 31 March 2016 in accordance with Appendix 7D of the Catalist Rules.

Category	Mineral Type	Gross Attributable to licence				Net Attributable to Issuer			Remarks
		2015		2016		Tonnes (millions)	Grade Ta ₂ O ₅ (ppm)	Change from previous update (contained Ta ₂ O ₅)	
		Tonnes (millions)	Grade Ta ₂ O ₅ (ppm)	Tonnes (millions)	Grade Ta ₂ O ₅ (ppm)				
Reserves									
Proved	Tantalum	0	0	0.00	0	0.00	0	0	
Probable	Tantalum	0.02	187	1.69	303	1.69	303	13654%	Central and Boreline
Total		0.02	187	1.69	303	1.69	303	13654%	
Resources*									
Measured	Tantalum	0	0	0.00	0	0.00	0	0	
Indicated	Tantalum	2.57	340	0.65	306	0.65	306	-77%	
Inferred	Tantalum	0.1	367	1.1	339	1.1	339	1005%	
Total		2.67	341	1.74	326	1.74	326	62%	

Table 1: Resource Summary for Bald Hill outside current pits (AMC Consultants 2014 using 100ppm Ta₂O₅ lower cut-off, Varley, 2015) at 31 March 2016. Note that Reserves are exclusive of Resources.

* 2015 Indicated resources from Central and Boreline converted to reserves.

The reasoning and assumptions made by Al Maynard & Associates Pty Ltd in arriving at the figures for the reserves and resources for Bald Hill set out above are found in pages 25 to 46 of the IQPR, which is available on SGXNET and at the registered office of the Company.

LETTER TO SHAREHOLDERS

- 2.5.2 Al Maynard & Associates Pty Ltd confirms that the estimates of reserve and contingent resources contained in the executive summary of the IQPR are the same as those contained in the IQPR.

3. RATIONALE FOR THE PROPOSED TRANSACTION

As disclosed in the Company's 3Q 2016 Results Announcement, Tantalum Concentrate spot prices have remained depressed. The decision to move forward with commercial tantalum production involves large expenditure commitments and may not be commercially feasible at current Tantalum Concentrate spot prices. As such, the Company has yet to commence full 24-hour production of commercial Tantalum Concentrate but is still actively investigating various opportunities in the tantalum sector, further details of which are set out in Section 5.4 of this Circular entitled "Prospects of the Proposed Transaction".

On the other hand, tests have shown that lithium is present in the Bald Hill ore in the form of spodumene or $\text{LiAl}(\text{SiO}_3)_2$. World demand for lithium (a mineral occurring naturally with tantalum) is growing with indications for an increasing demand for and applications involving lithium. However, the Company does not have sufficient capital to fund an exploration programme to identify commercial quantities of lithium deposits at Bald Hill. The opportunity for the Company to work with Lithco, who has agreed to fund and commence an exploration programme to identify lithium deposits at the Project, will enable the Company to mitigate the commercial risks involved at the exploration stage.

In addition, the Company currently does not have the resources at its disposal to embark on the Project alone to develop and produce lithium. Accordingly, the Company is seeking Shareholders' approval to enter into the Proposed Transaction with Lithco to explore, mine and produce lithium and other minerals that may be feasible for commercial production at the Project.

Under the terms of the Proposed Transaction:

- (i) the joint venture partner, Lithco, will solely bear Expenditure Commitment of a minimum of A\$7,500,000 by 31 December 2017 (or such later date as mutually agreed by the Parties), such amount being spent on Expenditure. At this point, the Parties' interests as to lithium on the Tenements will be governed 50:50 by the Lithium Rights Joint Venture; and
- (ii) if Lithco meets the Capital Expenditure commitment of A\$12,500,000 on all costs and expenses associated with upgrading, converting or developing the Plant (or constructing additional mines on the Tenements) for processing ore mined from the Tenements, and all activities directly relating thereto, including without limitation pre-stripping and the removal and disposal of over burden and waste, then the Parties interests on the overall Project will be governed 50:50 by the Project Joint Venture (in such case the Lithium Rights Joint Venture will then cease to apply).

The amounts for the Expenditure Commitment and the Capital Expenditure were determined after extensive negotiations between the Parties, taking into account, *inter alia*, the total historical expenditure of the Project to date.

LETTER TO SHAREHOLDERS

The Board is of the opinion that the Proposed Transaction represents an opportunity for the Company to realise its long term growth strategy while delivering value to Shareholders.

4. CHAPTER 10 RELATIVE FIGURES AND FINANCIAL EFFECTS

4.1 Commercial arrangement and rights to the Project under the Proposed Transaction

Lithco will be entitled to 50% of the rights to all lithium minerals on the Tenements (including the rights to explore and mine for lithium on the Tenements) after solely funding a specified minimum amount of A\$7,500,000 by 31 December 2017 (or such later date as mutually agreed by the Parties) as Expenditure Commitment. Thereafter, Lithco would have to incur a further amount of A\$12,500,000 as Capital Expenditure to, *inter alia*, upgrade the existing plant and equipment already on site and to fund infrastructure costs, pre-stripping activities and other associated expenses before Lithco will be granted the entitlement of the 50% interest in the Project.

The proposed Lithium Rights Joint Venture becomes effective after completion of the Expenditure Commitment. The proposed Project Joint Venture becomes effective after completion of both the Expenditure Commitment and the Capital Expenditure (and the Lithium Rights Joint Venture will then cease to apply). Both Joint Ventures will be unincorporated joint ventures whereby the respective rights and obligations of the Parties will be governed by the contractual terms agreed between them pursuant to the relevant joint venture agreement.

The establishment of the Project Joint Venture will result, *inter alia*, in the Company's original entitlement of the 100% right in all minerals at Bald Hill to be reduced to 50%. The Project represents the Company's sole operating asset and hence core business. The Proposed Transaction, assuming the Project Joint Venture comes into force will, *inter alia*, result in the Company transferring 50% of the Project to Lithco and operating the Project as a 50-50 joint venture with Lithco. The calculations showing: (a) the relative figures of the Proposed Transaction according to Chapter 10 of the Catalist Rules are set out in section 4.2 below, and (b) the financial effects of the Proposed Transaction are set out in section 4.3 below for, and are based on the following assumptions:

- (i) The consideration payable by Lithco to acquire the entitlement to the 50% legal and beneficial interest to the Project pursuant to the Project Joint Venture is the aggregate sum of A\$20,000,000;
- (ii) The net asset value of the assets to be disposed of is assumed to be 50% of the net asset value of the Company reflected in the 3Q 2016 Results Announcement, as the Project is the Company's sole operating asset; and
- (iii) The aggregate volume or amount of proved and probable reserves to be disposed of is assumed to be 50% of the aggregate of the Company's proved and probable reserves, reserves, based on the mineral resource and ore reserves estimates for the Project as at 31 March 2016, as set out in the IQPR dated 12 August 2016. For the avoidance of doubt, this assumption solely relates to the Company's tantalum resources as at 31 March 2016 and does not represent any potential/new mineral resources or reserves at the point of the establishment of the Joint Venture. Should

LETTER TO SHAREHOLDERS

there be material subsequent changes to the reserves or resources of the Project, the Company will issue an independent qualified person's report in accordance to the requirements under the Catalyst Rules.

4.2 Relative figures of the Proposed Transaction according to Chapter 10 of the Catalyst Rules

Chapter 10 of the Catalyst Rules governs the continuing listing obligations of a listed company in respect of acquisitions and realisations. Under Rule 1014 of the Catalyst Rules, a disposal of assets will be classified as a "major transaction" if any of the relative figures calculated on the bases set out in Rule 1006 exceeds fifty per cent. In this connection, Shareholders' approval will need to be obtained for a "major transaction". Based on the assumptions set out in section 4.1 above, the relative figures calculated in accordance with the bases set out in Rule 1006 are as follows:

(a)	The net asset value of the assets to be disposed of, compared with the Company's net asset value	50% ⁽¹⁾
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Company's net profits	The comparison is not meaningful as both the Project has not commenced commercial production of tantalum as at the date of the Binding Terms Sheet.
(c)	The aggregate value of the Purchase Consideration given, compared with the Company's market capitalisation	The assumed consideration of A\$20,000,000 (or S\$19,892,000 ⁽³⁾) represents approximately 82.78% of the Company's market capitalisation of approximately S\$24,029,756 ⁽²⁾ .
(d)	The Consideration Shares issued by the Company in satisfaction of the Purchase Consideration, compared with the number of equity securities previously in issue.	Not Applicable
(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	50%

Notes:

- (1) Based on the net asset value of the Company's of A\$15,210,025 as at 31 March 2016 as reflected in the 3Q 2016 Results Announcement.
- (2) Based on the volume weighted average price of the Shares of S\$0.061 and the total issued Shares of 393,930,427 on 31 May 2016, being the last market day preceding the date of the Binding Terms Sheet on which Shares were traded on Catalyst.
- (3) Based on the A\$ to S\$ exchange rate of A\$1 to S\$0.9946 on 2 June 2016 as extracted from Bloomberg, being the market day preceding the date of the Binding Terms Sheet.

Based on the assumptions set out in section 4.1 above and the bases of (a), (c) and (e) above, the Proposed Acquisition is regarded as a "major transaction" as defined in Rule 1014 of the Catalyst Rules that is subject to Shareholders' approval.

LETTER TO SHAREHOLDERS

4.3 FINANCIAL EFFECTS

The financial effects of the Proposed Transaction on the Company set out below are purely for illustrative purposes using the assumptions set out in section 4.1 above and prepared based on the audited consolidated financial statements of the Company for FY2015.

4.3.1 Net tangible asset value (“NTA”) per Share

For illustrative purposes only, the effect of the Proposed Transaction on the NTA per Share of the Company for FY2015 assuming that the Proposed Transactions had been effected at the end of that financial year is as follows:

	NTA per Share (Australian cents)⁽¹⁾
Before adjusting for the Proposed Transaction ⁽²⁾	0.043
After adjusting for the Proposed Transaction but prior to adjusting for the Proposed Placement ⁽³⁾	0.026
After adjusting for the Placement and the Proposed Transaction ⁽³⁾	0.032

Notes:

- (1) Based on 393,930,427 issued Shares in the capital of the Company as at 30 June 2015.
- (2) Based on the NTA of A\$16,978,864 as at 30 June 2015.
- (3) Based on 480,763,760 issued Shares in the capital of the Company assuming the Placement was completed on 30 June 2015.

4.3.2 Loss per Share (“LPS”)

For illustrative purposes only, the effect of the Proposed Transactions on the LPS of the Company for FY2015 assuming that the Proposed Transaction had been effected at the beginning of that financial year is as follows:

	Basic and diluted LPS (Australian cents)⁽¹⁾
Before adjusting for the Proposed Transaction ⁽²⁾	0.034
After adjusting for the Proposed Transaction but prior to adjusting for the Proposed Placement ⁽³⁾	0.034
After adjusting for the Placement and the Proposed Transaction ⁽³⁾	0.027

Notes:

- (1) Based on a weighted average number of 319,213,223 issued Shares for FY2015.
- (2) Based on losses incurred of A\$10,785,491 for FY2015.
- (3) Based on a weighted average number of 406,046,566 issued Shares and assuming the Placement was completed on 1 July 2014.

LETTER TO SHAREHOLDERS

5. THE PROPOSED EXPANSION

5.1 Existing business of the Company

The Company is principally engaged in the business of developing and exploiting tantalum in Australia. The Company currently owns the Project, which spans 59,000 hectares and is located in the Eastern Goldfields Province of the Archaean Yilgarn Block, within the Shire of Coolgardie, approximately 50km east of Widgiemooltha, the nearest township.

As disclosed in the “Business Strategies and Future Plans” section of the offer document of the Company issued in July 2014 in connection with its listing exercise under the sub-heading “Potential for exploitation of resources other than Tantalum”, the Company had planned to investigate the potential for other minerals in addition to tantalum and to carry out exploration, mining, development and production activities for other minerals. Such minerals include tin, lithium, niobium and gold, which were mineralised Pegmatites identified by the previous owners at the Bald Hill Mine. Accordingly, there is potential for such mineralised Pegmatites to be re-considered as mineral resources for exploration, mining, development and production, in addition to tantalum.

5.2 Background and information regarding the Proposed Expansion

As disclosed in the Company’s 3Q 2016 Results Announcement, Tantalum Concentrate spot prices have remained depressed, and have continued to remain depressed at the Latest Practicable Date. The decision to move forward with commercial tantalum production involves large expenditure commitments and may not be commercially feasible even with the ability to command a premium above current spot prices of Tantalum Concentrate.

In light of the above, the Company has been in the process of seeking opportunities to expand into other commodities other than a “tantallite producing” operation. As disclosed in section 2.3 of this Circular entitled “Information on the Project”, the Company had previously discovered lithium in the spodumene formed as a by-product of the Tantalum Concentrate extracted from the Bald Hill ore. Further analysis of the spodumene indicated that there was potential for economic mineralisation as significant amounts of lithium were present. The potential significant increase in lithium prices¹ also provides the impetus for assessing the potential for lithium production by the Company. This has prompted the Company to expedite the exploration into the lithium potential of Bald Hill and the evaluation of proposals from potential investors in relation to funding, exploration, mining, development and production of all resources at the Project, with a particular focus on the potential for lithium, culminating in the Proposed Transaction.

The Company wishes to seek Shareholders’ approval for the proposed expansion of its core business developing and exploiting tantalum to include exploration, mining, development and production activities for other minerals to include lithium and other minerals such as tin, niobium, gold, rubidium which may be mined from Bald Hill, so that the Company will be able to undertake the Proposed Transaction and be able to capitalise on opportunities in generating revenue from exploiting such minerals as and when they arise.

¹ The information was extracted from the research report titled “Specialty Minerals and Metals” dated 17 May 2016 by Canaccord Genuity.

LETTER TO SHAREHOLDERS

The Board believes that the Proposed Expansion represents an opportunity for the Company to achieve diversification from its dependency on tantalum due to its current depressed pricing. The Proposed Expansion will enable the Company to leverage on its existing assets in Bald Hill to tap on the potential to explore, mine, develop and produce other minerals with a particular focus on lithium. Although the Company has currently identified lithium as the target mineral in the Proposed Expansion pursuant to the Proposed Transaction, it does not exclude the possibility of exploring, mining, developing and producing other minerals such as tin, niobium, gold and rubidium, for so long as it is commercially and economically feasible.

In addition, it is common for mining companies to enter into farm-in or farm-out agreements or to form joint ventures, especially at the exploration stage, in order to share the risk of exploration. Generally, farm-in, farm-out or joint venture agreements are contractual arrangements between the owner of an interest in a tenement (farmor) who agrees to transfer a percentage of their interest to another party (farmee) if the farmee meets specified exploration commitments or contributes a defined level of expenditure towards exploration activities. Such contractual agreements are commonly entered for the tenement owner to defray its funding costs for exploration and mining activities, thereby mitigating the risk involved in exploration and mining activities.

As the Proposed Expansion will involve a new business area which is substantially different from the Company's existing core business as described above, it is envisaged that the Proposed Expansion will change the existing risk profile of the Company.

Accordingly, the EGM is convened by the Company to seek the Shareholders' approval to approve the Proposed Expansion. Upon the approval by Shareholders of the Proposed Expansion, any transaction which is in, or in connection with, the Proposed Expansion, may be deemed to be in the Company's ordinary course of business. Accordingly, the Company may enter into transactions relating to the Proposed Expansion without the need to convene separate general meetings to seek Shareholders' approval, insofar as such transactions will not substantially change the risk profile of the Company. This will reduce substantially the administrative time and expenses in convening such meetings. The corporate objectives of the Company could therefore be better met and business opportunities available to the Company could also be more expediently seized.

5.3 Rationale for the Proposed Expansion

The Company believes that the Proposed Expansion will provide the following benefits to the Company:

5.3.1 *The Proposed Expansion is complementary to the Company's existing core business*

The Company believes that the Proposed Expansion will provide an opportunity for the Company to leverage on its existing assets in Bald Hill as well as the Company's current expertise and knowledge in the mineral mining business regarding tantalum, and apply the same to the exploration and mining of lithium and other minerals. As such, the Proposed Expansion complements the Company's existing core business.

LETTER TO SHAREHOLDERS

5.3.2 *The Proposed Expansion is expected to enhance Shareholders' value*

The Proposed Expansion is part of the corporate strategy of the Company to provide Shareholders with diversified returns and long term growth. To facilitate that Proposed Expansion, the Company has entered into the Binding Terms Sheet, and intends to enter into the Definitive Agreements. The Board believes that the Proposed Expansion can reduce the Company's reliance on its existing core business in mining tantalum, offer new business opportunities, provide the Company with new revenue stream potential and improve its prospects, so as to enhance Shareholders' value for the Company.

In light of the above, the Board is of the view that the undertaking of the Proposed Expansion is in the best interest of the Company and Shareholders.

5.4 **Prospects for the Proposed Expansion**

World demand for lithium (a mineral occurring naturally with tantalum) is growing with indications for an increasing demand for and applications involving lithium. Lithium and its compounds have several industrial applications, including heat-resistant glass and ceramics, lithium grease lubricants, flux additives for iron, steel and aluminium production, lithium batteries and lithium-ion batteries. These uses consume more than three quarters of lithium production².

The global market demand for lithium products continues to remain strong and supply of raw materials such as feedstock, particularly in markets such as China, remains tight with very limited resources. Much of the increase on the demand side has been driven by continued fundamental growth on the end user application side, with consumption from the transportation sector becoming increasingly evident³.

The Company remains committed in the continuance of its existing core business of mining tantalum for so long as the spot prices of Tantalum Concentrate will render such mining economically feasible. The Proposed Expansion is intended to be a diversification of the Company's existing business as the Board believes that the Proposed Expansion would also allow the Company to have better revenue prospects and ensure long term growth by enabling the Company to have access to exploring, mining, developing and producing lithium and other minerals, in addition to tantalum. The commercial production of additional minerals could in turn enhance the return on the Company's assets and improve Shareholders' value in the long run.

In this regard, whilst the Tantalum Concentrate market is still weak, the Company has been actively investigating opportunities in tantalum and other sectors, including niobium and tin and had engaged in discussions with various parties as mentioned in the Company's announcement on 23 February 2016. To-date, nothing definitive has developed from the aforementioned discussions. The Company hopes to be able to upgrade the tantalum concentrate produced by the Company and for the Company to participate in downstream activities and to value add to the product. The Company will provide updates as and when there are any material developments on the discussions.

² This information was extracted from page 14 of the IQPR, which is available on SGXNET and at the registered office of the Company.

³ The information was extracted from the compilation titled "Investing in Lithium Stocks – Post Rockwood Lithium" by Lithium Investing News released in 2015.

LETTER TO SHAREHOLDERS

5.5 Other Information relating to the Proposed Expansion

5.5.1 *Funding*

As announced on 30 June 2016, the Company has successfully completed the Placement raising total gross proceeds of S\$5,010,000. The Company intends to use the funds from the Placement for general working capital purposes, which includes funding the Company's share of future expenditure in relation to the Joint Venture, that will facilitate the Company's Proposed Expansion.

5.5.2 *Management team*

The management of the unincorporated Joint Venture will be spearheaded by the current management of the Company and the management of Lithco (which details are set out in Section 2.2 of this Circular entitled "Information of Lithco"). Lithco was incorporated for the purpose of exploring for and evaluating lithium deposits of the Project, and the skill set of the management team of Lithco covers mineral exploration, development, production, project finance and capital markets.

The Directors and senior management of the Company are consistently developing expertise internally, through external hires, and through collaborations with experienced companies by joint ventures. Where necessary, the Company will engage additional employees, consultants and advisers to assist its existing management team in the Proposed Expansion. The Board will continue to evaluate the manpower and expertise required for the Proposed Expansion as it implements the Proposed Expansion.

5.6 Risk factors associated with the Proposed Expansion

To the best of the Board's knowledge and belief, all the risk factors that are material to Shareholders and prospective investors in making an informed judgment on the Proposed Transaction and the Proposed Expansion are set out below. Shareholders should carefully consider and evaluate each of the following risks and all other information contained in this Circular before deciding whether to vote in favour of the Proposed Transaction and the Proposed Expansion.

The risks described below are not exhaustive. There may be additional risks not presently known to the Company, or that the Company may currently deem immaterial, which could affect the Company's operations. If any such risks develop into an actual eventuality, the business, operations, financial performance and prospects of the Company may potentially be materially and adversely affected. In that event, the trading price of the Shares may decline, and Shareholders may lose all or part of their investment in the Shares.

Risk factors regarding the Proposed Expansion

(a) **Development**

The Company's future profitability will depend on the economic returns and the costs of developing the Project, which may differ significantly from current estimates.

LETTER TO SHAREHOLDERS

Capital cost and pre-production operating costs are estimates. Operating costs and capital expenditure are determined particularly by the costs of the commodity inputs, including the cost of fuel, chemical reagents, explosives, tires and other consumables in mining activities. There are a number of uncertainties inherent in the development of mines on the existing Tenements and the refurbishment/construction of a mineral processing facility. In addition to those discussed above these uncertainties include the:

- (i) timing and cost of the construction or refurbishment of mining and processing facilities; and/or
- (ii) availability and cost of skilled labour, power, water and transportation facilities.

Mining operations at the Company's Project could experience unexpected problems and delays, such as delays in the commencement of mineral production. Finally, operating costs and capital expenditure estimates could fluctuate considerably as a result of changes in the prices of commodities consumed in the construction and operation of mining projects. Accordingly, the financial viability of the proposed Joint Venture and development of the Project may be less favourable than currently anticipated or may not be favourable at all.

(b) Environmental risks

The operations and proposed activities of the Company and the Joint Venture are subject to state and federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the proposed activities of the Company and the Joint Venture are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. Such impact can give rise to substantial costs for environmental rehabilitation, damage, control and losses. Further, if there are environmental rehabilitation conditions attaching to the tenements of the Company, failure to meet such conditions could lead to forfeiture of the Tenements.

The Company and the Joint Venture will attempt to conduct its respective activities to the highest standard of environmental obligation, including compliance with all environmental laws. However, there is always a risk of environmental damage arising from the Company's and/or the Joint Venture's operations, including through accident, which may give rise to liabilities and costs for the Company and/or the Joint Venture, including through the imposition of fines and the potential for operations to be delayed, suspended or shut down. There is also a risk that environmental issues already exist in the areas where the Company and/or the Joint Venture are exploring or operating that may give rise to liability for the Company and/or the Joint Venture.

(c) Competition

The Company competes with other companies, including major mining companies in Australia and internationally. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these companies and should the Company commence commercial production of the minerals found in the Project, a failure to

LETTER TO SHAREHOLDERS

effectively compete against other mining companies may result in the Company being unable to find customers for its products, thereby adversely affecting its financial performance.

(d) **General economic conditions**

Economic conditions, both domestic and global, may affect the performance of the Company. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs and share market prices. The Company's future possible revenues and Share price can be affected by these factors, all of which are beyond the control of the Company or its Directors.

(e) **Equity market conditions**

Securities listed on the stock market, and in particular securities of mining and exploration companies, can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. The performance of the price of the Shares may be wholly unconnected to the outcome and results of the Proposed Expansion, in which case there is no guarantee that Shareholder value will be increased even with the successful undertaking of the Proposed Expansion.

General factors that may affect the market price of Shares include economic conditions in both Singapore and internationally, investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Singaporean and foreign taxation laws, changes to the system of dividend imputation in Singapore, and changes in exchange rates.

(f) **Change in government policy and legislation**

Any material adverse changes in relevant government policies or legislation of Australia may affect the operations of the Proposed Expansion, and thereby the viability and profitability of the Company, and consequent returns to investors. The activities of the Company are subject to various federal, state and local laws governing prospecting, development, production, taxes, labour standards and occupational health and safety, and other matters.

(g) **Additional requirements for capital**

The Company's additional cash reserves together with the funds raised pursuant to the Capital Raising are considered sufficient to meet the exploration and evaluation objectives of the Company in funding its share of the Joint Venture in the short term. Additional funding may be required in the event exploration costs exceed the Company's estimates and to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur, additional financing will be required.

LETTER TO SHAREHOLDERS

The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Company's properties or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

(h) **General business risks**

The Proposed Expansion is subject to those risks normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of the Company.

(i) **Prices of lithium and other minerals found in the Project**

The success of the Joint Venture will be primarily dependent on the price of lithium and the other minerals present in the ore of the Project, and whether any mineral deposits can be commercially exploited. Although lithium prices have recently surged as compared to other commodity prices, there is no guarantee this will continue and prices may fluctuate as a result of numerous factors, which are beyond the control of the Company and the proposed Joint Venture. Should the price of lithium and the other minerals found in the Project decline, it may not make economic sense for the Joint Venture to begin commercial production of such minerals, or after production, to sell the products at a profit. This may detrimentally affect the Company's financial results and performance.

Risk factors regarding the Proposed Transaction

(a) **Withdrawal and funding risk**

There is no guarantee that the Proposed Transaction will progress to the joint venture stage. Lithco may, at its sole discretion, withdraw from the Binding Terms Sheet or the Definitive Agreements (as the case may be) at any time prior to completing the Expenditure Commitment, in which case, Lithco shall have no rights to lithium. If Lithco were to withdraw or does not otherwise satisfy the Expenditure Commitment, the Company would need to assess other funding opportunities (including raising further funds from either debt, equity (or a combination of both) if it wishes to continue exploring for lithium. Such funding is not guaranteed and it may be on terms less favourable to the Company and Shareholders.

If after completing the Expenditure Commitment, Lithco does not complete the Capital Expenditure, then both Parties' interests will be governed by the Lithium Rights Joint Venture and the Parties must use their best endeavours to monetise the lithium minerals comprised in the Tenements for mutual benefit. There is no

LETTER TO SHAREHOLDERS

guarantee that the Parties will be able to agree on the method or means for monetising the lithium minerals, which may thereby adversely affect the performance of the Proposed Transaction.

It should be noted that until recently, the Company has not explored for lithium nor considered the potential for lithium production on its Tenements. As such, the Board is of the opinion that in the event if Lithco were to withdraw from the Proposed Transaction, there would not be any significant disruption to the Company's existing business and operations. However, the Company would also not be able to monetise the lithium minerals in the Project, which will leave its financial performance solely reliant on the prices of Tantalum Concentrate.

(b) Co-existence risk

Pursuant to the terms and conditions of the Binding Terms Sheet and the Definitive Agreements (as the case may be), the Company has contractual rights and obligations in relation to the co-existence, exploration and potentially mining on the Tenements.

In the event that the Parties wish to conduct activities on the same target area, the Parties shall negotiate in good faith to agree a coordinated work programme on the Tenements. There can be no guarantee that a coordinated work programme will be agreed between the Parties. Should that occur, the Company may find itself being unable to commence exploration and mining work for the particular target area, and be unable to develop potential alternative revenue streams to diversify its business.

(c) Joint Venture risk

As outlined in section 2.4.1(c) of this Circular, the Company intends to enter into the Definitive Agreements with Lithco, establishing a Joint Venture and giving Lithco a 50% joint venture interest in lithium rights on the Tenements, and provided the Capital Expenditure requirement is met, a 50% joint venture interest in the overall Project. The proposed arrangement may expose the Company to unforeseen risks associated with the business operations of Lithco.

The Company is subject to the risk that changes in the status of the proposed Joint Venture (including changes caused by financial failure or default by a participant in the Joint Venture) may adversely affect the operations and performance of the Company. Such risks include the loss of capital or other investments in the Joint Venture, deadlock on major business decisions and referral to an independent third party, priority of rights to Lithium over other minerals (in respect to the Lithium Rights Joint Venture), failure of either party in delivering its obligations or commitments under the Joint Venture and failure to reach agreement on production sharing ventures. As the Joint Venture is expected to contribute significantly to the growth and revenue of the Company, any cash flow constraints or financial failure of the Joint Venture may adversely affect the financial results and performance of the Company.

(d) Exploration risks

Exploration is a high risk activity that requires large amounts of expenditure over extended periods of time. The Company's exploration activities are subject to all the hazards and risks normally encountered in the exploration of minerals, including

LETTER TO SHAREHOLDERS

climatic conditions, hazards of operating vehicles and plant, risks associated with operating in remote areas and other similar considerations. Conclusions drawn during mineral exploration are subject to the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geochemical, geophysical, drilling and other data. There is no guarantee that the time and money spent on exploring the Project will result in any tangible results justifying the Company's further development, exploitation and economic mineralisation of the minerals in the Project.

Further, the costs of the Company's or the Joint Venture's exploration activities (as the case may be) may materially differ from its estimates and assumptions. No assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability if the Company has spent more than it anticipated in funding the operations of the Joint Venture.

(e) Management Expertise

The Company presently has no expertise in the exploration and exploitation of lithium, and while it believes that its current expertise and knowledge in the mineral mining business regarding tantalum may be transferable to the exploration and exploitation of lithium, it will mainly be relying on the skillsets of the management of Lithco (which details are set out in Section 2.2 of this Circular entitled "Information of Lithco") in navigating the Joint Venture. Should Lithco be unable to perform its obligations under the Joint Venture, the performance of the Joint Venture (and hence the Company) may be materially and adversely affected.

6. INTERESTS OF DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this Circular, none of the Directors or substantial Shareholders of the Company has an interest, direct or indirect (other than through their shareholdings in the Company), in the Proposed Transaction. As at the Latest Practicable Date, the interests of the Directors and the substantial Shareholders in the Shares are as follows:

	Direct Interest ⁽¹⁾		Deemed Interest ⁽¹⁾	
	Number of Shares	%	Number of Shares	%
Directors				
Pauline Gately	326,081	0.068	–	–
Suen Sze Man ⁽²⁾	–	–	196,187,950	40.81
Mahtani Bhagwandas	–	–	–	–
Ong Kian Guan	–	–	–	–
Substantial Shareholders (who are not Directors)				
Tjandra Pramoko ⁽²⁾	–	–	196,187,950	40.81
Living Waters Mining (Australia) Pty Ltd ⁽²⁾	196,187,950	40.81	–	–
Credit Suisse Holding Companies ⁽³⁾	–	–	33,270,217	6.92

LETTER TO SHAREHOLDERS

	Direct Interest ⁽¹⁾		Deemed Interest ⁽¹⁾	
	Number of Shares	%	Number of Shares	%
Substantial Shareholders (who are not Directors)				
Credit Suisse Securities (Europe) Limited ⁽³⁾	33,270,217	6.92	–	–
Regal Funds Management Pty Limited ⁽⁴⁾	–	–	25,784,617	5.36

Notes:

- (1) The percentage shareholding interest is based on 480,763,760 issued Shares as at the Latest Practicable Date.
- (2) This represents an indirect interest in Shares arising from the shareholding in the Company held by Living Waters Mining (Australia) Pty Ltd. Ms. Suen Sze Man and her spouse (Mr. Tjandra Pramoko) are deemed to be interested in the Shares of the Company held by Living Waters Mining (Australia) Pty Ltd as they collectively hold, directly and beneficially, 100% of the shares in Living Waters Mining (Australia) Pty Ltd.
- (3) Credit Suisse Securities (Europe) Limited holds 33,270,217 Shares. The Credit Suisse Holding Companies, comprising Credit Suisse Investment Holdings (UK), Credit Suisse Investments (UK), Credit Suisse AG and Credit Suisse Group AG, are deemed interested in the Shares held by Credit Suisse Securities (Europe) Limited as the latter is the (indirect) subsidiary of the aforementioned companies.
- (4) The Atlantic Absolute Return Fund and the Zambezi Absolute Return Fund hold an aggregate of 25,784,617 Shares. Regal Funds Management Pty Limited is deemed to have an interest in 25,784,617 Shares as Regal Funds Management Pty Limited is the trustee of the Atlantic Absolute Return Fund and the investment sub-advisor of the Zambezi Absolute Return Fund.

7. DIRECTORS' RECOMMENDATION

The Directors have considered and reviewed, *inter alia*, the terms of the Proposed Transaction and the Proposed Expansion, the rationale for, and all other relevant facts set out in this Circular. The Directors are collectively of the view that the Proposed Transaction and the Proposed Expansion are in the best interests of the Company. The Directors unanimously recommend that Shareholders vote in favour of the Proposed Transaction and the Proposed Expansion at the EGM.

Shareholders are advised to read this Circular in its entirety, in particular the rationale for the Proposed Transaction and the Proposed Expansion and for those who may require advice in the context of his specific investment, to consult his stockbroker, bank manager, solicitor, accountant or other professional adviser.

8. SERVICE CONTRACTS OF THE DIRECTORS

There are no directors proposed to be appointed to the Company in connection with the Proposed Transaction.

9. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 35 and 36 of this Circular, will be held at RELC International Hotel Singapore, 30 Orange Grove Road, Tanglin 2, Level 1, Singapore 258352 on 15 September 2016 at 2.00 p.m. (Singapore time) for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolutions set out in the notice of EGM.

LETTER TO SHAREHOLDERS

10. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf must complete, sign and return the proxy form attached to this Circular in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at Lakeside Corporate Building Unit 6, 24 Parkland Road, Osborne Park 6017, Western Australia not less than 48 hours before the time fixed for the EGM. The completion and return of a proxy form by a Shareholder does not preclude him/her from attending and voting in person at the EGM should he subsequently decide to do so, although the appointment of the proxy shall be deemed to be revoked by such attendance.

A Depositor shall not be regarded as a shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 48 hours before the EGM.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transaction, the Proposed Expansion and the Company, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular 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 Circular in its proper form and context.

12. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at Lakeside Corporate Building Unit 6, 24 Parkland Road, Osborne Park 6017, Western Australia and at the office of Dentons Rodyk & Davidson LLP at 80 Raffles Place, #33-00, UOB Plaza 1, Singapore 048624 during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the annual report of the Company for FY2015;
- (b) the Constitution;
- (c) the Binding Terms Sheet; and
- (d) the IQPR.

Yours faithfully

For and on behalf of the Board of Directors of
Alliance Mineral Assets Limited

Suen Sze Man
Executive Director

APPENDIX 1 – EXECUTIVE SUMMARY OF THE INDEPENDENT QUALIFIED PERSON’S REPORT ON THE BALD HILL TANTALUM PROJECT WESTERN AUSTRALIA PREPARED FOR ALLIANCE MINERAL ASSETS LIMITED

Executive Summary

The Bald Hill Tantalum Project (“Property”) is located within the state of Western Australia (WA), approximately 580 km east of the state capital, Perth. It is located within the Eastern Goldfields Province of the Archaean Yilgarn Block. The Bald Hill Project area is located about 60km south east of Kambalda and 50 km east of Widgiemooltha in the Coolgardie Mineral Field of Western Australia (Fig 1).

Alliance Mineral Assets Limited (“AMAL” or the Company”) has a portfolio of mineral tenements, comprising mining leases, exploration licences, prospecting licences, miscellaneous licences and a general-purpose lease, and a retention lease.

AMAL's primary interest in the area is tantalum mineralisation hosted in a series of pegmatitic sheets and veins intruded into an Achaean metasediment sequence. These sheets and veins are developed along a roughly north–south trend, and vary in geometry, extent, and dip, both to the west and east. The pegmatites contain tantalite, columbite, spodumene, cassiterite, and others as accessory minerals. A tantalite resource has been identified at the Bald Hill project (AMC, 2014 and Varley, 2015) and the development of this resource is the primary objective of AMAL. The exploration potential for additional tantalum resources on the Bald Hill Extended and Madoonia projects is considered very high.

Modern exploration for tantalum commenced in the area in the early 1980s and continued in campaigns by several companies until 2000, when a feasibility study established the technical and economic viability for an open-pit mine with an on-site process plant to produce a tantalum-bearing concentrate. Mining and processing operations were profitably undertaken by Haddington International Resources Limited (“Haddington”) from 2001 to 2005, when operations ceased due to Sons of Gwalia (ex ASX: “SGW”) going into Administration. SGW had a sole exclusive off-take agreement with Haddington which thereby forced the cessation of operations. At the time of mine closure, Haddington reported that there was approximately 2.0 million tonnes (Mt) of Indicated mineral resources remaining in, and adjacent to, several open pits. The mine site has been on care and maintenance since 2005, but Haddington continued to undertake some exploration over the property until 2009.

In 2009, Living Waters Mining (Australia) Pty Ltd (“Living Waters”) acquired the project from Haddington and also acquired a number of additional tenements north of the main project area. The Property was transferred to HRM Resources Australia Limited (“HRM”) in 2011. On 13 March 2014, HRM changed its name to Alliance Mineral Assets Limited.

Since 2009, Living Waters, and subsequently, HRM/AMAL have undertaken work aimed at re-commissioning the process plant (+90% completed) and site preparations for mining the remaining mineral resources. Some limited exploration north and east of the main mining area has also been completed.

Al Maynard and Associates (“AM&A”) undertook an initial site visit to the Bald Hill Tantalite Project for AMAL on the 18 February, 2014 and conducted a follow up visits on 31 March 2015, 14-18

APPENDIX 1 – EXECUTIVE SUMMARY OF THE INDEPENDENT QUALIFIED PERSON’S REPORT ON THE BALD HILL TANTALUM PROJECT WESTERN AUSTRALIA PREPARED FOR ALLIANCE MINERAL ASSETS LIMITED

December 2015 and 18-22 April 2016. Another previous field trip to the site for another unrelated client was conducted in 2002.

The current JORC Code 2012 Mineral Resource estimate inventory at 31 March 2016 stands at:- 1.7 million tonnes at 326 ppm Ta₂O₅ of which 0.65 million tonnes at 306 parts per million (ppm) Ta₂O₅ is Indicated and approximately 1.1 million tonnes at 339 ppm Ta₂O₅ is Inferred. In addition to this resource are reserves at Boreline and Central of 1.69 million tonnes at an average grade of 303 ppm Ta₂O₅. Once a Native Title agreement has been successfully negotiated for Fenceline and Creekside and actual operating costs and mining and process plant recoveries are obtained from mining these reserves, a Reserve estimate will be made for the remaining Indicated resources.

The Bald Hill gravity primary and secondary processing plants were successfully commissioned during late 2015/early 2016 using ore mined from the Boreline Oxide pit.

The tantalite concentrate produced during the plant commissioning was very high grade with low levels of contamination with deleterious minerals and therefore exceeding the minimum specifications for a high value product that commands a premium price. As well as producing a tantalite concentrate, spodumene, high grade garnet and ilmenite (titanium) concentrates were also produced at sufficient grade to be sold as by-products.

Description	Ta ₂ O ₅ %	Sn %	U%	Nb ₂ O ₅ %	Fe ₂ O ₃ %	Li ₂ O%
Final Tantalite concentrate	25.894	1.622	.057	17.991	15.55	0.193

Table 1: Grades of Tantalite concentrate produced for testing by potential customers of Mitsubishi RtMJ.

Processing Path	Ore	Ta ₂ O ₅ Assay	Ta ₂ O ₅ metal	Recovery
	tonnes	ppm	kg	%
ROM	27,000	159.93	4318.3	
Scats unprocessed	5,741	105.64	606.48	
Ore actually processed	21,259	174.6	3,711.74	
Primary plant recovery (Before VSI installed)				29%
Primary concentrate (Before VSI installed)	75.15	9,516.03	715.16	
Primary plant recovery (After VSI installed)				52%
Primary concentrate (After VSI)	98.29	6,529.66	641.79	
Secondary Plant recovery				95%
Secondary concentrate	19.9	64,506.2	1,285.6	
Beneficiation Recovery				94%
Beneficiation concentrate	5.8	207,430.5	1,203.2	

APPENDIX 1 – EXECUTIVE SUMMARY OF THE INDEPENDENT QUALIFIED PERSON’S REPORT ON THE BALD HILL TANTALUM PROJECT WESTERN AUSTRALIA PREPARED FOR ALLIANCE MINERAL ASSETS LIMITED

Overall Recovery (Before VSI installed)					26%
Overall Recovery (After VSI installed)					46%

Table 2: Reconciliation of the Boreline Oxide ore processed during Bald Hill processing plant commissioning.

ROM = Run of mine stockpile for ore at plant prior to processing

VSI = Vertical Shaft Impact crusher in plant

Recovery = Tantalite recovered (%) at processing stage indicated.

AM&A concludes that there are sufficient resources at a sufficient grade to warrant the Company’s planned full scale mining and production of high quality tantalite concentrates.

Full mine and plant production of tantalite will commence after there is an increase in the spot price of Tantalum and a sales contract locked in at an acceptable price to provide sufficient margins to operate profitably. During the Commissioning phase to produce a tantalite concentrate, various by-products were produced from the same pegmatite ore. The most significant by-product was a 6.7% Li₂O Spodumene concentrate.

Radiation registration, statutory appointments, mine design, safety management and environmental management systems applications have all been approved by the relevant WA state departments.

The only outstanding approvals are the in-pit tailings disposal facilities and stage two mining approval.

Category	Mineral Type	Gross Attributable to licence				Net Attributable to Issuer			Remarks
		2015		2016		Tonnes (millions)	Grade Ta ₂ O ₅ (ppm)	Change from previous update (contained Ta ₂ O ₅)	
		Tonnes (millions)	Grade Ta ₂ O ₅ (ppm)	Tonnes (millions)	Grade Ta ₂ O ₅ (ppm)				
Reserves									
Proved	Tantalum	0	0	0.00	0	0.00	0	0	
Probable	Tantalum	0.02	187	1.69	303	1.69	303	13654%	Central and Boreline
Total		0.02	187	1.69	303	1.69	303	13654%	
Resources*									
Measured	Tantalum	0	0	0.00	0	0.00	0	0	
Indicated	Tantalum	2.57	340	0.65	306	0.65	306	-77%	
Inferred	Tantalum	0.1	367	1.1	339	1.1	339	1005%	
Total		2.67	341	1.74	326	1.74	326	62%	

Table 3: Resource and Reserve Summary for Bald Hill outside mined pits (whole of pegmatite Varley, 2015 for Central and Boreline, and AMC Consultants 2014 using 100ppm Ta₂O₅ lower cut-off for Creekside) at 31 March 2016. Note: See

APPENDIX 1 – EXECUTIVE SUMMARY OF THE INDEPENDENT QUALIFIED PERSON'S REPORT ON THE BALD HILL TANTALUM PROJECT WESTERN AUSTRALIA PREPARED FOR ALLIANCE MINERAL ASSETS LIMITED

Mineral Resource and Ore Reserve sections of this report for details, Reserves are exclusive of Resources. *2015 Indicated resources from Central and Boreline only converted to reserves.

AM&A also concludes that there is excellent potential to increase the tantalum Mineral Resource, and consequently the Ore Reserves, because there are several prospects that have been previously drill tested and shown to host significant tantalum mineralisation. Additionally, there are a number of prospects where surface sampling and geological mapping has identified tantalum mineralisation that requires further exploration.

AM&A notes that the pegmatites at Bald Hill also host significant amounts of spodumene, a lithium ore mineral. Haddington used lithium assays in the country rocks and soils as an indicator element to locate pegmatites but never considered the economic potential of lithium as the prices for lithium concentrates at the time were considerably lower than at present. AMAL have commenced metallurgical tests on samples collected of the Haddington mining era tailings to determine if the lithium in these tailings can be economically recovered. AMAL has also commenced evaluating the historic exploration data to identify lithium targets for follow up exploration.

As announced by the Company on 3rd June 2016, AMAL signed a binding terms sheet with Lithco No. 2 Pty Ltd relating to granting of exploration and prospecting rights for minerals on the Company's tenements. Pending shareholders' approval, the Company has agreed to grant Lithco sole and exclusive exploration and prospecting rights over all minerals within an area enclosed by the external boundaries of the Tenements as at the date of the Binding Terms Sheet and an agreed 10km radius of the Tenements, and Lithco will undertake exploration and feasibility for lithium and other minerals in the Tenement Area. The parties have also agreed that any other tenements that are acquired or granted in the future which fall within the Tenement Area shall form part of this arrangement. Lithco undertakes to spend, by 31 December 2017 (or such later date as mutually agreed by the Parties), a minimum of AUD7,500,000 on exploration, evaluation, and feasibility (including administrative and other overhead costs in relation thereto); and spend, AUD12,500,000 in capital expenditure required for upgrading and converting the Plant for processing ore derived from the Tenement Area, infrastructure costs, pre-stripping activities and other expenditures including operating costs.

Upon completion of the AUD7,500,000 expenditure commitment, Lithco shall be entitled to 50% of all rights to lithium minerals from the Tenements and the Company and Lithco shall operate under the Lithium Rights Joint Venture arrangement ("Lithium Rights JV") in relation thereto. Upon completion of the AUD12,500,000 expenditure commitment, Lithco will be entitled to a 50% legal and beneficial interest in the Project and the Company will continue to hold the remaining 50% legal and beneficial interest in the Project, and the Company and Lithco shall operate under an unincorporated joint venture in equal proportions (i.e. 50-50), with respect to the Project ("Project JV"). The Lithium Rights JV arrangement will cease upon the commencement of the Project JV.

Negotiations are continuing with the Native Title claimants of the Bald Hill area, the Ngaju people, to gain access to the areas outside the main mining licence, M15/400, for mining and exploration. Exploration drilling outside M15/400 has been delayed until these negotiations have reached an acceptable resolution.

APPENDIX 1 – EXECUTIVE SUMMARY OF THE INDEPENDENT QUALIFIED PERSON'S REPORT ON THE BALD HILL TANTALUM PROJECT WESTERN AUSTRALIA PREPARED FOR ALLIANCE MINERAL ASSETS LIMITED

AM&A make the following recommendations with respect to further evaluating and increasing confidence in the Project:

- Further RC and diamond drilling is warranted at the various deposits already identified to explore for additional resources and improve the understanding of the current resources prior to mining.
- A systematic program of inclined 50-80 m deep RAB/RC drilling is recommended along lines across the known geochemical anomalies on the tenements immediately surrounding the main mining licence, M15/400, to test for thicknesses and grades of known outcropping pegmatites as well as to test for pegmatites not outcropping in areas of deep eluvial and alluvial cover.
- A systematic soil sampling program, on appropriate grid spacings governed by the regional geology, is recommended on the Company's tenements distant from M15/400 to test for geochemical anomalism in the soils. These samples should be analysed for lithium as it is an excellent pathfinder element with a wide dispersion halo surrounding mineralised pegmatites. Any geochemical haloes found by the soil sampling can then be followed up with RAB/RC drilling to test for pegmatites.
- All pegmatites found by the first phase reconnaissance drilling should be followed up by RC drilling on an appropriate grid spacing to delimit potential resources.
- Further determinations of bulk density are required to establish higher confidence in grade, metal, and tonnage calculations that feed into future mine production. The determinations can be performed on exposed pegmatite and host rocks in pits or from diamond core.
- As with previous mining by Haddington, blasthole sampling should be continued so as to understand the grade variability within each pegmatite and to assist with blending strategies that would assist with maximising the recovery of the target minerals. These blastholes should also be geologically logged to assist with the mine planning and scheduling process. The collected data should be captured and maintained in its own database, contributing to future mineral resource and ore reserve estimates.

This Executive Summary is to be read in conjunction with the Independent Qualified Person's Report dated 12 August 2016.

APPENDIX 2 – COMPETENT PERSON STATEMENT

Competent Person statement

AM&A Competent Person for Mineral Resources: Mr Allen J. Maynard

I Allen J. Maynard, confirm that I am the Principal of Al Maynard & Associates Pty Ltd (AM&A) and that I directly supervised the production of the report titled “Independent Qualified Person’s Report of the Bald Hill Tantalum Project, Western Australia” with an effective date of 31 March 2016, in accordance with SGX Catalist Rule 442.

I confirm that my firm’s partners, directors, substantial shareholders and their associates and I are independent of Alliance Mineral Assets Limited (the Company), its directors, and substantial shareholders. In addition, my firm’s partners, directors, substantial shareholders and their associates and I have no interest, direct or indirect, in the Company and will not receive benefits other than remuneration paid to AM&A in connection with the independent qualified persons report (IQPR). Remuneration paid to AM&A in connection with the IQPR is not dependent on the findings of this report.

I have read and understood the requirements of the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition).

I am a Competent Person as defined by the JORC Code, 2012 Edition, having greater than five years’ experience that is relevant to the style of mineralisation and type of deposit described in this report, and to the activity for which I am accepting responsibility.

I verify that this report is based on and fairly and accurately reflects, in the form and context in which it appears, the information in my supporting documentation relating to Exploration Results and Mineral Resources.

I am a Member of The Australian Institute of Geoscientists and The Australasian Institute of Mining and Metallurgy in good standing. I have not been found in breach of any relevant rule or law and is not denied or disqualified from membership of, subject to any sanction imposed, the subject of any disciplinary proceedings or the subject of any investigation which might lead to a disciplinary action by any regulatory authority or any professional association.

I have reviewed the report to which this Consent Statement applies.



(Signed)

12th August, 2016

Allen J. Maynard- Competent Person

NOTICE OF EXTRAORDINARY GENERAL MEETING

ALLIANCE MINERAL ASSETS LIMITED

(Company Registration Number: ACN 147 393 735)
(Incorporated in the Australia on 6 December 2010)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of ALLIANCE MINERAL ASSETS LIMITED (the “**Company**”) will be held at RELC International Hotel Singapore, 30 Orange Grove Road, Tanglin 2, Level 1, Singapore 258352 on 15 September 2016 at 2.00 p.m. (Singapore time), for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions.

All capitalised terms in this Notice which are not defined herein shall have the same meanings ascribed to them in the circular to shareholders of the Company dated 24 August 2016 (“**Circular**”).

ORDINARY RESOLUTIONS

RESOLUTION 1: THE PROPOSED FARM-IN AND JOINT VENTURE ARRANGEMENT WITH LITHCO NO. 2 PTY LTD

That subject to and contingent upon the passing of ordinary resolution 2:

- (a) approval be and is hereby given, for the Company to enter into the Proposed Transaction to the extent mandated and according to the terms under the Proposed Transaction as described in the Circular and that the aforementioned is hereby approved, confirmed and ratified;
- (b) the Directors and any of them be and are hereby authorised to do all acts and things including without limitation, executing all such documents and approving any amendments, alterations, modifications to any such documents as they or he may consider desirable, expedient or necessary to give effect to the transaction contemplated by this ordinary resolution; and
- (c) any acts, matters and things done or performed, and/or documents signed, executed, sealed or delivered by a Director in connection with the Proposed Transaction be and are hereby approved, confirmed and ratified.

RESOLUTION 2: THE PROPOSED EXPANSION OF THE COMPANY’S BUSINESS TO INCLUDE THE EXPLORATION, MINING, DEVELOPMENT AND PRODUCTION OF LITHIUM AND OTHER MINERALS

That:

- (a) approval be and is hereby given for the Proposed Expansion to include the exploration, mining, development and production of lithium and other minerals such as tin, niobium, rubidium, gold which may be mined from the Project;
- (b) approval be and is hereby given for the transactions relating to the Proposed Expansion, and any other transactions in connection with or ancillary to the Proposed Expansion, including

NOTICE OF EXTRAORDINARY GENERAL MEETING

but not limited to farm in, farm out or other joint venture activities or transactions, to be considered or regarded as in furtherance of the ordinary course of business of the Company; and

- (c) the Directors and any of them be and are hereby authorised to do all acts and things including without limitation, executing all such documents and approving any amendments, alterations, modifications to any such documents as they or he may consider desirable, expedient or necessary to give effect to the abovementioned.

By Order of the Board
Alliance Mineral Assets Limited

Leaw Mun Ni
Company Secretary
24 August 2016

Notes:

- (1) A shareholder of the Company entitled to attend and vote at the EGM may appoint not more than two proxies to attend and vote in his/her stead. A shareholder of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a shareholder of the Company.
- (2) If a proxy is to be appointed, the instrument appointing a proxy must be duly deposited at the registered office of the Company at Lakeside Corporate Building Unit 6, 24 Parkland Road, Osborne Park 6017, Western Australia, or sent by email to admin@alliancemineralassets.com.au, not later than 48 hours before the time appointed for the holding of the EGM.
- (3) The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.
- (4) A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 48 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to attend and vote at the EGM.
- (5) Terms not defined in this Notice of EGM shall have the meanings ascribed to them in the circular to shareholders dated 24 August 2016.

PERSONAL DATA PRIVACY:

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM – STRICTLY FOR SCRIPHOLDER ONLY

ALLIANCE MINERAL ASSETS LIMITED
ACN 147 393 735

IMPORTANT:

This proxy form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

EXTRAORDINARY GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR:

the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at RELC International Hotel Singapore, 30 Orange Grove Road, Tanglin 2, Level 1, Singapore 258352, on 15 September 2016 at 2.00 p.m. (Singapore time), and at any adjournment thereof.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an appropriate announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting

Resolution 1 The Proposed Transaction

FOR

AGAINST

ABSTAIN

Resolution 2 The Proposed Expansion

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is:

_____ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date:

Contact name:

Contact ph (daytime):

E-mail address:

Consent for contact by e-mail

in relation to this Proxy Form: YES NO

Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) by post or hand to Lakeside Corporate Building Unit 6, 24 Parkland Road, Osborne Park 6017, Western Australia; or
 - (b) by email to the Company at admin@alliancemineralassets.com.au,so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.

Depositors shall use the Proxy Form entitled "Extraordinary General Meeting – Depositor Proxy Form".