



2 February 2022

Dear Option holder

**Alliance Resources Limited (ASX:AGS) - Non-renounceable rights issue to raise up to approximately \$3.38 million**

On 2 February 2022, Alliance Resources Limited ACN 063 293 336 (ASX:AGS) (**Company**) announced that it would be offering shareholders the opportunity to participate in a non-renounceable pro-rata entitlement offer to raise up to approximately \$3.38 million (before costs) (**Entitlement Offer**), on the basis of one fully paid ordinary share in the capital of the Company (**New Share**) for every eight fully paid ordinary shares held at 7.00pm (AEDT) on the record date of 7 February 2022 (**Record Date**), at an issue price of \$0.13 per New Share.

The Entitlement Offer includes a shortfall facility under which Eligible Shareholders that have taken up their full entitlement under the Entitlement Offer can apply to take up additional New Shares in excess of their pro rata entitlement (up to a cap of 50% of their entitlement). Applications under the shortfall facility will only be considered to the extent there is a shortfall under the Entitlement Offer.

Only shareholders with a registered address in Australia and New Zealand will be eligible to participate in the Entitlement Offer (**Eligible Shareholders**).

Assuming no options are exercised before the Record Date, up to approximately 26 million New Shares will be issued under the Entitlement Offer. If all of the 9.1 million existing options are exercised before the Record Date, up to approximately 27.1 million New Shares will be issued under the Entitlement Offer.

As a non-renounceable offer, rights are not tradeable on the ASX or otherwise transferable. New Shares will rank equally with the Company's existing shares.

The Entitlement Offer will be made by way of an offer document pursuant to section 708AA of the *Corporations Act 2001* (Cth) meaning that no prospectus needs to be prepared (**Offer Document**). The Offer Document will be available on the Company's website at <http://www.allianceresources.com.au> and on the ASX website at [www.asx.com.au](http://www.asx.com.au) on 2 February 2022.

There is no obligation for you to exercise your options. This letter is intended to inform you of your rights in relation to your options and the Entitlement Offer. If you do not wish to participate in the Entitlement Offer, you do not need to take any action.

**Purpose of Entitlement Offer**

Successful completion of the Entitlement Offer will raise up to approximately \$3.38 million (before costs). Funds raised through the Entitlement Offer will be applied to exploration drilling, feasibility study work, offer costs and working capital.



### Indicative Timetable

The timetable for the Entitlement Offer is as follows:

	<b>Event</b>	<b>Date – 2022</b>
1.	Notice of Entitlement Offer sent to option-holders	Wednesday, 2 February
2.	Lodgment of Offer Document with ASX	Wednesday, 2 February
3.	Ex Date	Friday, 4 February
4.	Record Date	Monday, 7 February
5.	Offer Document and entitlement and acceptance form dispatched to Eligible Shareholders	Thursday, 10 February
6.	Entitlement Offer Opening Date	Thursday, 10 February
7.	Entitlement Offer Closing Date	Friday, 25 February
8.	New Shares quoted on a deferred settlement basis	Monday, 28 February
9.	Allotment and issue of New Shares	Friday, 4 March

The above timetable is indicative only and all dates may be subject to change. The Company's directors reserve the right to extend the Closing Date for the Entitlement Offer at their discretion.

### Capital structure

The share capital structure of the Company on completion of the Entitlement Offer will be as follows:

	<b>Where fully subscribed</b>
Shares currently on issue	208,017,134
Shares issued under the Entitlement Offer (approximate)	26,002,142
Total Shares on completion of the Entitlement Offer (approximate)	<b>234,019,276</b>



### **Offer Document**

Details of the Entitlement Offer will be contained in the Offer Document. Eligible Shareholders should consider the Offer Document carefully before deciding whether to participate in the Entitlement Offer and consult with their professional advisors if they have any queries.

### **Option holders**

The purpose of this letter is to give you notice, as an option holder of the Company, that if you wish to participate in the Entitlement Offer in relation to the shares underlying your options, you must exercise your options before the Record Date.

Notice of exercise of your options and payment of the exercise price of the options must be received by the Company on or before 4 February 2022. Any notice of exercise of options received after this date cannot be assured of the allotment of shares by the Record Date. If you require an option exercise form, please contact the Company Secretary, Robert Tolliday, on +61 3 9697 9090.

Yours faithfully

Kevin Malaxos  
Managing Director  
Alliance Resources Limited