

**Issuer:** Alliance Mineral Assets Limited

**Security:** Alliance Mineral Assets Limited

**Meeting details:**

Date: 30 October 2017

Time: 2.00 p.m.

Venue: The SAF Warrant Officers and Specialist Club, Hibiscus Room 3, 48 Boon Lay Way, Singapore 609961

**Company Description**

Alliance Mineral Assets Limited engages in exploring and developing tantalum and lithium mineral resources in Australia. It owns 100% interest in the Bald Hill project comprising 12 exploration licenses, 1 general purpose license, 10 miscellaneous licenses, 6 mining leases, 8 prospecting licenses, and 1 retention license located to the southeast of Kalgoorlie in the Eastern Goldfields of Western Australia. The company was formerly known as HRM Resources Australia Limited and changed its name to Alliance Mineral Assets Limited in March 2014. Alliance Mineral Assets Limited was incorporated in 2010 and is headquartered in Osborne Park, Australia.

(Source: [http://www.sgx.com/wps/portal/sgxweb/home/company\\_disclosure/stockfacts?code=40F](http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=40F))

**Q1.** As stated in the Letter to shareholder (pages 2-3 of the annual report), the group is looking forward to the commissioning of the lithium plant (which is currently under construction) and the shipping of its first lithium concentrate shipment in 2018.

The company has entered into a Lithium Rights Joint Venture with Lithco No. 2 Pty Ltd (“Lithco”), a wholly-owned subsidiary of Tawana Resources NL (“Tawana”) which is listed on the Australian Securities Exchange.

On pages 16-21, the group has also provided a comprehensive overview of the operations.

- a) **With Lithco undertaking the management of the project delivery, what is the oversight and influence by the group on operational matters?**
- b) **What is the expertise and skill-set in the group to review and assess operational decisions, especially those relating to engineering, construction, extraction, and processing?**
- c) **Can management help shareholders understand how aggressive is the target to ship the first lithium concentrate (nominal 6.0+% Li<sub>2</sub>O) by the 31st March 2018? To help shareholders understand the major milestones and risks involved, can the company share the project’s critical path?**

**Q2.** In the Director’s Report (page 58), the directors have disclosed that the company is expected to raise additional funding through equity or debt in FY2018.

In Note 2(c) (page 71 – Going concern), it was stated that:

*The Company’s cash flow forecast reflect that the Company will need to raise additional funds during the quarter ending 31 December 2017 to enable it to meet its committed and planned capital expenditure in the Bald Hill project and for on-going working capital requirements. The Directors are currently reviewing a range of financing options which may include further issue of new equity or obtaining new borrowings. The Directors have reviewed the company’s financial position and are satisfied that based on the ongoing discussions with relevant parties, they will be successful in securing additional funds through debt or equity issues and thus it is appropriate to prepare the financial statements on a going concern basis.*

- a) **Has the JV Partner started planning for the continued exploration of the mine? What are the planned capital expenditure in the Bald Hill project?**
- b) **According to the current plans, and to the best of the directors’ knowledge, does the JV still require additional capital investment to allow it to build and operate the mine and to ship the first Lithium concentrate by 31 March 2018?**
- c) **What are the options being reviewed by the directors in terms of financing options? How much borrowings can the group secure from financial institutions and at what rates?**

**Q3.** On 12 October 2017, the company made an announcement titled “Clarification on Business Times article dated 10 October 2017”. This relates to the Business Times article dated 10 October 2017 titled “Alliance Mineral CEO: Better terms in latest agreement with Burwill” which reported the interview with the company’s Chief Executive Officer, Mr Tjandra Pramoko.

The company made the following clarifications, including:

- Price target of shares
- Waiver of penalty for late delivery
- Minimum grade of lithium concentrate
- Revised sales agreement for 2018 and 2019
- Price of lithium

As disclosed in Principle 14 of the Corporate Governance Report (page 48), the company is committed to making timely full and accurate disclosures to shareholders and the public. All information that could materially affect the price or value of the Company's shares will be promptly disseminated via SGXNet to provide fair communication with shareholders.

In addition to Listing Rules 703 which governs the disclosure of material information by the issuer, the company must also observe the Exchange's Corporate Disclosure Policy set out in Appendix 7A.

- a) Could the board help shareholders understand how they intend to further improve the company's communications with shareholders and to the public, specifically on the disclosure of material information and material update?**

Section 27(c) in the Corporate Disclosure Policy requires disclosures to be balanced and fair and should avoid, inter alia, presentation of favourable possibilities as certain, or as more probable than is actually the case; presentation of projections without sufficient qualification or without sufficient factual basis; use of promotional jargon calculated to excite rather than to inform.

- b) In this regard, has the board considered if it needs to review the company's current guidelines and practices of the company's communications with shareholders, the public and the media?**