

7 December 2020

Alliance Resources Limited to raise up to \$5.052 million in non-renounceable rights issue

Alliance Resources Limited ACN 063 293 336 (ASX:AGS) (**Company**) is pleased to announce a non-renounceable rights issue entitling shareholders to subscribe for one new share for every six shares held on the record date of 10 December 2020 (**Record Date**) at an issue price of \$0.17 per share to raise up to approximately \$5.052 million (before costs) (**Entitlement Offer**).

The issue price of \$0.17 per share represents a 10.53% discount to the closing price on 4 December 2020, and a 12.14% discount to the 30 trading days volume weighted average price up to and including 2 December 2020.

The funds raised from the Entitlement Offer will be applied to RC drilling and diamond drilling for exploration, feasibility study work, process plant engineering design, mine design and operating cost determination, offer expenses and working capital.

Eligible shareholders

Existing shareholders with a registered address in Australia and New Zealand (**Eligible Shareholders**) will have the opportunity to participate in the Entitlement Offer. The Entitlement Offer will be made to registered Eligible Shareholders at 7.00pm (Melbourne time) on the Record Date (being 10 December 2020).

If the Entitlement Offer is fully subscribed, approximately 29.7 million New Shares (subject to rounding and assuming no options are exercised before the Record Date) will be issued.

Indicative timetable

An indicative timetable of key dates in relation to the Entitlement Offer is as follows:

	Event	Date – 2020/21
1.	Lodgment of Offer Document with ASX	Monday, 7 December 20
2.	Notice of Entitlement Offer sent to option holders	Monday, 7 December 20
3.	Ex-date	Wednesday, 9 December 20
4.	Record Date	Thursday, 10 December 20
5.	Entitlement Offer Opening Date	Tuesday, 15 December 20

	Event	Date – 2020/21
6.	Entitlement Offer Closing Date	Thursday, 14 January 21
7.	New Shares quoted on a deferred settlement basis	Friday, 15 January 21
8.	Allotment and issue of New Shares	Thursday, 21 January 21

The above table is indicative only and all dates may be subject to change.

Subject to the ASX Listing Rules the Company's directors reserve the right to extend the Closing Date for the Entitlement Offer at their discretion. Should this occur, the extension would have a consequential effect on the anticipated date of issue of the New Shares.

The Entitlement Offer is being made without a prospectus pursuant to section 708AA of the *Corporations Act 2001* (Cth). The Offer Document will be lodged with the ASX on 7 December 2020. The Offer Document, which includes a personalised application form, will be sent to Eligible Shareholders on 15 December 2020. Eligible Shareholders should consider the Offer Document carefully before deciding whether to participate in the Entitlement Offer.

If you have any questions, you should seek advice from your stockbroker, accountant or other independent and appropriately licenced professional adviser. For further information about the Entitlement Offer you can call the Company on +61 3 9697 9090 at any time between 8:30am and 5:00pm (AEDT), Monday to Friday.

As the office may be unattended during the Christmas/new year holiday period if your call is unanswered please leave a message, including your contact number, and the Company will return your call as soon as possible.

This announcement has been authorised for release by the Board.

Kevin Malaxos
Managing Director

About Alliance

Alliance Resources Ltd is an Australian gold and base metals exploration company with 100% owned projects in South Australia and Western Australia.

The Company's flagship project is the Wilcherry Project, located within the southern part of the Gawler Craton, approximately 45 km north of the township of Kimba, South Australia.

The revised Mineral Resource estimate for the Weednanna Gold Deposit, part of the Wilcherry Project, is 1.106 Mt grading 4.3 g/t gold for 152,000 oz gold (classified 71% Measured and Indicated and 29% Inferred). The maiden iron resource estimate for the Weednanna Iron deposit is 1.15 Mt grading 59.4% Fe of Direct shipping quality iron ore. Refer to ASX announcement dated 9 November 2020 and 19 November 2020 for details concerning the Mineral Resource and the Competent Persons consent. Alliance is not aware of any

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new information or data that materially affects the information included in the above-mentioned announcement. All material assumptions and technical parameters underpinning the above-mentioned Mineral Resource estimate continue to apply and have not materially changed.

An independent scoping study is positive and supports a new, 250 ktpa gold plant at Weednanna. Total indicative capital cost is approximately \$44 million, including an open pit pre-strip of approximately \$8 million. Refer to ASX announcement dated 18 April 2019 for details concerning the scoping study including the above-mentioned financial information. All material assumptions underpinning the above-mentioned financial information continue to apply and have not materially changed.

There is potential to increase the size of both the gold and iron Mineral Resource with further drilling.

Alliance also owns an 80 person camp located on leased land in the township of Kimba and which will be utilised during construction.