

Alliance Minerals Assets Ltd

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Alliance Mineral Assets Ltd enters strategic placements with Galaxy and Jiangte to raise \$32.5 million

Alliance Mineral Assets Ltd (ASX:A40) has executed separate subscription agreements with Galaxy Resources Ltd (ASX:GXY) and a subsidiary of China-based Jiangxi Special Electric Motor Co (Jiangte) to raise a total of \$32.5 million at a price of 20 cents per placement share.

Galaxy contributed \$22.5 million in an institutional placement to become Alliance's largest shareholder while the Jiangte subsidiary Weier Antriebe und Energietechnik GmbH's \$10 million was provided through a conditional placement.

Capital raised in the placement will go towards funding process plant upgrades as well as continued exploration across the Bald Hill mine's prospective areas.

Alliance managing director Mark Calderwood said the company was pleased with existing partner Jiangte's support and welcomed Galaxy as a strategic investor in Alliance.

Calderwood said: "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."

READ: Alliance Mineral Assets identifies new exploration target at Bald Hill lithium and tantalum mine

The stage-two plant upgrade involves lowering the dense media separation bottom size from 1 millimetre to 0.5 and increasing hourly plant processing throughput capacity from the current 220 tonnes to 300 tonnes.

Detailed engineering as well as equipment tendering and ordering is ongoing, with commissioning of the fines circuit anticipated to begin during the fourth quarter 2019.

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Calderwood added: "The placements 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.

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:

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

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"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."



Spodumene from Bald Hill

READ: Alliance Mineral Assets signs MoU with China-based Jiangte to produce and sell lithium hydroxide

The institutional placement with Galaxy will comprise the issue of 112.5 million shares whereas Jiangte will receive 50 million through the conditional placement.

Both placements are not underwritten and were managed and arrangement by Canaccord Genuity (Australia) Limited, paid through the issue of 6.125 million shares at the offer price.

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

Galaxy chairman Martin Rowley noted it had become largest individual shareholder in Alliance, saying the company had been a minority holder for some time and welcomed the opportunity to increase its holding.

Rowley said: "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."

"[This] 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."

Alliance recently evidenced a new extensive mineralised pegmatite body at Bald Hill from a drill hole which intersected 20 metres of coarse-grained spodumene-bearing pegmatite from 189 metres.

The intersection is between a hole to the north and several substantial intersections to the south, in an area interpreted as being a single sub-horizontal pegmatite body or group of bodies.

On release of the results, Calderwood noted that only 20% of the 8.8-kilometre prospective southern mineralised area had been drill tested for lithium, the area itself representing only 1.1% of the Bald Hill tenure.

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