



14 April 2022

The Manager

Market Announcements Office

ASX Limited

Takeover bid for Alliance Resources Limited (ASX: AGS)

Supplementary Bidder's Statement

Under subsection 647(3) of the Corporations Act 2001 (Cth), we enclose for release a copy of a Gandel Metals Pty Ltd (**Gandel Metals**) supplementary bidder's statement (**Supplementary Bidder's Statement**) in relation to its off-market takeover bid for all of the fully paid ordinary shares in Alliance Resources Limited (ASX: AGS) (**Alliance**).

A copy of the Supplementary Bidder's Statement was lodged with the Australian Securities and Investments Commission (**ASIC**) and served on Alliance earlier today.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ian Gandel'. The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Ian Gandel

Director, Gandel Metals Pty Ltd

Encl.

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ABN 69 493 120 953

Supplementary Bidder's Statement

in relation to the offer to acquire all the ordinary shares in

Alliance Resources Limited (Alliance)

(ACN 063 293 336)

BY

Gandel Metals Pty Ltd (Gandel Metals)

(ACN 102 347 955)

If you have any queries about the Offer, you may call Bob Tolliday (CFO) on (03) 9697 9000 between 9:00am and 5:00pm (AEST) Monday to Friday.

Supplementary Bidder's Statement

This is a supplementary bidder's statement (**Supplementary Bidder's Statement**) prepared by Gandel Metals Pty Ltd ACN 102 347 955 (**Gandel Metals**). This Supplementary Bidder's Statement is dated 14 April 2022 and supplements the bidder's statement (**Bidder's Statement**) of Gandel Metals dated 4 April 2022.

Terms and abbreviations defined in the Bidder's Statement have the same meaning in this Supplementary Bidder's Statement.

Neither ASIC nor ASX takes any responsibility for the content of this Supplementary Bidder's Statement. A copy of this Supplementary Bidder's Statement was lodged with ASIC on 14 April 2022 and sent to Alliance and to ASX on that same date.

This Supplementary Bidder's Statement is an important document and should be read together with the Bidder's Statement. If you are in any doubt as to how to deal with it, you should consult your professional advisors without delay.

Reasons for the Supplementary Bidder's Statement

This Supplementary Bidder's Statement has been prepared in order to:

- (a) clarify the summary of the settlement terms; and
- (b) make additional disclosures in relation to:
 - (i) risks associated with continuing to hold your Alliance Shares;
 - (ii) the resource estimates of Alliance; and
 - (iii) Gandel Metals' funding of the Offer consideration.

Other than as set below, all details in the Bidder's Statement and Offer remain unchanged.

Corrections and additional disclosures

1. In the "**Settlement Terms**" part of the "Summary of the Offer", replace the text with the following:

Settlement terms	If you accept the Offer, you will be paid the Offer Consideration on or before the earlier of: <ul style="list-style-type: none">(a) the day one month after the date you validly accept the Offer or, if the Offer is subject to a Condition when accepted, one month after the contract resulting from your acceptance becomes unconditional; and(b) the day that is 21 days after the end of the Offer Period, provided that the Offer has become unconditional.
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2. In the section "**2. There are risks associated with continuing to hold Alliance shares**", replace paragraph (b) with the following text:

(b) There is no competing Offer

As at the date of this Bidder's Statement, the Offer is the only available offer for all Alliance Shares. The absence of a competing offer is considered to be a risk associated with continuing to hold Alliance Shares because Gandel Metals and its Associates currently controls Alliance Resources and absent a competing

offer, the share price of Alliance Shares may return to its pre-bid market price levels and thinly trading volumes.

3. In Section 3.2 “**Overview of Alliance and its principal business activities**”, insert the following text at the end of the section:

The mineral resource estimates and comments about the Scoping Study in this section are based on:

- (a) the “Maiden iron resource confirms DSO iron ore potential of Weednanna gold-iron Deposit” announcement of Alliance dated 19 November 2020, in relation to which the Competent Persons were Mr Stuart Hutchin and Mr Anthony Gray;
- (b) the “Revised gold resource for Weednanna gold-iron Deposit” announcement of Alliance dated 9 November 2020, in relation to which the Competent Persons were Mr Stuart Hutchin and Mr Anthony Gray; and
- (c) the “Alliance confirms positive & robust Scoping Study at Weednanna Gold Project, South Australia” announcement of Alliance dated 18 April 2019, in relation to which the Competent Persons were Mr Stuart Hutchin and Mr Anthony Gray.

These announcements can be accessed on ASX’s markets announcements platform.

Gandel Metals confirms that, to the best of its knowledge:

- (a) it is not aware of any new information or data that materially affects the information in these announcements;
- (b) all material assumptions and technical parameters underpinning the estimates in the announcements continue to apply and have not materially changed;
- (c) all material assumptions underpinning the financial information in the scoping study announcement continue to apply and have not materially changed; and
- (d) the form and context in which the Competent Persons’ findings are presented have not been materially modified.

4. In Section 5.2 “**Gandel Metals funding**”, insert the following text at the end of the section:

As at the date of this Bidder’s Statement:

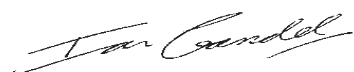
- (a) Gandel Metals has approximately \$50,000 in cash and \$7.4 million in debt facilities available for draw down from an Authorised Deposit-taking Institution;
- (b) Abbotsleigh as trustee for the I Gandel Share Investment Trust has a significant liquid asset position, and holds liquid assets exceeding \$340 million in value; and
- (c) the funding arrangements referred to in the above paragraph between Gandel Metals and Ian Gandel and Abbotsleigh as trustee for the I Gandel Share Investment Trust are documented in a short form loan agreement that is not subject to any conditions precedent.

Approval of Supplementary Bidder’s Statement

This Supplementary Bidder’s Statement has been approved by Ian Gandel, the sole Director of Gandel Metals.

Dated 14 April 2022

Signed for and on behalf of Gandel Metals Pty Ltd



Ian Gandel