



16 MAY 2019

CORPORATE DIRECTORY

Non-Executive Chairman
Geoff McNamara

Managing Director
Mark Calderwood

Executive Director – Operations
Mark Turner

Non-Executive Directors
Robert Vassie
Wei (Vicki) Xie
Ong Kian Guan
Chan Ming Fai

Company Secretary
Alexei Fedotov

Media contact: Nathan Ryan
NWR Communications
+61 (0) 420 582 887

STRATEGIC INSTITUTIONAL PLACEMENTS TO RAISE A\$32.5 MILLION

Highlights

- Alliance executes strategic placements with Galaxy Resources Limited and Jiangxi Special Electric Motor Co., Ltd group
- Total gross proceeds of A\$32.5 million to primarily advance Bald Hill plant upgrades and exploration
- Galaxy Resources Limited to become Alliance's largest shareholder

Alliance Mineral Assets Limited (ASX:A40, SGX:40F) (**Alliance**, or the **Company**) is pleased to announce that, on 15 May 2019, it entered into separate subscription agreements to raise total gross proceeds of A\$32.5 million at a price of A\$0.20 per placement share (**Offer Price**) with Galaxy Resources Limited (ASX:GXY) (**Galaxy Resources**) (A\$22.5 million) (**Institutional Placement**), and with Weier Antriebe und Energietechnik GmbH, a wholly owned subsidiary of Jiangxi Special Electric Motor Co., Ltd (**Jiangte**) (A\$10 million) (**Conditional Placement**) (together, the "**Placements**"). Both Placements are conditional as set out below.

The Placements are to provide funding for capital expenditure for continued upgrades to the processing facilities at the Bald Hill Lithium and Tantalum Mine in Western Australia (**Bald Hill Mine**), future exploration and other initiatives at the Bald Hill Mine, and for general working capital requirements.

Alliance Managing Director, Mark Calderwood, said:

"We are very pleased with the continued support of our existing strategic partner Jiangte, and also welcome Galaxy Resources as a strategic investor in Alliance.

"Our focus over the past 18 months has been on delivering the Bald Hill Mine to production, and we have developed a reputation for production and supply of high quality spodumene concentrates. Investment by Jiangte and Galaxy Resources, who are both experienced participants in the lithium sector, is a recognition of, and testament to, our achievements and position in the market.

"The Placements will enable us to rapidly advance both our plant upgrade and our exploration activities with the aim of upgrading our resource base concurrently with proposed increased production rates.

"With the recently announced Hydroxide MOU with Jiangte we also have the opportunity to be involved in the hydroxide production and sales market within the next 12 months."

Galaxy Resources Chairman, Mr Martin Rowley, said:

"Galaxy has been a minority shareholder of Alliance for some time, and we welcome this opportunity to increase our holding and become the largest individual shareholder in Alliance. Galaxy recognises that the Bald Hill Mine produces high quality spodumene concentrates and believes that the tenements surrounding the existing Bald Hill Mine operations hold substantial value potential, that may be unlocked through further targeted exploration and work on resource delineation.

"We look forward to cooperation between the two companies, and sharing our Mt Cattlin experience with Alliance."

Jiangte Chairman, Jun Zhu, said:

“This investment serves to further underscore the importance we place on our relationship with Alliance as a supplier and future joint venture partner in a very important cooperation for both companies. We are delighted to be working with a high quality partner, and we look forward to building on the relationship.”

Details of the Placements

The Institutional Placement will comprise the issue of 112,500,000 Shares (**Institutional Placement Shares**), and the Conditional Placement will comprise the issue of 50,000,000 Shares (**Conditional Placement Shares**) (collectively, the “**Placement Shares**”).

The Placements are not underwritten. Canaccord Genuity (Australia) Limited is acting as Lead Manager and Arranger to the Placements (**Lead Manager**). The Placement fees to the Lead Manager are to be paid by way of an issue of 6,125,000 Shares at the Offer Price (**Placement Fee Shares**). No Placement Fee will be payable and no Placement Fee Shares will be issued to the extent that any part of the Placement does not complete.

The Institutional Placement is expected to be completed, and the Placement Shares and the Placement Fee Shares attributable to the Institutional Placement issued, by 31 May 2019, upon satisfaction of the conditions to the Institutional Placement as set out below. The Conditional Placement is expected to be completed, and the Conditional Shares and the Placement Fee Shares attributable to the Conditional Placement issued, in late June/early July once shareholder approval has been obtained.

The Placement Shares and the Placement Fee Shares, when issued, will rank in all respects *pari passu* with the existing issued Shares, and will be free from any encumbrances, save that they will not rank for any dividend, rights, allotments or other distributions, the record date for which falls on or before the issue of the relevant Placement Shares or the Placement Fee Shares.

Conditions

The Placements and the issue of the Placement Fee Shares are conditional on the Company receiving the approval from the SGX-ST for the listing of, and quotation for, the Placement Shares and the Placement Fee Shares on the Catalist Board of the SGX-ST (**LQN**) by 14 June 2019 (unless a later date is agreed between the Company and Galaxy Resources or Jiangte as applicable) subject to such conditions specified in the LQN as may be acceptable to the Company and such approval not having been revoked or amended. Alliance will, through its Sponsor, be making an application to the SGX-ST for the LQN.

As Jiangte is a current substantial shareholder of the Company, the Conditional Placement is also subject to the approval of shareholders pursuant to the Catalist Rules 812(2) and 805(1) by 31 July 2019 (unless a later date is agreed between the Company and Jiangte).

The Institutional Placement Shares and the Placement Fee Shares will be issued pursuant to the Company’s 15% placement capacity under ASX Listing Rule 7.1. As the Conditional Placement is conditional on shareholder approval for the purposes of the Catalist Rules, shareholder approval will also be sought for the Conditional Placement for the purposes of ASX Listing Rule 7.1.

The Institutional Placement and the Conditional Placement are independent and not inter-conditional.

Mark Calderwood
Managing Director

Glossary

The following abbreviations and terms are used in this announcement.

ASX	ASX Limited (ABN 98 008 624 691) or the market operated by it known as the Australian Securities Exchange, as appropriate
ASX Listing Rules	the listing rules of the ASX
Catalist Rules	Listing Manual Section B: Rules of Catalist of the SGX
Shares	fully paid ordinary shares in the capital the Company
SGX	the financial market operated by SGX-ST, known as the "SGX"
SGX-ST	Singapore Exchange Securities Trading Limited
Sponsor	PrimePartners Corporate Finance Pte. Ltd.

Forward Looking Statements

This announcement may contain forward looking statements and projections including regarding estimated resources and reserves, production and operating costs profiles, capital requirements and strategies and corporate objectives. Such forward looking statements/projections are estimates for discussion purposes only and should not be relied upon as representation or warranty, express or implied, of the Company. They are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors many of which are beyond the control of the Company. The forward looking statements/projections are inherently uncertain and may therefore differ materially from results ultimately achieved.

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