

5 April 2022

ALLIANCE RESOURCES LTD

ASX: AGS

ABN: 38 063 293 336

Market Cap: \$42.12M @ \$0.18

Shares on issue: 234,019,703

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AUSTRALIA
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Email:

info@allianceresources.com.au

Web:

www.allianceresources.com.au

Projects:

Wilcherry, SA (100%): gold,
iron, base metals, graphite

Nepean, WA (100%):
gold-nickel

Kalgoorlie Sth, WA (100%):
gold-nickel

Share Registry:

Computershare Investor
Services
GPO Box 2975
Melbourne Victoria 3001
AUSTRALIA
Tel: 1300 850 505
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Response to Bidder's Statement

Alliance Resources Ltd (Alliance) acknowledges receipt of the Bidder's Statement from Gandel Metals Pty Ltd dated 4 April 2022 (yesterday) expressing an offer to acquire all of the fully paid ordinary shares in Alliance that it does not currently control in an off-market take-over bid.

There is no need for shareholders to take any action at this point in time.

As announced on 22 February 2022, AGS has established a takeovers response committee (**Committee**) to consider the Bidders Statement received from Gandel Metals Pty Ltd and will be commissioning an independent expert's report to advise whether the offer is fair and reasonable. That report will be released to shareholders and the market once completed and reviewed by the Directors, together with a Target's Statement and the non-conflicted directors' recommendations.

Shareholders are encouraged to wait for that information to be released, so they are able to make a fully informed assessment of the merits of the offer before making a decision on what action to take.

Alliance is being advised by HWL Ebsworth Lawyers.

This announcement has been authorised for release by the Board Committee.

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 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 & Indicated and 29% Inferred). Refer to ASX announcement dated 9 November 2020 for details concerning the Mineral Resource and the Competent Persons consent. The maiden iron resource for the Weednanna project was announced on 19 November 2020 and totals 1.15 Mt grading 59.4% Fe (classified as 65% Measured & Indicated and 35% Inferred). Refer to ASX announcement dated 19 November 2020 for details concerning the Mineral Resource and the Competent Persons consent. There is potential to increase the size of these Mineral Resources with further drilling.

Alliance is not aware of any new information or data that materially affects the information included in the above-mentioned announcements. All material assumptions and technical parameters underpinning the above-mentioned Mineral Resource estimates continue to apply and have not materially changed.

An independent scoping study reported a positive outcome and supports a new, 250,000 tpa gold processing plant at Weednanna. Total indicative capital cost is approximately \$44 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.

Detailed Engineering design and Mine design studies have commenced to produce Detailed Feasibility Study (DFS) level designs and cost estimates for the gold processing plant and proposed open pit and underground mining operations.

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