

Alliance Minerals Assets Ltd

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Alliance Mineral Assets lowers lithium and tantalum mine production costs by 33%

Alliance Mineral Assets Ltd (ASX:A40) reduced production costs by 33% during the March quarter at its Bald Hill Lithium and Tantalum Mine in Western Australia.

The cost of producing a wet metric tonne (wmt) of lithium concentrate was \$772 and this was lower than the previous quarter while the average selling price for the quarter was \$1,083 per dmt, based on 6% Li₂O.

Grades for the quarter averaged 0.89% lithium, up from 0.73% on the December 2018 quarter, while recovery averaged 68% - another increase from 57%.

READ: Alliance Mineral Assets sets new lithium production and shipping records at Bald Hill

These impressive results were achieved on the back of record quarterly production of 38,291 wmt of lithium concentrate, which was up 68% on the December quarter.

The improvements resulted from increased throughput, recovery and grade.

Alliance Mineral Assets held \$15.6 million in cash at the end of the March quarter.

The company's managing director Mark Calderwood said: "We expected this - this is nameplate production, our costs have been driven down about a 33% decrease in cost per tonne as the production tonnages increase," he said.

Alliance has also entered into an MoU with China-based Jiangte (SHE:002176) to produce and sell battery-grade lithium hydroxide.

Calderwood added: "This is an excellent opportunity for Alliance to participate in the downstream without any capital expenditure - it also enables us to get into production quite quickly of hydroxide, probably this year.

READ: Alliance Minerals Assets signs MOU China-based Jiangte to produce and sell lithium hydroxide

"It gives us an increase of margin per tonne of spodumene without the need of building our own conversion plant - so it's quite a unique opportunity."

The stage II plant upgrade involves lowering the Dense Media Separation (DMS) bottom size from 1 millimetre to 0.5 millimetres and increasing hourly plant processing throughput capacity from the current 220 tonnes to 300 tonnes.

Market Cap: \$0.00

1 Year Share Price Graph



Share Information

Code: A40

Listing: ASX

Sector: Rare earths & specialist minerals

Website: www.allianceminerals.co.au

Company Synopsis:

Allia Resources Ltd (ASX:A40) is listed on the Australian Securities Exchange.

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Detailed engineering as well as equipment tendering and ordering has continued throughout the quarter and it is expected that commissioning of the fines circuit will begin during the fourth quarter of 2019, however components of the improvement to the existing circuits may begin sooner.

Production guidance of 65,000 to 80,000 tonnes of lithium concentrate for the six months between January and July 2019 remains on track.

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