



ALLIANCE MINERAL
ASSETS LIMITED

4 MARCH 2019

CORPORATE DIRECTORY

Non-Executive Chairman

Geoff McNamara

Managing Director

Mark Calderwood

Executive Director – Operations

Mark Turner

Non-Executive Directors

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CONSOLIDATION OF FINANCING ARRANGEMENTS

Alliance Mineral Assets Limited (ASX: A40; SGX: 40F) (**Company** or **Alliance**) is pleased to advise that it has consolidated its debt facilities into a simplified structure and at a lower average interest rate.

A wholly-owned subsidiary of the Company, Lithco No.2 Pty Ltd, has on the date of this announcement completed the drawn down of the remaining A\$20 million of its A\$40 million secured funding package from a consortium of lenders led by Tribeca Investment Partners Pty Ltd (**Lithco Facility**)¹.

Funds drawn down under the Lithco Facility will be used to repay the Company's existing A\$13 million loan facility (**AMAL Loan Facility**)², which incurred a higher interest rate than the Lithco Facility. Repayment of the AMAL Loan Facility simplifies the debt and security structure, such that the Alliance group now has a single debt facility with one consortium and with a single first ranking security.

Draw down of the Lithco Facility and repayment of the AMAL Loan Facility results in a net increase of A\$7 million in the Group's secured debt facilities to a total of A\$40 million.

The funds remaining after repayment of the AMAL Loan Facility will be used for advancing the Company's recovery and throughput optimisation project and general working capital purposes.

Managing Director Mark Calderwood said:

"We are pleased to have worked closely with Tribeca to consolidate our debt facilities at a lower average interest rate. Production at Bald Hill continues to be strong and I reiterate our guidance of 65,000t to 80,000t of lithium concentrate for the half year to 30 June 2019 and I expect the current quarter production will be a record quarter for the mine."

Further details about the Lithco Facility are set out in the Annexure to this announcement.

Mark Calderwood

Managing Director

¹ Refer Alliance's SGX Announcement dated 28 September 2018 for further details.

² Refer Alliance's SGX Announcement dated 29 March 2018 for further details.

Annexure - Key terms and conditions of the Lithco Facility

Borrower	Lithco No.2 Pty Ltd, a wholly-owned subsidiary of the Company
Lender	A consortium of lenders led by Tribeca Investment Partners Pty Ltd
Facility Limit	A\$40 million (being fully drawn following draw down of remaining A\$20 million)
Maturity	1 July 2020
Security	First ranking security over all assets of the Alliance and its subsidiaries
Interest Rate	3 months USD LIBOR plus 13% pa
Warrants	Nil
Redemption Premium	2% (on outstanding amount repaid at maturity)
Early Call Premium	5% (on any amounts repaid prior to maturity)
Covenants	<p>Typical covenants for a loan facility of this nature, including:</p> <ul style="list-style-type: none"> • minimum cash covenant of A\$5 million, increasing to A\$15 million from 1 April 2020 (A\$15 million being inclusive of the value of the letters of credit issued to the Company in respect of product shipments) • maintain a ratio of current assets to current liabilities of greater than 1.10 at any time • at any time on or after 31 December 2019, maintain a leverage ratio of not greater than 2.35 • no distributions and capital reductions without consent of the lenders
Events of default	Typical events of default for a loan facility of this nature, including non-payment, insolvency, competing security interests, material failure to meet physical mining targets, change of control or a material adverse event affecting Alliance or its subsidiaries
Events of review	Typical events of review for a loan facility of this nature, including forward looking testing of minimum cash covenants, production deficits, operating expenses overruns, material regulatory authorisations and tripartite agreements

The Company will also pay the final 2% arrangement fee on the drawdown of the remaining A\$20 million of the Lithco Facility.