

4 May 2022

The Manager  
ASX Market Announcements, ASX Limited  
20 Bridge Street, Sydney NSW 2000

Dear Sir / Madam

**Alliance Resources Limited (ASX: AGS) – release of Target's Statement responding to the offer**

We attach, as required by item 14 of section 633(1) of the *Corporations Act 2001* (Cth), a copy of the target's statement (**Target's Statement**) of Alliance Resources Limited (ABN 38 063 293 336) (**Alliance**) in response to the off-market takeover bid by Gandel Metals Pty Ltd (ACN 102 347 955) (**Gandel Metals**) announced on 4 April 2022, for all the ordinary shares in Alliance.

Due to the coronavirus pandemic and related issues, ASIC has granted Alliance relief from the usual requirement under the *Corporations Act 2001* (Cth) to send the Target's Statement to Alliance shareholders by post. The fact that ASIC has granted the relief in connection with the offer should not be taken as a reflection of ASIC's views on any other aspect of the bid.

The Target's Statement has been sent to Gandel Metals and lodged with the Australian Securities and Investments Commission today.

The Target's Statement will today be sent to Alliance shareholders by the following means:

1. Alliance shareholders who have nominated an email address to receive communications from Alliance will receive an email to their nominated email address with a link to an electronic copy of the Target's Statement; and
2. Alliance shareholders who have not nominated an email address to receive communications from Alliance will receive a letter from Alliance to their registered postal address, which will contain details of a link to an electronic copy of the Target's Statement.

The Target's Statement is also available on the Alliance website for anyone wanting to download an electronic copy.

Alliance shareholders may also request a hard copy of the Target's Statement be sent to them (if in Australia, by pre-paid ordinary post or by courier, or, if outside Australia, by pre-paid airmail post or by courier) by contacting the Alliance information line on 03 9697 9090 (within Australia) or +613 9697 9090 (outside Australia) between 9:00am and 5:00pm (AEST) Monday to Friday, excluding public holidays.

For further information on the Company please visit the Company's website at [www.allianceresources.com.au](http://www.allianceresources.com.au)

Authorised for issue by:

**Kevin Malaxos**

**Managing Director**

T: +61 3 9697 9090; E: [info@allianceresources.com.au](mailto:info@allianceresources.com.au)

Alliance Resources Limited  
ABN 38 063 293 336



ABN 38 063 293 336

# TARGET'S STATEMENT

in response to the off-market takeover bid made by  
Gandel Metals Pty Ltd  
to acquire all of your shares in Alliance Resources Limited

The Offer is **\$0.18** cash  
for every Alliance Share you hold.

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to its contents, you should promptly consult your legal, financial or other professional adviser immediately.



Legal advisor to Alliance Resources Limited

# IMPORTANT INFORMATION

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## Target's Statement

This Target's Statement is dated 4 May 2022 and given by Alliance Resources Limited ACN 063 293 336 (ASX code: AGS) (**Alliance**) under the provisions of Part 6.5 Division 3 of the Corporations Act 2001 (as modified by ASIC) in response to the Offer made by Gandel Metals Pty Ltd ACN 102 347 955 (**Gandel Metals**) under its off-market takeover bid contained in its Bidder's Statement dated 4 April 2022 and Supplementary Bidder's Statement dated 14 April 2022.

## ASIC and ASX disclaimer

A copy of this Target's Statement was lodged with ASIC and given to ASX on 4 May 2022.

None of ASIC, ASX or any of their respective officers takes any responsibility for the contents of this Target's Statement.

## Investment decision

The information contained in this Target's Statement does not constitute financial product advice. This Target's Statement does not take into account the individual investment objectives, financial situation or any particular needs of any Alliance Shareholder or any other person. Alliance encourages you to seek independent legal, financial and taxation advice before deciding whether or not to accept or reject the Offer.

## Forward looking statements

Some of the statements appearing in this Target's Statement are in the nature of forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events.

You should be aware that such statements are not statements of fact and there can be no certainty of outcome in relation to matters to which the statements relate. Forward looking statements and statements in the nature of forward looking statements are only predictions and are subject to inherent risks and uncertainties before actual outcomes are achieved. Those risks and uncertainties are not all within the control of Alliance and cannot be predicted with assured accuracy by Alliance and could cause actual values or results, performance or achievements to differ materially from implied values or anticipated results, performance or achievements expressed or implied in those forward looking statements. These risks, variables and factors include matters specific to the industry in which Alliance operates, as well as general economic and financial market conditions, forces of nature and legislative, fiscal or regulatory developments.

Although Alliance believes that the expectations reflected in any forward looking statements included in this Target's Statement are reasonable, no assurance can be given that such expectations will prove to be correct.

None of Alliance, any of its officers, or any person named in this Target's Statement with his or her consent or anyone involved in the preparation of this Target's Statement makes any representation or warranty (expressed or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any outcomes expressed or implied in any forward looking statement and any statement in the nature of a forward looking statement, except as required by law.

You are cautioned not to place undue reliance on any forward looking statement or any statement in the nature of a forward looking statement having regard to the fact that the outcome may not be achieved. The forward looking statements and statements in the nature of forward looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement.

## **Privacy Statement**

Personal information relating to your Alliance Shares may be collected by Gandel Metals in accordance with its rights under the Corporations Act. Furthermore, Gandel Metals may share this information with its advisers and service providers where necessary for the purposes of the Offer. Generally, you have a right to access the personal information which Gandel Metals and its agents may hold about you.

## **Notice to non-Australian Alliance Shareholders**

The distribution of this Target's Statement may, in some countries, be restricted by law or regulation of those countries. Accordingly, persons who come into possession of this Target's Statement should inform themselves of, and observe, those restrictions.

## **Enquiries**

If you are in any doubt as to how to deal with any of the matters raised in this Target's Statement, you should immediately consult with your broker or your legal, financial or other professional adviser.

Should you have any questions about this Target's Statement, please call Alliance on 03 9697 9090 from within Australia or +613 9697 9090 from outside Australia between 9am and 5pm AEST Monday to Friday.

## **Defined terms**

Defined terms used in this Target's Statement are capitalised. Definitions of these terms are set out in the Glossary in section 8.1.

## **Rounding**

Figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Target's Statement may be subject to the effect of rounding. Accordingly, the actual calculation of these figures, amounts, percentages, prices, estimates, calculations of value or fractions may differ from the figures set out in this Target's Statement.

## **Disclaimers as to information in respect of Gandel Metals**

The information in respect of Gandel Metals in this Target's Statement has been prepared by Alliance using publicly available information (including that contained in the Bidder's Statement and Supplementary Bidder's Statement). The information in this Target's Statement concerning Gandel Metals has not been independently verified by Alliance. Accordingly, subject to the Corporations Act, none of Alliance, Alliance's officers and employees, any person named in this Target's Statement with his or her consent nor any person involved in the preparation of this Target's Statement makes any representation or warranty, express or implied, as to the accuracy or completeness of such information and none of them takes any responsibility for that information.



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## KEY DATES

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Announcement of Offer	4 April 2022
Date of Bidder's Statement	4 April 2022
Date of Supplementary Bidder's Statement	14 April 2022
Offer Period commences	20 April 2022
Date of Target's Statement	4 May 2022
Close of Offer Period (unless withdrawn or extended)	7pm (AEST) on 6 June 2022

## ALLIANCE CORPORATE DIRECTORY

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### Directors

Kevin Malaxos  
Anthony Lethlean  
Ian Gandel

### Principal Place of Business

Suite 3  
51-55 City Road  
Southbank VIC 3006  
Telephone: 03 9697 9090

### Company Secretary

Bob Tolliday

### Website

[www.allianceresources.com.au](http://www.allianceresources.com.au)

### Legal adviser

HWL Ebsworth Lawyers  
Level 8  
447 Collins Street  
Melbourne VIC 3000

## MANAGING DIRECTOR'S LETTER

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Dear Alliance Shareholder,

On 22 February 2022, Gandel Metals Pty Ltd (**Gandel Metals**) announced its intention to make an off-market takeover bid to acquire all the issued shares of Alliance. On 4 April 2022, Gandel Metals issued its Bidder's Statement and Offer document (**Offer**) relating to this off-market takeover bid. The terms and conditions of the Offer are set out in the Bidder's Statement and Supplementary Bidder's Statement which you should have recently received from Gandel Metals.

Under the Offer, Gandel Metals is offering Alliance Shareholders \$0.18 cash for every Alliance Share held.

In order to consider the Offer in detail and comply with the requirements under the Corporations Act, the Independent Directors engaged PKF Melbourne Corporate Pty Ltd to prepare an Independent Expert's Report. A copy of the Independent Expert's Report accompanies this Target's Statement in Annexure A and the Independent Directors encourage Shareholders to consider its contents carefully.

The Independent Expert has concluded that the Offer is **fair and reasonable**.

**Your Independent Directors both recommend that in the absence of a superior proposal you ACCEPT the Offer for all of your Alliance Shares.**

Your Independent Directors have made this recommendation in light of the independent valuation of Alliance Shares and the disadvantage of holding relatively illiquid shares in a company with a dominant or controlling shareholder. The Independent Directors do, however, make some observations in Section 1 which may be relevant to any shareholders who have an atypical risk appetite or a long investment horizon.

You are encouraged to read this Target's Statement in full as it sets out your Independent Directors' formal response to the Bidder's Statement and Supplementary Bidder's Statement, their recommendation and other important information to enable you to consider the Offer having regard to your personal circumstances.

We also encourage you to seek your own independent financial, legal and taxation advice prior to deciding whether to accept the Offer.

If you have any questions regarding this Target's Statement please contact Alliance on +613 9697 9090.

Yours faithfully



**Kevin Malaxos**  
Managing Director

## **1. Independent Directors' recommendation and reasons**

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**Your Directors both recommend that in the absence of a superior proposal you ACCEPT the Offer for all of your Alliance Shares.**

The Independent Directors recommended that you accept the Offer in light of the independent valuation of Alliance Shares and the disadvantages of holding relatively illiquid shares in a company with a dominant or controlling shareholder.

The Independent Directors do, however, make the following observations which may be relevant to any shareholders who have an atypical risk appetite or a long investment horizon.

### **Net present value of Alliance Shares**

The Independent Expert has valued an Alliance Share at between \$0.048 and \$0.063. The Offer price is \$0.18. In the absence of a superior proposal, the Independent Directors recommend the offer should be accepted by shareholders who wish to realise a premium to the pre-Offer market price.

### **Liquidity**

Alliance Shares are thinly traded on the ASX and may become even more so if Gandel Metals increases its holding to a greater controlling position. The Independent Directors are concerned that small shareholders take the opportunity to avoid being minority shareholders in a company with a dominant or controlling shareholder, possibly even one that is delisted from the ASX.

### **Uncertain future**

The Independent Directors are confident that there is significant exploration upside potential at the Weednanna gold and iron deposit, but it requires Alliance to raise further capital. In addition, significant capital will be required by Alliance should the decision be made to develop the Weednanna gold and iron project. Current valuation methodologies, including those used for ASX reporting, mean that the upside value is not sufficiently certain for quantification. Therefore, any potential future upside value will not be available to any shareholders who accept the Offer, but equally those shareholders accepting the Offer would not be subject to a request to contribute further capital or face dilution.

Exploration undertaken by Alliance on the Weednanna project and announced on the ASX during the past 3 years has not grown the resource tonnage or contained gold. Exploration results have increased confidence in the published gold resource and ore shoots that contribute to the global resource but failed to increase the global gold resource tonnes and grade. Therefore, there is no guarantee that future exploration will increase the Weednanna total resource.

### **Disadvantages of the Offer**

For completeness, the following may be disadvantages of the Offer for some or all of the Alliance Shareholders, regardless of the merits of the Offer. Each shareholder needs to weigh up the extent to which each of the following is relevant to their overall assessment of the net benefit or detriment in their circumstances. Each possible disadvantage does not necessarily imply or suggest a particular course of action for a shareholder:

- At the time of acceptance, you may not know if Gandel Metals will acquire control of Alliance.
- You may lose your ability to deal in your Alliance Shares after you accept the Offer.
- You will have a delay in realising the value of your investment if you do not accept but compulsory acquisition occurs.

Any Alliance Shareholder considering retaining their Alliance Shares should also be aware that Gandel Metals has stated that its present intention is that, if it becomes entitled to do so under the Corporations Act, it will proceed with the compulsory acquisition of any outstanding Alliance Shares and seek to delist Alliance from the ASX.

In considering whether to accept or reject the Offer, the Independent Directors encourage you to:

- read the whole of this Target's Statement, the Bidder's Statement and Supplementary Bidder's Statement;
- assess the risks of holding shares in a company controlled by a majority shareholder, with a potentially illiquid market for its shares and reduced potential for price appreciation due to an illiquid market;
- have regard to your individual risk-reward profile, portfolio strategy, tax position and financial circumstances; and
- obtain financial advice from your broker or financial adviser regarding the Offer and obtain taxation advice on the effects of accepting the Offer.

## 2. Frequently Asked Questions

This section answers some frequently asked questions about the Offer. It is not intended to address all issues relevant to Alliance Shareholders. This section should be read together with all other parts of this Target's Statement.

Question	Answer
<b>Who is the Bidder?</b>	Gandel Metals Pty Ltd ACN 102 347 955. Please refer to section 5 for further information on Gandel Metals.
<b>Who is the target?</b>	Alliance Resources Limited, ACN 063 293 336. Please refer to section 4 for further information on Alliance.
<b>What is the Offer?</b>	Gandel Metals Pty Ltd ( <b>Gandel Metals</b> ) is making an offer under an off-market takeover bid to acquire all of your Alliance Shares on the terms and conditions summarised in the Bidder's Statement on pages iii and iv and are detailed in section 9.
<b>What is Gandel Metals offering for my Alliance Shares?</b>	Gandel Metals is offering \$0.18 cash for every Alliance Share ( <b>Offer Price</b> ).
<b>Can Gandel Metals increase the Offer Price?</b>	Yes.
<b>What choices do I have as an Alliance Shareholder?</b>	<p>As an Alliance Shareholder, you can:</p> <ul style="list-style-type: none"> <li>(a) accept the Offer for all of the Alliance Shares you hold;</li> <li>(b) sell your Alliance Shares (unless you have previously accepted the Offer for those Alliance Shares); or</li> <li>(c) reject the Offer by doing nothing.</li> </ul> <p>A detailed explanation as to the choices available to Alliance Shareholders in regard to the Offer is set out in section 3.</p>
<b>What do the Independent Directors recommend?</b>	<p>Your Independent Directors both recommend that you <b>ACCEPT</b> the Offer in the absence of a superior proposal.</p> <p>The reasons for your Independent Directors' recommendation and some accompanying comments are set out in section 1. Please refer to section 7 for additional information.</p> <p>The Independent Directors can change their recommendation if, in their judgment, there is a material change in the net benefits of the takeover bid proceeding.</p> <p>If the Independent Directors become aware of:</p> <ul style="list-style-type: none"> <li>(a) a misleading or deceptive statement in the Target's Statement; or</li> </ul>

Question	Answer
	<p>(b) an omission from the Target's Statement of information required by section 638 of the Corporations Act; or</p> <p>(c) a new circumstance has arisen since the Target's Statement was lodged and would have been required by section 638 of the Corporations Act to be included if it had arisen before the Target's Statement was lodged;</p> <p>that is material from the point of view of a holder of Alliance Shares, a supplementary Target's Statement will be prepared to remedy this defect.</p>
<p><b>What do the Independent Directors intend to do with their Alliance Shares?</b></p>	<p>As at the date of this Target's Statement, neither of the Independent Directors of Alliance currently holds Alliance Shares.</p>
<p><b>What is the Independent Expert's opinion?</b></p>	<p>The Independent Expert deems the Offer is fair and reasonable.</p>
<p><b>What is this Target's Statement?</b></p>	<p>This document is the Target's Statement and is Alliance's formal response to the Offer. It includes the recommendation of the Independent Directors and the opinion of an Independent Expert in relation to the Offer.</p>
<p><b>What is the Bidder's Statement?</b></p>	<p>The Bidder's Statement is the document prepared by Gandel Metals containing, among other things, the terms of the Offer. The Bidder's Statement is supplemented by the Supplementary Bidder's Statement.</p>
<p><b>How do I reject the Offer?</b></p>	<p>To reject the Offer you should do nothing.</p> <p>If you decide to do nothing, you should be aware of the rights of Gandel Metals to compulsorily acquire your Alliance Shares in certain circumstances. See section 6.5 for more information on compulsory acquisition.</p>
<p><b>How do I accept the Offer?</b></p>	<p>Details are set out in section 9.4 of the Bidder's Statement.</p>
<p><b>What happens if I do nothing and therefore do not accept the Offer</b></p>	<p>If you do not accept the Offer, you will remain the holder of your Alliance Shares.</p> <p>However, if Gandel Metals acquires a Relevant Interest in at least 90% of all Alliance Shares and the conditions to the Offer are satisfied or waived before the end of the Offer Period, Gandel Metals currently intends to compulsorily acquire all Alliance Shares which it does not hold at that time.</p> <p>If compulsory acquisition occurs, you will be paid the Offer Price at the conclusion of the compulsory acquisition process. Please be aware that, in such circumstances, you will receive the Offer Price later than if you had accepted</p>

Question	Answer
	the Offer prior to the end of the Offer Period.
<b>If I accept the Offer now, can I withdraw my acceptance?</b>	<p>No. Under the terms of the Offer, you cannot withdraw your acceptance (but see section 6.4).</p> <p>Further, if you accept the Offer now, you will not be able to sell your Alliance Shares on ASX or to any other bidder that may make a takeover bid (the Alliance Independent Directors are not aware of any other possible takeover bid) or deal with your Alliance Shares in any other manner while the Offer remains open.</p>
<b>If I accept the Offer, when will I receive the Offer Price?</b>	<p>If you validly accept the Offer and provide all necessary documents at the time of that acceptance and the Offer becomes unconditional, then you will be paid the Offer Price on or before the earlier of:</p> <ul style="list-style-type: none"> <li>• within one month after the later of the Offer becoming unconditional and receipt by Gandel Metals of your valid Acceptance Form; and</li> <li>• 21 days after the end of the Offer Period.</li> </ul> <p>Please see section 9.6 of the Bidder's Statement for more information.</p>
<b>When do I have to decide what to do?</b>	<p>If you wish to accept the Offer, you need to do so before the Closing Date, which is currently 7:00pm AEST on 6 June 2022, unless extended (see section 6.2).</p>
<b>What are the tax implications of acceptance?</b>	<p>You should consult a financial, tax or other professional adviser on the tax implications of acceptance. Some general comments are offered in section 6 of the Bidder's Statement.</p>
<b>Do I pay brokerage fees or stamp duty if I accept?</b>	<p>You will not pay any brokerage fees or stamp duty on the disposal of your Alliance Shares if you accept the Offer. Please see section 1.14 of the Bidder's Statement for more information.</p>
<b>Can the Bidder extend the Offer Period?</b>	<p>Yes. Subject to the requirements of the Corporations Act, the Offer Period can be extended at Gandel Metals' election at any time before the end of the Offer Period. ASIC will be sent written notice of any extension and any extension will also be announced to ASX.</p>
<b>What happens if the Bidder increases the Offer Price?</b>	<p>In the absence of a competing proposal, Gandel Metals is unlikely to increase the Offer Price. However, if a competing proposal is made and Gandel Metals does increase the Offer Price, all Alliance Shareholders who accept the Offer (whether before or after the increase in Offer Price is announced) will be entitled to receive the increased Offer Price.</p>
<b>Are there any conditions to the</b>	<p>Yes. See section 6.3 of this Target's Statement for an overview and sections 1.7, 8.8, 8.9 and 9.7 of the Bidder's</p>



Question	Answer
<b>Offer?</b>	Statement where all the conditions to the Offer are listed.
<b>Can the Bidder withdraw the Offer?</b>	Gandel Metals may not withdraw the Offer without the written consent of ASIC.
<b>Can I be forced to sell my Alliance Shares?</b>	<p>You cannot be forced to sell your Alliance Shares unless Gandel Metals acquires a Relevant Interest in at least 90% of all Alliance Shares during, or at the end of, the Offer Period and proceeds to compulsorily acquire your Alliance Shares under the Corporations Act.</p> <p>If that happens, you will be paid the last price offered by Gandel Metals for Alliance Shares under the Offer before compulsory acquisition commences. However you will receive payment later than Alliance Shareholders who accepted the Offer.</p> <p>See section 6.5 for further details.</p>
<b>What if I require further information?</b>	Call Alliance on 03 9697 9090 from within Australia or +613 9697 9090 from outside Australia between 9am and 5pm AEST Monday to Friday.

### 3. Your choices as an Alliance Shareholder

#### 3.1 Alternatives for Alliance Shareholders

Alliance encourages you to consider your personal risk profile, investment strategy, tax position and financial circumstances before making any decision whether to reject or accept the Offer in respect of all your Alliance Shares.

As an Alliance Shareholder, you currently have three choices available to you.

What happens if:	Bidder becomes entitled to compulsorily acquire your Alliance Shares following the end of the Offer	Bidder does not become entitled to compulsorily acquire your Alliance Shares following the end of the Offer
<b>You reject the Offer by taking no action</b>	Gandel Metals will not be able to acquire your Alliance Shares unless Gandel Metals and its Associates hold at least 90% of the Alliance Shares at the end of the Offer Period. In this event, Gandel Metals will become entitled to compulsorily acquire those Alliance Shares that it does not already own (see section 6.5 for further information regarding compulsory acquisition).	You will continue to hold your Alliance Shares.  You also have the ability to sell those Alliance Shares.
<b>You accept the Offer</b>	You will receive cash in exchange for your Alliance Shares.	You will receive cash in exchange for your Alliance Shares.
<b>You sell your Alliance Shares</b>	You could receive a cash amount equivalent to the prevailing market value of your Alliance Shares, less any brokerage or other fees.  You cannot participate in the Offer and you will not receive any payment under the Offer.	You could receive a cash amount equivalent to the prevailing market value of your Alliance Shares, less any brokerage or other fees.  You cannot participate in the Offer and you will not receive any payment under the Offer.

### 3.2 **Timing of your decision**

If you decide to accept the Offer, you have a choice whether to lodge your Acceptance Form immediately or at some later time before the Closing Date. You will be unable to sell your Alliance Shares after lodging your Acceptance Form.

## 4. Information on Alliance

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### 4.1 Introduction and history

Alliance was listed on ASX on 19 October 1994. Alliance is an Australian gold and base metals exploration company with tenements in South Australia and Western Australia.

### 4.2 Capital structure of Alliance

As at the date of this Target's Statement, Alliance's capital structure comprises 234,019,703 fully paid ordinary Shares.

For details of Alliance's substantial shareholders as at the date of this Target's Statement, see section 7.2.

### 4.3 Financial information

A summary of the audited consolidated financial performance of Alliance for its financial years ended 30 June 2021 and 2020 and for the half year ended 31 December 2021 is as follows:

#### Financial Years ended 30 June 2021 and 2020 and Half Year ended 31 December 2021

\$	30 June 2020	30 June 2021	31 December 2021
Revenue from continuing activities	\$69,000	\$56,000	\$3,000
Expenses	\$1,820,000	\$1,433,000	\$760,000
Loss before income tax expense from continuing operations	\$1,751,000	\$1,377,000	\$757,000
Loss after income tax for the FY/HY attributable to the owners of Alliance	\$1,751,000	\$1,377,000	\$757,000

A summary of the consolidated financial statements of Alliance for its financial years ended 30 June 2021 and 2020 and for the half year ended 31 December 2021 is as follows:

\$	30 June 2020	30 June 2021	31 December 2021
Total current assets	\$1,720,000	\$3,421,000	\$1,206,000
Total non-current assets	\$13,738,000	\$16,025,000	\$17,890,000
Total assets	\$15,458,000	\$19,446,000	\$19,096,000
Total current liabilities	\$457,000	\$498,000	\$880,000
Total non-current liabilities	\$111,000	\$162,000	\$157,000
Total liabilities	\$568,000	\$660,000	\$1,037,000
Net Assets	\$14,890,000	\$18,786,000	\$18,059,000
Net Assets attributable to the owners of Alliance	\$14,890,000	\$18,786,000	\$18,059,000

Copies of the various reports and ASX announcements of Alliance (including the report for the half-year ended 31 December 2021) can be found on Alliance's website at [www.allianceresources.com.au](http://www.allianceresources.com.au). The reports also contain details of Alliance's accounting policies and the notes and assumptions that accompany the financial statements. If you would like to receive a copy of any of these documents, please contact Alliance on 03 9697 9090 from within Australia and +613 9697 9090 from outside Australia between 9.00am to 5.00pm (AEST) Monday to Friday.

#### 4.4 Alliance Directors

The Alliance Directors as at the date of this Target's Statement are listed below. Details of their Relevant Interests in Alliance Shares as at the date of this Target's Statement are set out in section 7.3.

- (a) Ian Gandel (also a director of the Bidder, NOT independent);
- (b) Kevin Malaxos (Managing Director and Independent Director (for the purposes of item 16 of Takeovers Panel Guidance Note 19 whereby Kevin is a director who is not a participating insider)); and
- (c) Anthony Lethlean (Independent Director).

As announced via the ASX portal on 22 February 2022, Alliance established an independent takeovers response committee (consisting of Kevin Malaxos and Anthony Lethlean) and commissioned an independent expert's report.

#### **4.5 Key management personnel**

The following people are key management personnel (excluding Alliance Directors) of the Alliance Group at the date of this Target's Statement:

- (a) Robert Tolliday (Company Secretary and employed by Gandel Metals, NOT independent).

#### **4.6 Effects of a change of control**

The Directors do not anticipate that Gandel Metals becoming a parent company will materially adversely affect Alliance's relationship with any current business partner or contractor.

### **5. Information about Gandel Metals**

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#### **5.1 Overview of Gandel Metals**

Gandel Metals acts as a private trustee company for a number of trusts associated with Ian Gandel and members of his family and holds securities in various public and private companies for investment purposes. The Alliance Shares acquired under the Offer will be held by Gandel Metals as trustee for a discretionary trust being the Gandel Mining Trust.

See section 2 of the Bidder's Statement for information about Gandel Metals, its activities and its financial affairs.

## **6. Summary of the Offer and other important issues**

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### **6.1 Summary of the Offer**

The following is a summary only of the key terms of the Offer. The complete terms of the Offer are set out in section 9 of the Bidder's Statement.

**The Offer is to acquire all of your Alliance Shares. You may only accept the Offer for all of the Alliance Shares that you hold. You cannot accept the Offer for only some of your Alliance Shares.**

The consideration under the Offer is \$0.18 cash for each Alliance Share.

The Offer is conditional (see section 6.3) and your acceptance will only result in the payment of cash to you if the Offer conditions are satisfied or if Gandel Metals agrees to waive the relevant Offer conditions.

### **6.2 Offer Period**

The Offer will be open until 7.00 pm AEST on 6 June 2022, unless extended in accordance with the Corporations Act.

If, within the last 7 days of the Offer Period, the Offer Price is varied to improve the Offer Price, the Offer Period will be extended automatically so that it ends 14 days after that event.

### **6.3 Conditions to the Offer**

The Offer, and any contract resulting from acceptance, is subject to following two conditions:

#### **90% Condition**

At or before the end of the Offer Period, Gandel Metals and its Associates have a Relevant Interest in at least 90% of the Alliance Shares on issue.

#### **No prescribed occurrences**

Between the period from the date on which the Bidder's Statement is given to Alliance and the end of the Offer Period (each inclusive), none of the following events occur:

- (a) Alliance converts all or any of its shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- (b) Alliance or a Subsidiary of Alliance resolves to reduce its share capital in any way;
- (c) Alliance or a Subsidiary of Alliance enters into a buy back agreement or resolves to approve the terms of a buy back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (d) Alliance or a Subsidiary of Alliance issues shares (other than Alliance Shares issued as a result of the exercise of Alliance options) or grants an option over its shares, or agrees to make such an issue or grant such an option in each case;
- (e) Alliance or a Subsidiary of Alliance issues, or agrees to issue, convertible notes;
- (f) Alliance or a Subsidiary of Alliance disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;

- (g) Alliance or a Subsidiary of Alliance grants, or agrees to grant, a Security Interest in the whole, or a substantial part, of its business or property;
- (h) Alliance or a Subsidiary of Alliance resolves to be wound up;
- (i) a liquidator or provisional liquidator of Alliance or of a Subsidiary of Alliance is appointed;
- (j) a court makes an order for the winding up of Alliance or of a Subsidiary of Alliance;
- (k) an administrator of Alliance or of a Subsidiary of Alliance is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) Alliance or a Subsidiary of Alliance executes a deed of company arrangement; or
- (m) a receiver, a receiver and manager, or other controller or similar official is appointed in relation to the whole, or a substantial part, of the property of Alliance or a Subsidiary of Alliance.

To the extent that the condition involves matters within the control of Alliance, Alliance will endeavour to ensure that such condition remains satisfied.

#### 6.4 **Effect of acceptance and rights of withdrawal**

Accepting the Offer would:

- (a) prevent you from accepting any higher takeover bid for your Alliance Shares that may be made by a third party or any alternative transaction proposal; and
- (b) prevent you from selling your Alliance Shares.

Under the terms of the Offer, you cannot withdraw your acceptance unless a withdrawal right arises under the Corporations Act. Such a withdrawal right will arise if, after you accept the Offer, Gandel Metals varies the Offer in a way that postpones for more than one month the time when Gandel Metals has to pay you under the Offer.

The effect of acceptance of the Offer is set out in more detail in sections 9.5 to 9.11 of the Bidder's Statement. You should read those provisions in full to understand the effect that acceptance will have on your ability to exercise the rights attaching to your Alliance Shares and the representations and warranties that you are deemed to give to Gandel Metals by accepting the Offer.

#### 6.5 **Compulsory acquisition**

Gandel Metals has stated in section 4.3 of the Bidder's Statement that it intends to compulsorily acquire all Alliance Shares under the Corporations Act if it becomes entitled to do so.

Gandel Metals will be entitled to compulsorily acquire all outstanding Alliance Shares at the Offer Price if, by the end of the Offer Period, it has acquired a Relevant Interest in at least 90% (in number) of Alliance Shares and has acquired at least 75% (in number) of Alliance Shares which Gandel Metals offered to acquire under the Offer.

Compulsory acquisition is commenced by lodging a compulsory acquisition notice with ASIC and sending the notice to ASX and all Alliance Shareholders who did not accept the Offer. Alliance Shareholders have statutory rights to challenge compulsory acquisition. However, if Gandel Metals establishes to the satisfaction of a court that the consideration being offered for the shares sought to be compulsorily acquired represents fair value, the court must approve the compulsory acquisition on those terms. Alliance



Shareholders should be aware that, if their Alliance Shares are compulsorily acquired, they are not likely to receive the Offer Price until at least one month after the compulsory acquisition notice is issued by Gandel Metals.

## 6.6 **Consequences of Gandel Metals not becoming entitled to proceed to compulsory acquisition of the Alliance Shares**

Gandel Metals has stated in section 4.4 of the Bidder's Statement that its intentions if Gandel Metals does not become entitled to proceed to compulsory acquisition of the Alliance Shares are that:

- (a) Alliance will continue to be controlled by Gandel Metals and its Associates;
- (b) Gandel Metals will still implement the accelerated mining program referred to in section 4.2 of the Bidder's Statement;
- (c) subject to the Corporations Act, Gandel Metals proposes to seek the appointment of a majority of Gandel Metals nominees to the board although it has not made any decision as to who would be nominated for appointment. Gandel Metals may also seek to add to, replace or reorganise the roles of a proportion of the members of the Alliance Board of directors to reflect the proportionate ownership interest of Gandel Metals and its Associates and other Alliance Shareholders;
- (d) Gandel Metals may seek to remove Alliance from the official list of ASX and seek listing on the NSX, or alternatively remove Alliance from the official list of the ASX to become an unlisted entity.

If Gandel Metals does not acquire the required level of greater than 75% of acceptances under the Offer to delist Alliance without shareholder approval, Gandel Metals may in the future find itself in a situation where it has accumulated Voting Power above 75% in Alliance due to transactions allowed under section 611 of the Corporations Act and at that time Gandel Metals may be in a position to pass a special resolution to approve the delisting of Alliance, or alternatively remove Alliance from the official list of ASX to become an unlisted entity;

- (e) Gandel Metals may, at some later time, acquire further Alliance Shares in a manner consistent with the Corporations Act;
- (f) if Gandel Metals becomes entitled at some later time to exercise general compulsory acquisition rights under Part 6A.2 of the Corporations Act, it may exercise those rights; and
- (g) Gandel Metals intends to undertake the activities referred to in section 4.5 of the Bidder's Statement to the extent permitted by its control of Alliance.

## 6.7 Risk factors if you do not accept the Offer

A number of specific risk factors that may impact the business strategies, future performance, share price and financial position of Alliance and its controlled entities are described below. It is not possible to identify every risk that could affect Alliance' business, and while Alliance implements risk mitigation measures to the extent possible, actions taken by Alliance to mitigate the risks described below cannot provide absolute assurance that a risk will not materialise.

Before you decide whether to accept the Offer, you should read this Target's Statement in its entirety and carefully consider the following risk factors. You should also have regard to your own investment objectives and financial circumstances.

### Specific risk factors relating to Alliance

These include, and may not be limited, the following:

- (a) **Exploration and production risks** – The future viability and profitability of Alliance as a gold and base metals exploration company will be dependent on a number of factors including, but not limited to, the following:
  - (i) regulatory approvals (such as environmental approvals, native title agreements, mining approvals and permits);
  - (ii) land owner negotiations;
  - (iii) commodity prices and exchange rates;
  - (iv) successful exploration and exploitation of mineral reserves;
  - (v) satisfactory performance of mining operations and competent management; and
  - (vi) the accuracy of assumptions made by Alliance and its advisors and consultants in the calculations and studies they have conducted.
- (b) **Environmental management risks** – The environmental management issues with which Alliance may be required to comply with from time to time and the potential risk that regulatory environmental requirements or circumstances could impact on the economic performance of Alliance's operations.
- (c) **Economic risks** – The general economic conditions in Australia and in the countries of Alliance's potential trading partners and in particular, inflation rates, interest rates, exchange rates, royalty rates, commodity supply and demand factors, freight and industrial disruptions.
- (d) **Dependence upon key personnel** – Alliance depends on the talent and experience of its key management and staff. It is essential that appropriately skilled persons, in sufficient numbers be available to support the Alliance business. The loss of any number of key personnel may adversely impact the performance of Alliance's operations.
- (e) **Taxation** – Changes in tax law or changes in the way tax laws are interpreted may impact the tax liabilities of the Alliance Group. The ability of the Alliance Group to obtain the benefit of existing tax losses and claim other beneficial tax attributes will depend on future circumstances and may be adversely affected by changes in ownership, business activities, levels of taxable income and any other conditions relating to the use of the tax losses.

- (f) **No competing Offer** - As at the date of the 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 control Alliance and in the absence of a competing offer, the share price of Alliance Shares may return to its pre-bid market price levels and thin trading volumes.

#### **Possible volatility of Alliance Share price if the Offer does not proceed**

While the Independent Directors are unable to predict the price at which Alliance Shares will trade in the future, the Independent Directors believe that the Share price may fall after the close of the Offer if Gandel Metals does not become entitled to compulsorily acquire all outstanding Alliance Shares and no other takeover offer is made for Alliance.

#### **General macroeconomic conditions**

The performance of businesses in the gold and base metals exploration industries is affected by macroeconomic conditions.

### **6.8 Tax Implications**

Section 6 of the Bidder's Statement sets out a general overview of the Australian tax implications of an Alliance Shareholder accepting the Offer. However, you should not rely on it as advice in respect of your own affairs. It does not deal with the position of all Alliance Shareholders.

You should seek your own independent financial and taxation advice, which takes into account your personal circumstances, before making a decision as to whether or not to accept the Offer for your Alliance Shares.

## 7. Additional Information

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### 7.1 Other material information

This Target's Statement is required to include all the information that Alliance Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept or not accept the Offer, but only:

- (a) to the extent to which it is reasonable for Alliance Shareholders and their professional advisers to expect to find this information in this Target's Statement; and
- (b) if the information is known to any Alliance Director.

The Independent Directors are of the opinion that the information that Alliance Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer is the information contained in:

- (a) the Bidder's Statement;
- (b) the Supplementary Bidder's Statement;
- (c) Alliance's statements to Alliance Shareholders prior to the date of this Target's Statement (which are available on its website [www.allianceresources.com.au](http://www.allianceresources.com.au)); and
- (d) this Target's Statement.

The Independent Directors have assumed, for the purposes of preparing this Target's Statement, that the information in the Bidder's Statement and Supplementary Bidder's Statement is accurate (unless they have expressly indicated otherwise in this Target's Statement). In deciding what information should be included in this Target's Statement, the Independent Directors have had regard to the:

- (a) nature of the Alliance Shares;
- (b) matters that Alliance Shareholders may reasonably be expected to know;
- (c) fact that certain matters may reasonably be expected to be known to Alliance Shareholders' professional advisers; and
- (d) the time available to Alliance to prepare this Target's Statement.

### 7.2 Substantial shareholders

Based on the substantial holding notices provided to Alliance as at the date immediately before the date of this Target's Statement, the substantial holders of Alliance Shares, the number of Alliance Shares in which they have a Relevant Interest and their Voting Power in Alliance are set out below:

Substantial holder	Number of Alliance Shares	%
Gandel Metals Pty Ltd / Abbotsleigh Pty Ltd / Ian Gandel *	194,330,736	83.04%

\* Gandel Metals is a subsidiary of, and therefore an Associate, of Abbotsleigh. Gandel Metals holds 100,978,331 shares and Abbotsleigh holds 67,934,451 shares. Furthermore, Gandel Metals has received acceptances from shareholders during the Offer period for 25,417,954 shares.

### 7.3 Alliance Directors' interests and dealings in Alliance Shares

As at the date of this Target's Statement, the number of Alliance Shares in which each of the Alliance Directors (or a related entity of a director) has a Relevant Interest is as follows:

Directors	Fully Paid Ordinary Shares	Options
Ian Gandel	194,330,736	NIL
Kevin Malaxos	NIL	7,000,000
Anthony Lethlean	NIL	NIL

During the four months ended on the date immediately before the date of this Target's Statement, the Alliance Directors have acquired or agreed to acquire, or disposed of or agreed to dispose of, a Relevant Interest in the following Alliance Shares:

Directors	Number of Alliance Shares	Acquired / Disposed	Date
Ian Gandel	25,417,954 shares	Agreed to acquire pursuant to acceptance of takeover offer received.	26 April 2022
	11,219,815 shares and 7,548,273 shares	Acquired. Shares issued pursuant to non-renounceable rights issue on 11 March 2022.	11 March 2022
Kevin Malaxos	N/A	N/A	N/A
Anthony Lethlean	N/A	N/A	N/A

### 7.4 Conditional agreements

There is no agreement made or arrangement between any Independent Director and any other person in connection with or conditional upon the outcome of the Offer.

### 7.5 Benefits to Alliance Directors

No benefit has been, or will be, given to a person in connection with the retirement of a person from a board or managerial office in Alliance or a Related Body Corporate of Alliance or who holds, or has held a board or managerial office in Alliance or a Related Body Corporate of Alliance, or a spouse, relative or Associate of such a person, in connection with the transfer of the whole or any part of the undertaking or property of Alliance.

## 7.6 Material litigation

Alliance is not party to any material litigation.

## 7.7 Consents and disclaimers

HWL Ebsworth Lawyers has given its consent to being named in this Target's Statement as legal adviser to Alliance and has not withdrawn that consent before the lodging of this Target's Statement with ASIC.

PKF Melbourne Corporate Pty Ltd has given its consent to the inclusion of the Independent Expert Report in the form and context in which it is included in this Target's Statement.

Each person named in this section 7.7 as having given its consent to the inclusion of a statement or being named in this Target's Statement:

- (a) does not make, or purport to make, any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based other than as specified in this section; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Target's Statement, other than a reference to its name and a statement included in the Target's Statement with the consent of that party as specified in this section; and
- (c) has not caused or authorised the issue of this Target's Statement.

As permitted by ASIC Class Order 13/521, this Target's Statement contains statements which are made, or based on statements made, in documents lodged by Gandel Metals with ASIC or given to ASX or announced on ASX by Gandel Metals. Under the Class Order, the consent of Gandel Metals is not required for the inclusion of such statements in this Target's Statement. Any Alliance Shareholder who would like to receive a copy of any of those documents may obtain a copy (free of charge and within 2 Business Days of the request being made) during the Offer Period by contacting Alliance on +613 9697 9090 between 9am and 5pm AEST Monday to Friday.

Copies of announcements by Alliance may also be obtained from Alliance's website [www.allianceresources.com.au](http://www.allianceresources.com.au).

In addition, as permitted by *ASIC Corporations (Consents to Statements) Instrument 2016/72*, this Target's Statement may include or be accompanied by certain statements:

- (a) fairly representing a statement by an official person; or
- (b) from a public official document or published book, journal or comparable publication,

where the statement was not made or published in connection with the Offer, Gandel Metals or Alliance or any business property or person the subject of the Bidder's Statement, the Supplementary Bidder's Statement or this Target's Statement. In those circumstances, the consent of the persons to whom those statements are attributed is not required for such statements to be included in this Target's Statement.

## 7.8 Continuous Disclosure

Alliance is a disclosing entity under the Corporations Act and subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules.

These obligations require Alliance to notify ASX of information about specified matters and events as they occur for the purpose of making that information available to the market. In particular, Alliance has an obligation (subject to limited exceptions) to notify ASX immediately on becoming aware of any information which a reasonable person would expect to have a material effect on the price or value of Alliance Shares.

Copies of the documents filed with ASX may be obtained from the ASX website at [www.asx.com.au](http://www.asx.com.au) (ASX code: AGS) and Alliance's website at [www.allianceresources.com.au/site/investor-centre/asx-announcements1/ASX-Announcements](http://www.allianceresources.com.au/site/investor-centre/asx-announcements1/ASX-Announcements).

#### 7.9 **Date of Target's Statement**

This Target's Statement is dated 4 May 2022, which is the date on which it was lodged with ASIC.

#### 7.10 **Approval**

This Target's Statement has been approved by a resolution of the Alliance Board.

Signed for and on behalf of Alliance Resources Limited:



**Kevin Malaxos**  
**Managing Director**

## 8. Glossary

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### 8.1 Definitions

The following defined terms are used throughout this Target's Statement unless the context otherwise requires.

Defined Term	Definition
<b>Acceptance Form</b>	the acceptance form accompanying the Bidder's Statement and which forms part of the Offer, or any replacement or substitute acceptance form provided by the Bidder.
<b>AEST</b>	Australian Eastern Standard Time.
<b>Alliance</b>	Alliance Resources Limited ACN 063 293 336, ASX listed company (ASX:AGS).
<b>Alliance Board</b>	the board of Alliance Directors, as constituted from time to time.
<b>Alliance Director</b>	a director of Alliance as at the date of this Target's Statement.
<b>Alliance Group</b>	Alliance and each of its related bodies corporate or controlled entities.
<b>Alliance Share</b>	a fully paid ordinary share in the capital of Alliance.
<b>Alliance Shareholder</b>	a person registered in the register of members of Alliance as the holder of one or more Alliance Shares.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>Associate</b>	has the same meaning given to that term for the purposes of Chapter 6 of the Corporations Act.
<b>ASX</b>	ASX Limited ABN 98 008 624 691 or, where the context requires, the financial market operated by it known as Australian Securities Exchange.
<b>Bidder's Statement</b>	the bidder's statement in respect of the Offer issued by Gandel Metals as bidder under Part 6.5 of the Corporations Act dated 4 April 2022.
<b>Closing Date</b>	the date on which the Offer Period ends (see section 6.2 for further details).
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Gandel Metals</b>	Gandel Metals Pty Ltd ACN 102 347 955.



<b>Defined Term</b>	<b>Definition</b>
<b>Independent Directors</b>	means the following Alliance Directors: <ul style="list-style-type: none"> <li>a) Anthony Lethlean; and</li> <li>b) Kevin Malaxos (for the purposes of item 16 of Takeovers Panel Guidance Note 19 whereby Kevin is a director who is not a participating insider).</li> </ul>
<b>Offer</b>	the offer by Gandel Metals set out in section 9 of the Bidder's Statement, or the off-market takeover bid constituted by that offer and each other offer by Gandel Metals for Alliance Shares in the form of that offer, including in each case as varied in accordance with the Corporations Act.
<b>Offer Period</b>	The period during which the Offer is open for acceptance, being 20 April 2022 to the Closing Date.
<b>Offer Price</b>	Gandel Metals is offering \$0.18 cash for every Alliance Share.
<b>Related Body Corporate</b>	has the same meaning given to that term in section 50 of the Corporations Act.
<b>Relevant Interest</b>	has the same meaning given to that term in sections 608 and 609 of the Corporations Act
<b>Subsidiary</b>	has the same meaning as given to that term in section 46 of the Corporations Act.
<b>Supplementary Bidder's Statement</b>	means the supplementary bidder's statement in respect of the Offer issued by Gandel Metals as bidder under Part 6.5 of the Corporations Act dated 14 April 2022.
<b>Target's Statement</b>	this Target's Statement which is issued by Alliance in response to the Offers and otherwise in accordance with the requirements of the Corporations Act.
<b>Voting Power</b>	has the meaning given to that term in section 610 of the Corporations Act.

## 8.2 Interpretation

In this Target's Statement, unless the context otherwise requires:

- (a) headings used in this Target's Statement are inserted for convenience and do not affect the interpretation of this Target's Statement;
- (b) words or phrases defined in the Corporations Act have the same meaning in this Target's Statement;
- (c) a reference to dollars, A\$, AUD, \$ and cents is a reference to Australian currency;
- (d) a reference to time is a reference to AEST;

- (e) a reference to a section is a reference to a section of this Target's Statement;
- (f) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and any consolidations, amendments, re-enactments or replacements of any of them;
- (g) the singular includes the plural and vice versa; and
- (h) the word "person" includes an individual, a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association, or any government agency.

**Annexure A Independent Expert's Report**



2 May 2022

The Independent Directors  
Alliance Resources Limited  
Suite 3, 51-55 City Road  
SOUTHBANK VIC 3006

Dear Independent Directors

**Re: Independent Expert's Report**

## 1. Introduction

The Independent Directors of Alliance Resources Limited (“AGS” or the “Company”) have requested PKF Melbourne Corporate Pty Ltd (“PKF Corporate”) to prepare an Independent Expert's Report (“IER”) for the benefit of shareholders of AGS in respect of an off-market takeover bid by Gandel Metals Pty Ltd (“Gandel”), to acquire all of the Ordinary Shares on issue in AGS in which Gandel does not currently have a relevant interest in, for AU\$0.18 per AGS share (the “Offer”).

As Gandel and its associates are the major shareholders of AGS and as Mr Ian Gandel is a director of both AGS and Gandel, section 640 of the Corporations Act 2001 (the “Act”) requires that AGS include an independent expert's report in its Target's Statement in response to the Offer.

## 2. The Offer

### 2.1 Terms of the Offer

On 22 February 2022, AGS announced to the Australian Securities Exchange (“ASX”) that it had been advised by Gandel of an intention to make the Offer.

On 4 April 2022, AGS announced to the ASX that it had received a Bidder's Statement from Gandel in relation to the Offer. Subsequently on 14 April 2022, AGS announced to the ASX that it had received a Supplementary Bidder's Statement from Gandel in relation to the Offer.

On 19 April 2022, the Bidder's Statement and the Supplementary Bidder's Statement were sent to AGS shareholders.

The consideration and key terms of the Offer are as follows:

- the consideration payable to AGS shareholders will be AU\$0.18 per AGS share (the “Offer Price”) payable in cash (collectively referred to as the “Offer Consideration”);
- the Offer will be open until 7pm Australian Eastern Standard Time on 6 June 2022 (the “Offer End Date”); and
- if the Offer is accepted unconditionally, settlement of the Offer Consideration will be made on or before the earlier of the day one month after the date the Offer is accepted and 21 days after the Offer End Date. If the Offer is accepted conditionally, settlement of the Offer Consideration will be made the day one month after the date the Offer becomes unconditional.

If the Offer is accepted by all AGS shareholders, Gandel will be required to pay approximately AU\$11.72 million (excluding any Options on issue in AGS that may be exercised prior to the Offer End Date) in cash settlement to complete the Offer. The Offer is not subject to funding and Gandel has stated that it has access to sufficient funding arrangements in the form of a combination of cash reserves, liquid assets and debt facilities, in order to complete settlement of the Offer Consideration.

## **2.2 Conditions of the Offer**

The Offer is subject to the following two conditions:

- Gandel having a relevant interest in at least 90.0% of the Ordinary Shares on issue in AGS at or before the Offer End Date; and
- No Prescribed Occurrences (refer to section 9.7 of the Bidder's Statement) happening between, and inclusive on, 22 February 2022 and the Offer End Date.

The above conditions may be freed or waived at the discretion of Gandel.

## **2.3 Basis of the Offer**

In August 2019, Gandel made a takeover offer to acquire all of the Ordinary Shares on issue in AGS in which it did not have a relevant interest in at the time. Consequently, Gandel held a relevant interest of approximately 68.0% in AGS and since that time Gandel has acquired additional Ordinary Shares in AGS and as at 20 April 2022 held a 72.18% relevant interest in AGS.

Gandel is of the opinion that AGS' business operations will soon reach a phase where significant capital will be required to commercialise its portfolio of assets through a mining program rather than on exploration activities and, as such, Gandel believes that the requirement to fund this next stage of AGS' growth will be costly as a result of the requirement to undertake further capital raisings and may be dilutive to existing AGS shareholders. Accordingly, Gandel is offering existing AGS shareholders an exit opportunity prior to the occurrence of such anticipated events.

### 3. Summary opinions

In our opinion, the Offer is **fair and reasonable to the target shareholders**. Our principal reasons for reaching this opinion are:

#### **Fairness**

In section 7 of the IER, we assessed the value of an AGS Ordinary Share on a control basis to be in a range of AU\$0.048 to AU\$0.063 per AGS Ordinary Share. As the value of the Offer Price (AU\$0.18 per AGS Ordinary Share) is greater than the control value of an AGS Ordinary Share (AU\$0.048 to AU\$0.063 per AGS Ordinary Share), we have concluded that the Offer is **fair**.

#### **Reasonableness**

In section 9 of the IER, we considered that the advantages of the Offer outweigh the disadvantages of the Offer, and in the absence of a superior offer, we concluded that the Offer is **reasonable** for the target shareholders of AGS. The significant factors that we considered are as follows:

#### **Advantages**

- In section 8 of the IER, we assessed the Proposed Transaction as being fair.
- AGS shares are an illiquid investment, and the Offer provides an opportunity for AGS shareholders to dispose of their shares in exchange for cash and in doing so they will not incur brokerage fees.
- The Offer Price is at a premium of approximately 33.0% to the closing share price of an AGS Ordinary Share on 22 February 2022 (AU\$0.135) and the Offer Price is at a significant premium of approximately 220.0% to the mid-point of the assessed control value of an AGS share of AU\$0.056 (refer to section 7.9 of the IER).

#### **Disadvantages**

- Shareholders who wish to participate in the future development of AGS and its projects will not be able to achieve such investment exposure if they accept the Offer. Accordingly, the individual investment, taxation or other strategic objectives of shareholders may not be achieved if they accept the Offer.

#### **Other factors**

- On 26 April 2022, a notice of change of interests in AGS by Gandel was released to the ASX. Under this notice, Gandel increased its relevant interest in AGS Ordinary Shares from 72.18% to 83.04% as a result of the acceptance of over 25.4 million AGS Ordinary Shares under the Offer. Accordingly, Gandel had a relevant interest of 83.04% in AGS Ordinary Shares as at 26 April 2022 (refer to Form 604: Notice of change of interests of substantial holder released to the ASX on 26 April 2022).
- If shareholders do not accept the Offer, Gandel may still be able to achieve the acquisition of all of the shares on issue in AGS depending on the number of acceptances under the Offer. Section 664A of the Act provides that a person who holds at least 90.0% of the securities by number in a class, may compulsorily acquire the remainder of the securities in that class or convertible into shares of that class. Accordingly, if Gandel achieves a relevant interest of 90.0% or more in AGS Ordinary Shares it may compulsorily acquire all the remaining AGS Ordinary Shares under Chapter 6A of the Act. Under such a scenario, there is no guarantee that shareholders who do not accept the Offer will receive the same or a higher price compared to the Offer Price.
- There is no competing or superior offer to the Offer available to AGS shareholders.

- If the Offer is not accepted and depending on the volume of shares held by individual shareholders, shareholders who do not accept the Offer may not be able to dispose of their shares on market given the low trading volumes in AGS shares. The AGS shares may become further illiquid depending on the number of acceptances under the Offer. If shareholders do not accept the Offer, there is a risk that the AGS share price may return to trading levels experienced prior to 22 February 2022 which are below the Offer Price.
- If the Offer becomes unconditional without any further acceptances of the Offer, Gandel has achieved a relevant interest of more than 75.0% in AGS Ordinary Shares and, as such, it may exercise its voting power discretion as a controlling shareholder. Gandel has disclosed in the Bidders' Statement of its intention to remove AGS from the ASX to lower operating costs and either seek a listing on the National Stock Exchange of Australia ("**NSX**") or operate as an unlisted public company as well as to change the board composition (refer to section 4 of the Bidder's Statement). The results of either an NSX listing or operating as an unlisted public company will impact on the liquidity of AGS shares and ability of those shareholders who do not accept the Offer to sell their shares. The value of an AGS share under such circumstances may be lower than the Offer Price.

#### 4. Structure of this report

The remainder of this report is divided into the following sections:

<u>Section</u>		<u>Page</u>
5	Purpose of the report	6
6	AGS – key information	8
7	Assessment as to the value of AGS shares	14
8	Assessment as to Fairness	20
9	Assessment as to Reasonableness	20
10	Assessment as to Fairness and Reasonableness	21
11	Financial Services Guide	22
 <u>Appendix</u>		
A	Sources of Information	24
B	Declarations, Qualifications and Consents	25
C	Valuation methodologies	26
 <u>Attachment</u>		
1	Valuation and Resource Management Pty Ltd Independent Technical Specialist Report	



## 5. Purpose of the report

This report has been prepared to meet the following regulatory requirements:

### **Corporations Act 2001 – Section 640**

Section 640 of the Act states that a target's statement made in respect to a takeover offer must be accompanied by an independent expert's report if:

- the bidder's voting power in the target is 30% or more; or
- a director of the bidder is also a director of the target company.

As Gandel holds more than 30.0% of the voting power in AGS and as Mr Ian Gandel, the Chairman of AGS is also a Director of Gandel, AGS is obliged to include an independent expert's report in its Target's Statement.

The Independent Directors of AGS have requested PKF Corporate to prepare an independent expert's report for the purposes of Section 640 of the Act.

### **ASIC Regulatory Guides**

This report has been prepared in accordance with the ASIC Regulatory Guides and more particularly:

#### **RG 111 – Content of Expert Reports (“RG111”)**

RG 111.10 It has long been accepted in Australian mergers and acquisitions practice that the words 'fair and reasonable' in s640 of the Act establish two distinct criteria for an expert analysing a control transaction:

- (a) is the offer 'fair';
- (b) is it 'reasonable'?

That is, 'fair and reasonable' is not regarded as a compound phrase.

RG 111.11 Under this convention, an offer is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer. This comparison should be made:

- (a) assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length; and
- (b) assuming 100% ownership of the 'target' and irrespective of whether the consideration is scrip or cash. The expert should not consider the percentage holding of the 'bidder' or its associates in the target when making this comparison. For example, in valuing securities in the target entity, it is inappropriate to apply a discount on the basis that the shares being acquired represent a minority or 'portfolio' parcel of shares.

RG 111.12 An offer is 'reasonable' if it is fair. It might also be 'reasonable' if, despite being 'not fair', the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.

The Independent Directors of AGS have requested PKF Corporate to prepare an IER in accordance with ASIC Regulatory Guide 111 – Content of expert reports. ASIC Regulatory Guide 111 requires the Independent Expert to advise the shareholders whether the Offer is fair and reasonable, when considered in the context of the interests of the target shareholders (all shareholders who are not associates of the bidder).

## General

The terms “fair” and “reasonable” are not defined in the Act, however, guidance as to the meaning of these terms is provided by ASIC in Regulatory Guide 111. For the purpose of this report, we have defined them as follows:

- |                |  |
|----------------|--|
| Fairness       | the Offer is “fair” if the Offer Price is equal to or greater than the value of an AGS share to be acquired pursuant to the Offer.   |
| Reasonableness | the Offer is “reasonable” if it is fair. It may also be “reasonable” if, despite not being “fair” but after considering other significant factors, we consider that the shareholders should accept the Offer in the absence of a superior proposal being received before the close of the Offer. |

What is fair and reasonable for the Target Shareholders should be judged in all the circumstances of the proposal.

The methodology that we have used to form an opinion as to whether the Offer is fair and reasonable, is summarised as follows:

- (i) In determining whether the Offer is fair, we have:
  - assessed the value of AGS and determined the control value of an AGS Ordinary Share; and
  - compared the Offer Price with the control value of one AGS Ordinary Share.
- (ii) In determining whether the Proposed Transaction is reasonable, we have analysed other significant factors that the target shareholders should review and consider prior to accepting or rejecting the Offer.

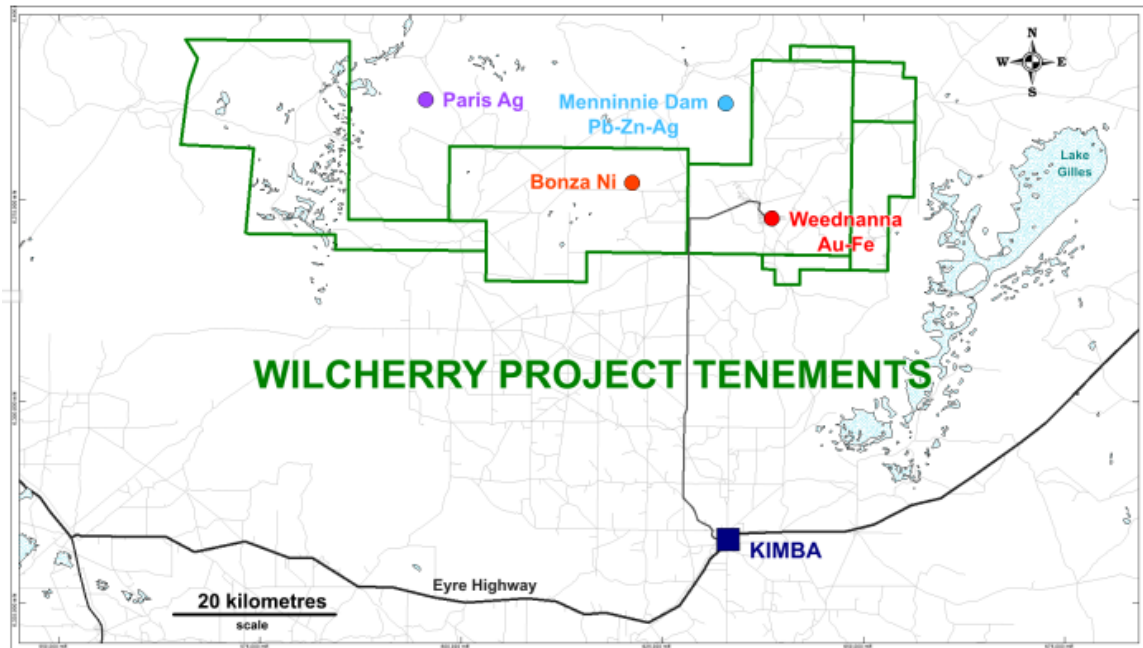
## 6. AGS - key information

### 6.1 Background

AGS is an Australian gold and base metals explorer with three wholly owned projects located in South Australia ('Wilcherry Project') and Western Australia ('Kalgoorlie South Project' and 'Nepean West Project').

AGS' flagship project, the Wilcherry Project, is a gold and iron deposit located within the southern Gawler Craton on the northern Eyre Peninsula, South Australia, and comprises of seven exploration licences covering over approximately 1,470 km<sup>2</sup>. The highest priority exploration target within the Wilcherry Project is the 'Weednanna Gold-Iron Deposit'. AGS also has a 'Collaborative Research Project' with the Commonwealth Scientific and Industrial Research Organisation (CSIRO) to undertake analysis of the mineral systems at the 'Weednanna Deposit'. Below is a map showing the location of the tenements which form part of the Wilcherry Project.

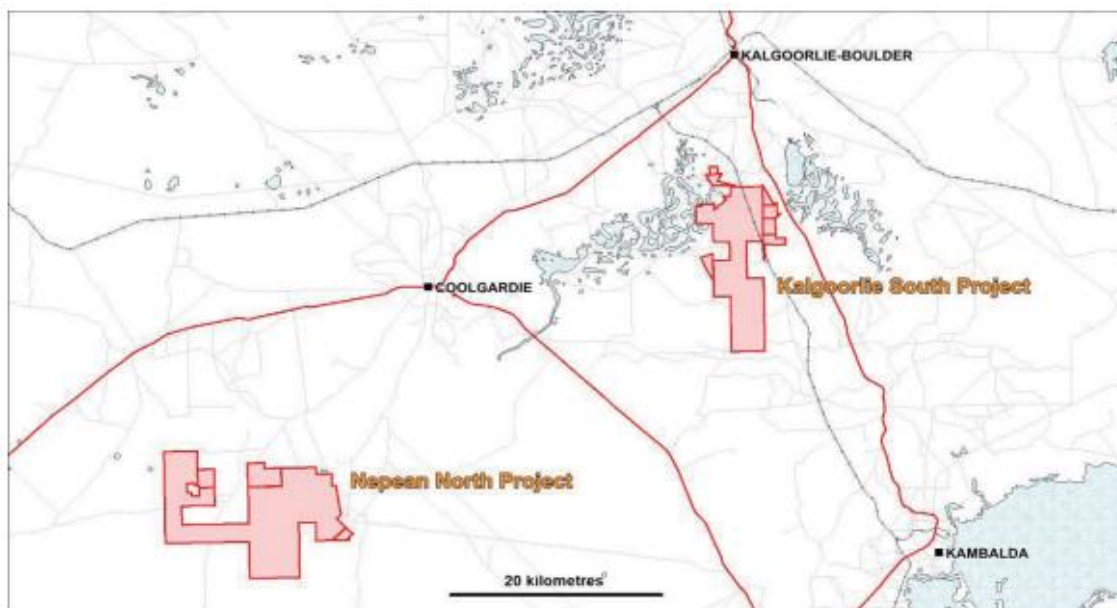
Figure 1



Source: ASX

The Nepean West Project and Kalgoorlie South Project are both gold exploration targets located south of Kalgoorlie, Western Australia. Below is a map showing the location of the tenements which form part of the Western Australian projects.

Figure 2



Source: ASX

The 'Nepean North Project' referenced in the map is referred to as the 'Nepean West Project'

Further detailed information in relation to the Wilcherry Project, the Nepean West Project and the Kalgoorlie South Project are provided in the Valuation and Resource Management Pty Ltd<sup>1</sup> ("VRM") Independent Technical Specialist Report (the "Technical Report") (see Attachment 1 to the IER).

## 6.2 Directors

AGS' Directors at the date of this report are presented in the table below.

Table 1

### Alliance Resources Limited Directors

Ian J Gandel (Chairman)

Kevin J Malaxos (Managing Director)

Anthony D Lethlean (Non-Executive Director)

Source: ASX

<sup>1</sup> VRM are a valuation and economic geology consulting company providing mineral asset valuation reports for inclusion in Independent Expert Reports.

### 6.3 Share capital

As at 20 April 2022, AGS had on issue 234,019,703 fully paid Ordinary Shares. The major shareholders of AGS and their associates as at 20 April 2022 are presented in the table below.

Table 2

Alliance Resources Limited Shareholder name	Number of shares held	Percentage Interest
Ian Jeffrey Gandel		
Gandel Metals Pty Ltd	100,978,331	43.15%
Abbotsleigh Pty Ltd	67,934,451	29.03%
	<u>168,912,782</u>	<u>72.18%</u>
Sandon Capital		
Sandon Capital Activist Fund	13,858,681	5.92%
Sandon Capital Investments Limited	11,559,273	4.94%
	<u>25,417,954</u>	<u>10.86%</u>
Debuscey Pty Ltd	9,442,424	4.03%
<b>Total</b>	<b>203,773,160</b>	<b>87.08%</b>

Source: ASX

As at 20 April 2022, the three major shareholders of AGS collectively held over 87.0% of the issued ordinary capital of AGS. The balance of the issued capital represents less than 13.0% of the issued ordinary capital of AGS representing approximately 30.2 million AGS ordinary shares and, although this includes shares held by other strategic shareholders, directors and employees of AGS, the 'free float' in AGS that is readily tradeable on market is very low.

As at 20 April 2022, AGS also had a total of 8.55 million unlisted Options on issue that are convertible into Ordinary Shares of AGS. The unlisted Options on issue are owned by AGS' managing director (7.0 million) and other personnel of AGS (1.55 million). We have presented the terms of these securities in the table below.

Table 3

Alliance Resources Limited Options	Total number	Exercise price AU\$	Expiry date
Unlisted options	1,000,000	0.1200	30/11/2022
Unlisted options	1,000,000	0.1600	30/11/2022
Unlisted options	1,000,000	0.1600	30/11/2024
Unlisted options	1,000,000	0.2000	30/11/2024
Unlisted options	1,000,000	0.2000	1/07/2024
Unlisted options	1,000,000	0.2000	1/10/2024
Unlisted options	1,000,000	0.2000	1/07/2025
Unlisted options	1,000,000	0.2392	31/08/2022
Unlisted options	550,000	0.2392	31/03/2023
<b>Total</b>	<b>8,550,000</b>		

Source: ASX

Having regard to the above, we have treated all Options with an exercise price of less than AU\$0.18 per Option (totalling 3.0 million Options held by Mr Kevin Malaxos, the Managing Director of AGS) on an as converted basis in the balance of this report after considering the Offer Price. As these Options are in the money, Mr Malaxos can exercise them and benefit from the difference between the respective exercise prices and the Offer Price. Accordingly, we have calculated the fully diluted shares on issue of AGS to be 237,019,703 (Ordinary Shares of 234,019,703 plus

Options treated on an as converted basis of 3,000,000).

#### 6.4 Statements of financial position

AGS' consolidated statements of financial position as at 30 June 2020, 30 June 2021 and 31 December 2021 are presented in the table below.

Table 4

Alliance Resources Limited Consolidated Statement of Financial Position	Audited June 2020 AU\$	Audited June 2021 AU\$	Reviewed Dec 2021 AU\$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	1,561,000	3,306,000	988,000
Trade and other receivables	96,000	93,000	114,000
Other assets	63,000	22,000	104,000
<b>Total Current Assets</b>	<b>1,720,000</b>	<b>3,421,000</b>	<b>1,206,000</b>
<b>Non Current Assets</b>			
Trade and other receivables	15,000	45,000	45,000
Financial assets at fair value through other comprehensive income	341,000	149,000	56,000
Property, plant and equipment	696,000	623,000	574,000
Right-of-use assets	124,000	101,000	90,000
Exploration and evaluation	12,562,000	15,107,000	17,125,000
<b>Total Non Current Assets</b>	<b>13,738,000</b>	<b>16,025,000</b>	<b>17,890,000</b>
<b>Total Assets</b>	<b>15,458,000</b>	<b>19,446,000</b>	<b>19,096,000</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	424,000	432,000	743,000
Lease liabilities	19,000	19,000	19,000
Employee benefits	14,000	47,000	48,000
Deferred income	-	-	70,000
<b>Total Current Liabilities</b>	<b>457,000</b>	<b>498,000</b>	<b>880,000</b>
<b>Non Current Liabilities</b>			
Lease liabilities	106,000	87,000	78,000
Employee benefits	5,000	75,000	79,000
<b>Total Non Current Liabilities</b>	<b>111,000</b>	<b>162,000</b>	<b>157,000</b>
<b>Total Liabilities</b>	<b>568,000</b>	<b>660,000</b>	<b>1,037,000</b>
<b>Net Assets</b>	<b>14,890,000</b>	<b>18,786,000</b>	<b>18,059,000</b>

Source: AGS' Annual Report for the financial year ended 30 June 2021 and the Interim Report for the half year ended 31 December 2021

## 6.5 Operating performance

AGS' consolidated statements of profit or loss and other comprehensive income for the financial years ended 30 June 2020 (FY20) and 30 June 2021 (FY21) as well as the half year ended 31 December 2021 (HY22) are presented in the table below.

Table 5

Alliance Resources Limited Consolidated statement of profit or loss and other comprehensive income	Audited June 2020 AU\$	Audited June 2021 AU\$	Reviewed Dec 2021 AU\$
Interest income	19,000	5,000	3,000
Other revenue	-	1,000	-
Cashflow boost	50,000	50,000	-
<b>Expenses</b>			
Depreciation expense	(121,000)	(119,000)	(61,000)
Expense of share options granted	(171,000)	(98,000)	(45,000)
Tenement costs abandoned	(321,000)	(13,000)	-
Occupancy expenses	(23,000)	(54,000)	(28,000)
Administration expenses	(683,000)	(863,000)	(484,000)
Legal expenses	(191,000)	(9,000)	(1,000)
Director fees	(193,000)	(208,000)	(101,000)
Company secretarial	(70,000)	(64,000)	(37,000)
Marketing expenses	(46,000)	-	-
Finance costs	(1,000)	(5,000)	(3,000)
<b>Loss before income tax expense</b>	<b>(1,751,000)</b>	<b>(1,377,000)</b>	<b>(757,000)</b>
Income tax expense	-	-	-
<b>Loss after income tax expense</b>	<b>(1,751,000)</b>	<b>(1,377,000)</b>	<b>(757,000)</b>

Source: AGS' Annual Report for the financial year ended 30 June 2021 and the Interim Report for the half year ended 31 December 2021

## 6.6 Cash flow statements

AGS' consolidated statements of cash flows for FY20 and FY21 as well as HY22 are presented in the table below.

Table 6

Alliance Resources Limited Consolidated Statement of Cash Flows	Audited June 2020 AU\$	Audited June 2021 AU\$	Reviewed Dec 2021 AU\$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees	(1,105,000)	(1,043,000)	(438,000)
Receipts from customers	1,000	1,000	-
Cashflow boost	50,000	50,000	-
Interest received	19,000	5,000	3,000
Interest and other finance costs paid	-	(5,000)	(3,000)
<b>Net cash used in operating activities</b>	<b>(1,035,000)</b>	<b>(992,000)</b>	<b>(438,000)</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	-	(23,000)	-
Payments for exploration and evaluation	(3,073,000)	(2,558,000)	(2,133,000)
Payments for security deposits	-	(30,000)	-
Proceeds from disposal of investments	-	431,000	78,000
Proceeds from grant funding	-	-	185,000
<b>Net cash used in investing activities</b>	<b>(3,073,000)</b>	<b>(2,180,000)</b>	<b>(1,870,000)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	2,060,000	5,051,000	-
Share issue transaction costs	(61,000)	(115,000)	-
Repayment of lease liabilities	(23,000)	(19,000)	(10,000)
<b>Net cash from financing activities</b>	<b>1,976,000</b>	<b>4,917,000</b>	<b>(10,000)</b>
Net increase/decrease in cash and cash equivalents	(2,132,000)	1,745,000	(2,318,000)
Cash and cash equivalents at the beginning of the	3,693,000	1,561,000	3,306,000
<b>Cash and cash equivalents at the end of the period</b>	<b>1,561,000</b>	<b>3,306,000</b>	<b>988,000</b>

Source: AGS' Annual Report for the financial year ended 30 June 2021 and the Interim Report for the half year ended 31 December 2021



## 7. Assessment as to the value of AGS shares

### 7.1 Value definition

PKF Corporate’s valuation of AGS shares is on the basis of ‘fair market value’, defined as:

*‘the price that could be realized in an open market over a reasonable period of time given the current market conditions and currently available information, assuming that potential buyers have full information, in a transaction between a willing but not anxious seller and a willing but not anxious buyer acting at arm’s length’.*

### 7.2 Valuation methodologies

In selecting appropriate valuation methodologies to assess the value of AGS shares, we considered the applicability of a range of generally accepted valuation methodologies. Each methodology is described in detail in Appendix C of the IER.

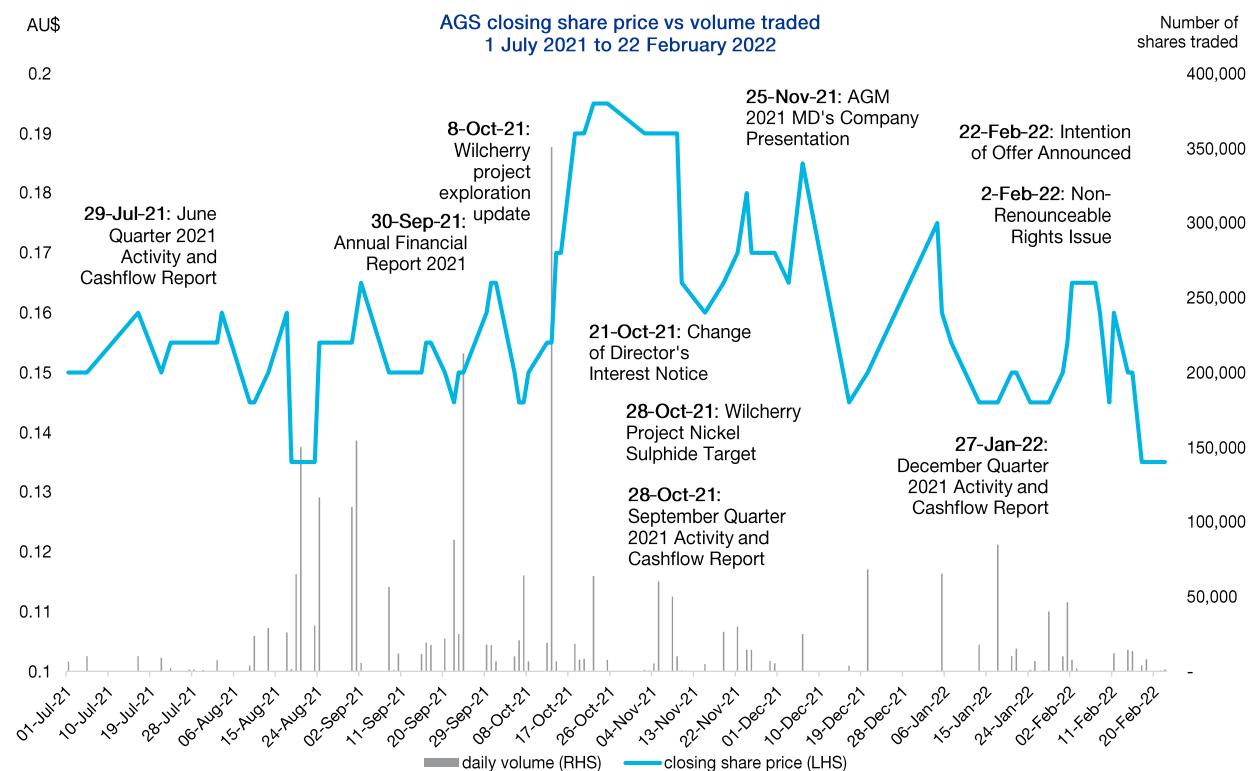
### 7.3 Share price history

As the share price history of AGS will incorporate all publicly available information, we consider that the share price history is an appropriate methodology to use in assessing the value of an AGS share.

We normally analyse the share prices up to a date immediately prior to the date when a takeover, merger or other significant transaction is announced to remove any price speculation or price escalations that may have occurred subsequent to the announcement of any proposed transaction. We note that the intention to make the Offer was announced to the ASX after market close on 22 February 2022 and, as such, we have analysed the share price of AGS up to and including 22 February 2022.

We have set out below a graph showing the daily closing share price and the volume of AGS shares traded up to and including 22 February 2022 as well as a selection of market sensitive announcements on the ASX.

Graph 1



Source: ASX, PKF Corporate analysis

We provide the following comments in respect to our key observations of the trading activity in AGS shares:

- AGS' shares have traded on very low volumes leading up to the date the intention of the Offer was announced to the ASX after market close on 22 February 2022. The level of AGS shares traded is a reflection of the very low level of liquidity in AGS shares as a result of the very low 'free float' of AGS shares that are readily tradeable on market given the interest held by the major shareholders of AGS (refer to table 2 of the IER).
- Prior to 22 February 2022, AGS shares traded in a range of AU\$0.125 to AU\$0.185 over the preceding 60 trading days and a range of AU\$0.125 to AU\$0.165 over the preceding 30 trading days. AGS shares traded on less than 20 business trading dates over the preceding month leading up to and including 22 February 2022. We examined the recent share prices and trading volumes in AGS shares up to and including 22 February 2022 including the volume weighted average price ("VWAP") of AGS shares based on closing daily prices on the ASX for business trading dates. We have set out our analysis in the table below.

Table 7

Alliance Resources Limited Share price analysis	Shares Traded		VWAP	Share Price (AU\$)	
	Number	Value (AU\$)	AU\$	Low	High
10 days to 22 February 2022	53,868	7,996	0.148	0.125	0.160
30 days to 22 February 2022	296,017	43,943	0.148	0.125	0.165
60 days to 22 February 2022	464,533	70,854	0.153	0.125	0.185
90 days to 22 February 2022	777,242	128,627	0.165	0.125	0.195

Source: ASX, PKF Corporate analysis

As can be seen from the above table, the VWAP ranged between AU\$0.148 to AU\$0.165 over the preceding periods leading up to and including 22 February 2022.

- On 8 October 2021 and 28 October 2021, AGS announced to the ASX updates on exploration activities at the Wilcherry Project. Following these announcements AGS did not experience any consistent change to the level of trading activity in its shares and it continued to trade on low volumes.

Although, on 13 October 2021 AGS did experience a significant spike in trading volume (350,878 AGS shares traded) and AGS' share price traded in a range of AU\$0.145 to AU\$0.165 on this date. There is no explanation to suggest the reason for the trading activity on 13 October 2021 apart from the delayed reaction by the market in respect of the announcement on 8 October 2021 in relation to exploration activities at the Wilcherry Project. Following the announcement on 8 October 2021, AGS shares experienced increased price levels reaching AU\$0.195 per share, however, by mid November 2021 AGS shares traded below AU\$0.190 per share.

- On 2 February 2022, AGS announced to the ASX a non-renounceable rights issue at an issue price of AU\$0.13 per AGS share to raise up to approximately AU\$3.38 million before costs (the "Entitlement Offer"). The issue price under the Entitlement Offer represented a discount of approximately 16.0% to the closing AGS share price on 1 February 2022 and a discount of approximately 19.5% to the 30 trading days VWAP to and including 28 January 2022. AGS announced to the ASX the completion of the Entitlement Offer on 9 March 2022 which successfully raised the requisite funds.

Following the announcement of the Entitlement Offer, AGS did not experience any material change to the level of trading activity in its shares and the AGS share price traded lower on low volumes. Between 2 February 2022 and 22 February 2022, inclusive, AGS shares traded in a range of AU\$0.125 to AU\$0.165.

Based on the above comments and analysis, we have formed the view that the market in AGS shares is not sufficiently liquid and, for this reason, we do not consider that the share price valuation methodology is appropriate to adopt as a primary valuation methodology.

As AGS has an ability to raise funds as demonstrated by the completion of the Entitlement Offer, we have preferred to adopt the share price valuation methodology as a cross check to the net asset backing methodology (as set out in section 7.6 of the IER). After consideration of the more recent trading range of AGS shares leading up to and including 22 February 2022, we have formed the opinion that the AGS shares have a market value in the range of AU\$0.140 to AU\$0.160.

The share prices upon which we have formed our opinion reflect the prices at which minority parcels of shares are traded on a daily basis and, as such, do not incorporate a control premium. Accordingly, we have considered the application of a control premium which represents the difference between the price that would have to be paid for a share to which a controlling interest attaches and the price at which a share which does not carry with it control of AGS could be acquired.

In assessing the control premium to be applied to the share price of AGS, we have relied on the relevant matrix from the RSM Control Premium Study – 2021 applicable to AGS. We have summarised this research in the table below.

Table 8

Analysis by	Criteria	Control Premium	
		20 days pre-announcement Average	Median
All transactions		34.70%	27.50%
Industry	Metals & Mining	36.60%	31.00%
Consideration type	Cash	36.20%	28.60%
Size	\$25m to \$50m	41.00%	N/A

Source: RSM Control Premium Study - 2021

The actual control premium paid is transaction specific and depends on a range of factors, such as the level of synergies available to the purchaser, the level of competition for the assets and the strategic importance of the assets. We note that the above research sets out statistical information about actual control premia paid and, as such, includes an unknown uplift on account of potential acquisition synergy benefits. We are of the opinion that the control premium in a transaction that did not include expected synergies would be lower.

After considering the above, we have applied a control premium in a range of 22.0% to 28.0% to the minority share price of one AGS share in a range of AU\$0.140 to AU\$0.160 per share. We have summarised the results of this calculation in the table below.

Table 9

Alliance Resources Limited Share price methodology	Low	High
Value per AGS share (minority)	AU\$0.140	AU\$0.160
Control premium	22.0%	28.0%
<b>Value per AGS share (control)</b>	<b>AU\$0.171</b>	<b>AU\$0.205</b>

Source: PKF Corporate analysis

Having regard to the above, we have concluded that the control value of an AGS share is in a range of AU\$0.171 to AU\$0.205 per share as assessed under the share price valuation methodology.

#### 7.4 Capitalisation of future maintainable earnings

As AGS does not currently undertake any profitable mining activities, we consider that the capitalisation of maintainable earnings methodology is not an appropriate methodology to use to value an AGS share.

## 7.5 Net present value of future cash flows

As AGS does not currently undertake any profitable mining activities and has no near term planned mining activities with available long term cash flow forecasts that can be used to value AGS or any of its projects in particular in relation to its most advanced project, being the Wilcherry Project in which AGS is completing ongoing feasibility study work to assess the economic potential to develop a gold and iron ore producing operation. Accordingly, we consider that the net present value of future cash flows methodology cannot be used as there is insufficient certainty that any cash flows can be derived from the assets of AGS.

## 7.6 Asset based methods

As at 31 December 2021, AGS reported net assets as per the reviewed statement of financial position of approximately AU\$18.059 million (refer to section 6.4 of the IER). We provide the following comments:

- AGS held cash and cash equivalents of less than AU\$1.0 million. Since 31 December 2021, AGS completed a capital raising of approximately AU\$3.38 million before costs;
- AGS held shares in Tyranna Resources Limited (“TLX”), an ASX listed mineral explorer, and SciDev Limited (“SDV”), an ASX listed environmental solutions focused company; and
- AGS’ major assets are capitalised exploration assets relating to the existing exploration projects (AU\$17.125 million). The capitalised exploration assets relate to exploration and evaluation costs expended and the ultimate recoverability of these costs carried forward are dependent on the successful development and commercial exploitation, or the sale of the respective assets.

Having regard to the above comments, the book value of AGS’ assets may not reflect the current market value of these assets and, as such, we have adjusted the net assets of AGS and reflected our adjustments in the table below and in the corresponding notes. We have assumed there have been no other material changes to AGS’ other assets or liabilities.

Table 10

Alliance Resources Limited		Low	High
Net asset approach	note	AU\$	AU\$
<b>Reported net assets as at 31 December 2021</b>		18,059,000	18,059,000
Cash adjustment - impact of March 2022 Capital Raising	1	1,772,000	1,772,000
Cash adjustment - impact of Options conversion	1	440,000	440,000
Financial assets at fair value	2	(56,000)	(56,000)
Shares held in Tyranna Resources Ltd	2	919	919
Shares held in SciDev Ltd	2	42,465	42,465
Property, plant and equipment	3	-	-
Exploration and evaluation	4	(17,125,000)	(17,125,000)
Wilcherry Project	4	8,000,000	11,100,000
Kalgoorlie South Project	4	100,000	300,000
Nepean West Project	4	100,000	500,000
<b>Adjusted net assets</b>		<b>11,333,384</b>	<b>15,033,384</b>

Source: AGS’ Interim Report for the half year ended 31 December 2021, ASX, VRM, PKF Corporate analysis

Note 1: During March 2022, AGS completed a capital raising of approximately AU\$3.38 million before costs resulting in a net increase to AGS’ cash position. The additional amount of cash is not reflected as part of the net assets as at 31 December 2021. As disclosed in AGS’ Quarterly Report for the quarter ended 31 March 2022, AGS had cash reserves of approximately AU\$2.76 million as at 31 March 2022. We have adjusted the net assets of AGS to reflect a cash reserve balance of approximately AU\$2.76 million.

In section 6.3 of the IER we treated all in the money Options on an as converted basis and, as such, this would raise AU\$440,000 in cash for AGS. We have adjusted the net assets of AGS to reflect an increase in the cash reserve balance accordingly.

Note 2: As at 20 April 2022, AGS held 153,117 Ordinary Shares in TLX and 95,427 Ordinary Shares in SDV. We have adjusted the fair value of AGS' shareholdings in these companies based on their respective closing share prices as at 20 April 2022.

Note 3: The book value of property, plant and equipment primarily relates to the capitalised costs in relation to the construction and fit out of the 'Kimba Village' located at the Wilcherry Project (net book value of approximately AU\$528,000 as at 31 December 2021). The "Kimba Village" is an 80-person camp located on leased land in the township of Kimba which was purchased by AGS in March 2019 for AU\$760,000.

The book value of property, plant and equipment also includes motor vehicles (net book value of approximately AU\$43,000 as at 31 December 2021) and office equipment (net book value of approximately AU\$2,000 as at 31 December 2021).

Given the nature of these assets and their reported book values, we have formed the view they are not material assets and, as such, we have accepted the book values reviewed by AGS' auditors as at 31 December 2021.

Note 4: The past capitalised exploration assets of AGS may not represent the market value of AGS' exploration and mining assets. Accordingly, we have engaged VRM to assist us in assessing the value of AGS' exploration and mining assets. A full copy of the Technical Report is set out as Attachment 1 of the IER.

We have reviewed the Technical Report and present in the table below a summary of the VRM technical valuation ranges ascribed to AGS' assets.

Table 11

Alliance Resources Limited Technical values	Low AU\$	Preferred AU\$	High AU\$
Wilcherry Project	8,000,000	9,500,000	11,100,000
Kalgoorlie South Project	100,000	200,000	300,000
Nepean West Project	100,000	300,000	500,000
<b>Total technical value</b>	<b>8,200,000</b>	<b>10,000,000</b>	<b>11,900,000</b>

Source: VRM

VRM has ascribed a preferred value of AU\$10.0 million to AGS' exploration and mining assets with a low and high valuation range of AU\$8.2 million and AU\$11.9 million.

Based on the net assets valuation methodology, the value of AGS is in a range of say AU\$11.3 million to AU\$15.0 million. As AGS has 237,019,703 Ordinary Shares on issue on a fully diluted basis (refer to section 6.3 of the IER), the AGS shares have a net asset backing in a range of AU\$0.048 to AU\$0.063 per share.

Given AGS' level of cash assets, support from its major shareholder and ability to raise capital as demonstrated in the recent capital raising, we do not consider that an orderly realisation or liquidation of its assets is an appropriate valuation methodology to use in assessing the value of an AGS share at this point in time.

## 7.7 Comparable market transactions

We have considered AGS' interest in the three wholly owned projects based in Australia. Whilst there are no directly comparable market transactions as AGS' exploration and mining assets are unique, there are other comparable companies focused on gold and iron exploration in or around the location of AGS' three projects. However, there is limited comparability between the various companies that operate in locations nearby to AGS' three projects due to differences in the size and quality of deposits, stage of development, regulatory approvals and licences, and the ability of the companies to advance the development of their projects by obtaining the necessary funding and technical support.

For the above reasons, the comparable market transactions valuation methodology is not an appropriate methodology to use to value an AGS share, however, the comparable market transactions valuation methodology has been utilised by VRM in forming their opinion set out in section 7.6 of the IER which we have relied upon.

## 7.8 Alternative acquirer

We are not aware of any alternative proposals or live offers received to acquire the AGS shares nor any of its assets and we can see no reason as to why an offer would be initiated at this time without the consent and support of Gandel as the major shareholder of AGS.

## 7.9 Conclusion

As discussed in section 7.3 of the IER, we considered the results of the share price valuation methodology as a cross-check to the results of the net asset backing methodology set out in section 7.6 of the IER.

There is a clear discrepancy between the results of the primary valuation methodology, the net asset backing methodology (AU\$0.048 to AU\$0.063 per AGS share) and the secondary share price valuation methodology (AU\$0.171 to AU\$0.205 per AGS share). As the market in AGS shares is not sufficiently liquid and the free float in AGS shares is very low as the major shareholders hold more than 87.0% of the AGS shares available to be traded on market, we consider that the market may be placing prospective upside value to AGS, in particular AGS' flagship Wilcherry Project, when compared to the technical current valuation ranges ascribed to AGS' assets.

In light of the above comments, we have not placed any further reliance on the results of the share price valuation methodology and in the current circumstances we have relied on the results of the net asset backing methodology. We have therefore concluded that the fair market value of an AGS share lies in a range of **AU\$0.048 to AU\$0.063** per share on a control basis.

## 8. Assessment as to Fairness

The Offer is “fair” if the value of the Offer Price is equal to or greater than the value of an AGS share to be acquired subject to the Offer.

In section 7 of the IER, we assessed the value of an AGS Ordinary Share on a control basis to be in a range of AU\$0.048 to AU\$0.063 per AGS Ordinary Share.

As the value of the Offer Price (AU\$0.18 per AGS Ordinary Share) is greater than the control value of an AGS Ordinary Share (AU\$0.048 to AU\$0.063 per AGS Ordinary Share), we have concluded that the Offer is fair.

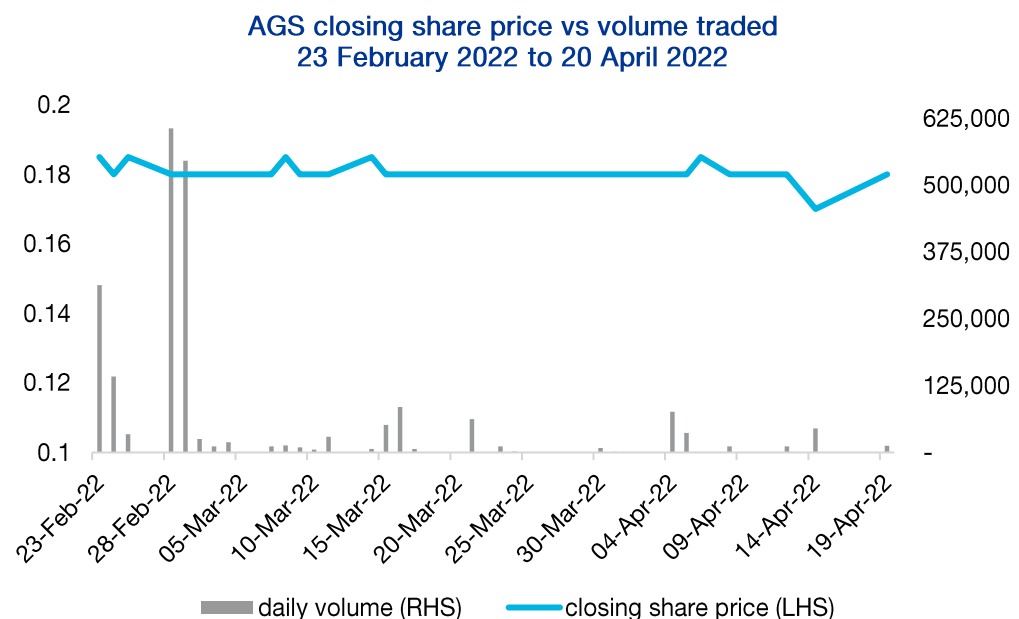
## 9. Assessment as to Reasonableness

Prior to deciding whether to accept or reject the Offer, the shareholders of AGS should also consider the following significant factors:

### Advantages

- In section 8 of the IER, we assessed the Proposed Transaction as being fair.
- AGS shares are an illiquid investment, and the Offer provides an opportunity for AGS shareholders to dispose of their shares in exchange for cash and in doing so they will not incur brokerage fees.
- Following the announcement on 22 February 2022 made by AGS on the ASX in relation to the intention of Gandel to make the Offer, we observed that the AGS shares, based on intra-day trading, have traded in a tight range of AU\$0.165 to AU\$0.200 per AGS share. We have set out below a graph showing the daily closing share price and the volume of AGS shares traded from 23 February 2022 to 20 April 2022.

Graph 2



Source: ASX

- The Offer Price is at a premium of approximately 33.0% to the closing share price of an AGS Ordinary Share on 22 February 2022 (AU\$0.135) and the Offer Price is at a significant premium of approximately 220.0% to the mid-point of the assessed control value of an AGS share of approximately AU\$0.056 (refer to section 7.9 of the IER).



## Disadvantages

- Shareholders who wish to participate in the future development of AGS and its projects will not be able to achieve such investment exposure if they accept the Offer. Accordingly, the individual investment, taxation or other strategic objectives of shareholders may not be achieved if they accept the Offer.

## Other factors

- On 26 April 2022, a notice of change of interests in AGS by Gandel was released to the ASX. Under this notice, Gandel increased its relevant interest in AGS Ordinary Shares from 72.18% to 83.04% as a result of the acceptance of over 25.4 million AGS Ordinary Shares under the Offer. Accordingly, Gandel had a relevant interest of 83.04% in AGS Ordinary Shares as at 26 April 2022 (refer to Form 604: Notice of change of interests of substantial holder released to the ASX on 26 April 2022).
- If shareholders do not accept the Offer, Gandel may still be able to achieve the acquisition of all of the shares on issue in AGS depending on the number of acceptances under the Offer. Section 664A of the Act provides that a person who holds at least 90.0% of the securities by number in a class, may compulsorily acquire the remainder of the securities in that class or convertible into shares of that class. Accordingly, if Gandel achieves a relevant interest of 90.0% or more in AGS Ordinary Shares it may compulsorily acquire all the remaining AGS Ordinary Shares under Chapter 6A of the Act. Under such a scenario, there is no guarantee that shareholders who do not accept the Offer will receive the same or a higher price compared to the Offer Price.
- There is no competing or superior offer to the Offer available to AGS shareholders.
- If the Offer is not accepted and depending on the volume of shares held by individual shareholders, shareholders who do not accept the Offer may not be able to dispose of their shares on market given the low trading volumes in AGS shares. The AGS shares may become further illiquid depending on the number of acceptances under the Offer. If shareholders do not accept the Offer, there is a risk that the AGS share price may return to trading levels experienced prior to 22 February 2022 which are below the Offer Price.
- AGS is yet to commence mining activities that generate positive cash flows and, until such time, AGS will be reliant on further capital raisings to fund exploration and development activities which may require extensive management focus and expense to secure. If shareholders do not participate proportionally in future capital raisings, their equity interest in AGS may be diluted.
- Shareholders who do not accept the Offer may be exposed to the risks associated with AGS transitioning from an advanced exploration company to a mining company, in particular funding risks, commodity risks and operating risks, and this may not be in line with the individual investment objectives of shareholders.
- If the Offer becomes unconditional without any further acceptances of the Offer, Gandel has achieved a relevant interest of more than 75.0% in AGS Ordinary Shares and, as such, it may exercise its voting power discretion as a controlling shareholder. Gandel has disclosed in the Bidders' Statement of its intention to remove AGS from the ASX to lower operating costs and either seek a listing on the National Stock Exchange of Australia ("NSX") or operates as an unlisted public company as well as to change the board composition (refer to section 4 of the Bidder's Statement). The results of either an NSX listing or operating as an unlisted public company will impact on the liquidity of AGS shares and ability of those shareholders who do not accept the Offer to sell their shares. The value of an AGS share under such circumstances may be lower than the Offer Price.

Based on the above, we consider that the advantages of the Offer outweigh the disadvantages of the Offer, and for this reason, we consider that the Offer is **reasonable** for the target shareholders of AGS.

## 10. Assessment as to Fairness and Reasonableness

After considering the above matters, we have concluded that the Offer is **fair and reasonable to the target shareholders**.



## **11. Financial Services Guide**

This Financial Services Guide provides information to assist retail and wholesale investors in making a decision as to their use of the general financial product advice included in the above report.

### **11.1 PKF Corporate**

PKF Corporate holds Australian Financial Services Licence No. 222050, authorizing it to provide general financial product advice in respect of securities to retail and wholesale investors.

### **11.2 Financial Services Offered by PKF Corporate**

PKF Corporate prepares reports commissioned by a company or other entity (“Entity”). The reports prepared by PKF Corporate are provided by the Entity to its members.

All reports prepared by PKF Corporate include a description of the circumstances of the engagement and of PKF Corporate’s independence of the Entity commissioning the report and other parties to the transactions.

PKF Corporate does not accept instructions from retail investors. PKF Corporate provides no financial services directly to retail investors and receives no remuneration from retail investors for financial services. PKF Corporate does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice to retail investors.

### **11.3 General Financial Product Advice**

In the report, PKF Corporate provides general financial product advice. This advice does not take into account the personal objectives, financial situation or needs of individual retail investors.

Investors should consider the appropriateness of a report having regard to their own objectives, financial situation and needs before acting on the advice in a report. Where the advice relates to the acquisition or possible acquisition of a financial product, an investor should also obtain a product disclosure statement relating to the financial product and consider that statement before making any decision about whether to acquire the financial product.

### **11.4 Independence**

At the date of this report, none of PKF Corporate, Mr Steven Perri, Mr Paul Lom nor Mr Stefan Galbo have any interest in the outcome of the Offer, nor any relationship with AGS, Gandel, and associated entities or any of their directors. Fees for this report are not contingent on the outcome, content or future use of this report.

Drafts of this report were provided to and discussed with the management of AGS and its advisors. Certain changes were made to factual statements in this report as a result of the reviews of the draft reports. There were no alterations to the methodology, valuations or conclusions that have been formed by PKF Corporate.

PKF Corporate and its related entities do not have any shareholding in or other relationship with AGS that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Offer.

PKF Corporate had no part in the formulation of the Offer. Its only role has been the preparation of this report.

PKF Corporate considers itself to be independent in terms of Regulatory Guide 112 issued by ASIC on 30 March 2011.

### 11.5 Remuneration

PKF Corporate is entitled to receive a fee of approximately AU\$35,000 for the preparation of this report. With the exception of the above, PKF Corporate will not receive any other benefits, whether directly or indirectly, for or in connection with the making of this report.

### 11.6 Complaints Process

As the holder of an Australian Financial Services Licence, PKF Corporate is required to have suitable compensation arrangements in place. In order to satisfy this requirement PKF Corporate holds a professional indemnity insurance policy that is compliant with the requirements of Section 912B of the Act.

PKF Corporate is also required to have a system for handling complaints from persons to whom PKF Corporate provides financial services. All complaints should be in writing and sent to the Complaints Officer, PKF Corporate at level 12, 440 Collins Street, Melbourne Vic 3000.

PKF Corporate will make every effort to resolve a complaint within 45 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Australian Financial Complaints Authority – GPO Box 3, Melbourne Vic 3000.

Yours faithfully

PKF Melbourne Corporate Pty Ltd



Steven Perri  
Director



Paul Lom  
Director

## Alliance Resources Limited

### Sources of Information

The key documents we have relied upon in preparing this report are:

- AGS' Annual Report for the year ended 30 June 2021;
- AGS' Interim Report for the half year ended 31 December 2021;
- Gandel's Bidder's Statement dated 4 April 2022;
- Gandel's Supplementary Bidder's Statement dated 14 April 2022;
- AGS' draft Target's Statement;
- Valuation and Resource Management Pty Ltd Independent Technical Specialist Report dated May 2022;
- Research data from publicly accessible web sites in particular ASX announcements by AGS; and
- Discussions with the management of AGS and its advisors.

## Alliance Resources Limited

### Declarations, Qualifications and Consents

#### 1. Declarations

This report has been prepared at the request of the Independent Directors of Alliance Resources Limited to accompany the Target's Statement. It is not intended that this report should serve any purpose other than as an expression of our opinion as to whether or not the Offer is fair and reasonable.

In the preparation of this report, we have relied upon information concerning the Offer and AGS as provided to us and available in the public domain, which we believe, on reasonable grounds, to be reliable and not misleading.

The procedures that we performed and the enquiries that we made in the course of the preparation of this report do not include verification work nor constitute an audit in accordance with Australian Auditing Standards.

The statements and opinions included in this report are given in good faith and in the belief that such statements are not false and misleading.

To the extent that this report relies on prospective information, actual results may be different from the prospective information referred to in this report since the occurrence of anticipated events frequently do not occur as expected and the variation may be material. The achievement of the prospective information is dependent on the outcome of the assumptions. Accordingly, we express no opinion as to whether the prospective information will be achieved.

This report has also been prepared in accordance with the Accounting Professional and Ethical Standards Board professional standard APES 225 – Valuation Services.

#### 2. Qualifications

Mr Steven Perri, director of PKF Corporate, and Mr Stefan Galbo, prepared this report. They have been responsible for the preparation of expert reports and are involved in the provision of advice in respect of valuations, takeovers, capital reconstructions and reporting on all aspects thereof.

Mr Perri is a Member of Chartered Accountants Australia and New Zealand (CAANZ) and an Accredited Business Valuation Specialist (CA BV Specialist).

Mr Galbo is a Member of Chartered Accountants Australia and New Zealand (CAANZ) and an Accredited Business Valuation Specialist (CA BV Specialist).

Mr Paul Lom, a director of PKF Corporate reviewed this report. Mr Lom is a Fellow of Chartered Accountants Australia and New Zealand (CAANZ) and an Accredited Business Valuation Specialist (CA BV Specialist) with more than 35 years experience in the accounting profession. He was a partner of KPMG and Touche Ross between 1989 and 1996, specialising in audit. He has extensive experience in business acquisitions, business valuations and privatisations in Australia and Europe.

#### 3. Consent

PKF Corporate consents to the inclusion of this report in the form and context in which it is included in the Target's Statement.

## Valuation methodologies

### Share price history

The share price history valuation methodology values a company based on the past trading in its shares.

### Capitalisation of future maintainable earnings

Capitalisation of earnings is a method commonly used for valuing manufacturing and service companies and, in our experience, is the method most widely used by purchasers of such businesses. This method involves capitalising the earnings of a business at a multiple which reflects the risks of the business and its ability to earn future profits.

There are different definitions of earnings to which a multiple can be applied. The traditional method is to use net profit after tax. Another common method is to use Earnings Before Interest and Tax (EBIT) or Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA). One advantage of using EBIT or EBITDA is that it enables a valuation to be determined which is independent of the financing and tax structure of the business. Different owners of the same business may have different funding strategies and these strategies should not alter the fundamental value of the business.

### Net present value of future cash flows

An analysis of the net present value of the projected cash flows of a business and/or asset (or discounted cash flow technique) is based on the premise that the value of the business and/or asset is the net present value of its future cash flows. This methodology requires an analysis of future cash flows, the capital structure, the costs of capital and an assessment of the residual value of the business and/or asset remaining at the end of the forecast period.

### Asset Based Methods

This methodology is based on the realisable value of a company's identifiable net assets. Asset based valuation methodologies include:

(a) Net assets

The net asset valuation methodology involves deriving the value of a company or business by reference to the value of its assets. This methodology is likely to be appropriate for a business whose value derives mainly from the underlying value of its assets rather than its earnings, such as property holding companies and investment businesses that periodically revalue their assets to market. The net assets on a going concern basis method estimates the market values of the net assets of a company but does not take account of realisation costs.

(b) Orderly realisation of assets

The orderly realisation of assets method estimates the fair market value by determining the amount that would be distributed to shareholders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner.

(c) Liquidation of assets

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a short time frame.

### Comparable market transactions

Industry specific methods estimate market values using rules of thumb for a particular industry. Generally, rules of thumb provide less persuasive evidence of the market value of an asset than other valuation methods because they may not account for specific factors.

### Alternative acquirer

This methodology considers the value that an alternative bidder may be prepared to pay to acquire a business, asset or company.



Valuation & Resource Management

# INDEPENDENT TECHNICAL ASSESSMENT REPORT & VALUATION

Presented To:

PKF Melbourne Corporate  
Alliance Resources Limited

Date Issued:

2 May 2022



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Valuation Date	22 February 2022

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## Executive Summary

PKF Melbourne Corporate Pty Ltd (PKF) engaged Valuation and Resource Management Pty Ltd (VRM) to prepare an Independent Technical Assessment and Valuation report (ITAR or the Report) in relation to the proposed off-market takeover bid by Gandel Metals Pty Ltd (Gandel Metals) for Alliance Resources Limited (ASX: AGS) (Alliance or the Company). The intention to make the off market takeover was announced by Alliance on 22 February 2022. PKF was commissioned by Alliance to prepare an Independent Expert's Report (IER) to be provided to the shareholders of Alliance in relation to the proposed transaction.

This Report is a public document, in the format of an ITAR and is prepared in accordance with the guidelines of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – The VALMIN Code (2015 edition) (VALMIN). VRM understands that PKF will include the Report within its IER relating to the proposed transaction to provide shareholders with the information they require to make an informed decision on whether to accept the takeover bid.

This Report is a technical review and valuation opinion of the mineral assets of Alliance being the Wilcherry Project in South Australia and the Kalgoorlie South and Nepean West Projects in the Eastern Goldfields of Western Australia. The Wilcherry Project contains the Weednanna Gold-Iron Deposit with recent Mineral Resources reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves - The JORC Code (2012 Edition) (JORC). There are no Ore Reserves estimated on the project. The Kalgoorlie South and Nepean West Projects are early-stage exploration projects. The projects are all owned 100% by Alliance.

Applying the principles of the VALMIN Code VRM has used several valuation methods to determine the value for the gold and iron mineral assets. The assets of Alliance have been valued as part of this Report on an 100% basis. Importantly, as neither the principal author nor VRM hold an Australian Financial Securities Licence, this valuation is not a valuation of Alliance but rather an asset valuation of the Wilcherry, Nepean West and Kalgoorlie South Projects.

This valuation is current as of 22 February 2022. VRM provided a draft report to PKF on 28 April 2022 in redacted and unredacted formats. PKF forwarded the redacted version to Alliance to check for factual accuracy. VRM's report and valuation will be finalised after the material facts are confirmed.

As commodity prices, exchange rates and cost inputs fluctuate this valuation is subject to change over time. The valuation derived by VRM is based on information provided by Alliance along with publicly available data including Australian Securities Exchange (ASX) releases and published technical information. VRM has made reasonable endeavours to confirm the accuracy, validity and completeness of the technical data which forms the basis of this Report. The opinions and statements in this Report are given in good faith and under the belief that they are accurate and not false nor misleading.

The default currency is Australian dollars (unless otherwise stated). As with all technical valuations the valuation included in this Report is the likely value of the mineral projects and not an absolute value. A range of likely values for the various mineral assets is provided with that range indicating the accuracy of the valuation.

## Wilcherry, Kalgoorlie South and Nepean West Projects

The Wilcherry Project is located approximately 40 kilometres north of Kimba in South Australia, a small town on the Eyre Highway 100km west of Port Augusta. Drilling by modern explorers has identified significant mineralised systems hosted within Paleoproterozoic calcareous and iron-rich metasediments which are intruded by Hiltaba Suite Granites that are responsible for widespread gold, uranium, and base metal mineralisation in the Gawler Craton. The gold mineralisation at Weednanna is a magnetite breccia in carbonate altered rocks forming a skarn near the contact with a granite intrusion containing elevated gold, bismuth, tin, uranium, lead, and zinc. There is also iron mineralisation in proximity to the gold deposit.

Between February 2017 and March 2018 Alliance drilled 92 RC holes, totalling 14,341 metres, at Weednanna to test for economic concentrations of gold and in September 2018, announced an initial gold Mineral Resource estimate. This Mineral Resource estimate utilised data from 34 diamond holes for 4,431 metres and 403 RC holes for 48,058 metres drilled between 1997 and 2018.

Since the 2018 gold estimate, Alliance drilled a further five diamond holes for 591.6 metres and 270 RC holes for 35,348 metres to increase geological confidence in the deposit (refer to Alliance ASX announcements dated 29 November 2018, 4 March 2019, 2 April 2019, 12 June 2019, 8 July 2019, 11 October 2019, 15 April 2020, 8 May 2020, and 6 August 2020). The updated gold Mineral Resource (ASX: AGS 9 November 2020) was estimated to be 1.106 Mt grading 4.3 g/t Au for 152,000 ounces of gold (classified 71% Measured and Indicated and 29% Inferred). On the 19 November 2020 Alliance also announced an initial iron Mineral Resource estimate of 1.150 Mt grading 59.4 % Fe. Further details of both estimates are contained in the body of the Report, and these were reviewed for reasonableness by VRM to inform the mineral asset valuation.

Alliance also has 100% interests in the Kalgoorlie South and Nepean West Projects in the Kalgoorlie Terrane of the Eastern Goldfields region in Western Australia. Kalgoorlie South is approximately 10km south of Kalgoorlie on the Abattoir shear zone, which separates the Ora Banda Domain in the west from the Kambalda Domain in the east. The Kalgoorlie Nickel smelter and power station are located in the northeast of the project and while there are no mineral occurrences from Minedex recorded on the tenements, previous drilling is mostly shallow with only limited deeper drilling. Nepean West is located 25km southwest of Coolgardie in the Coolgardie Domain of the Kalgoorlie Terrane. The north portion of the tenements contain interpreted greenstone and felsic volcanics, while the eastern portion of the tenements contain some extensions of the greenstone sequence which host the Nepean nickel deposit. No mineral occurrences are located on the tenements, but Alliance has defined two gold prospects known as Penrith and Hawkesbury and the nickel potential should also be considered.

VRM has estimated the value of the tenements considering the technical information supporting their respective gold, iron, and nickel prospectivity. The Wilcherry Project has been valued considering the current Mineral Resource estimates for gold and iron as well as the surrounding exploration tenure. The Kalgoorlie South and Nepean West Projects are valued based on the respective exploration prospectivity of the tenements.

The primary valuation method used for the Projects was a comparable transaction method based on the Mineral Resource estimates and on the geoscientific or Kilburn methods for the surrounding tenement areas of the project areas. Secondary valuations were determined based on the yardstick approach for the Mineral Resources and on the prospectivity enhancement multiplier method for the surrounding tenement areas at Wilcherry and for Kalgoorlie South and Nepean West.

This report documents the technical aspects of the tenements along with explaining valuations for the properties applying the principles and guidelines of the VALMIN and JORC Codes.

## Conclusions

The review found that while the Mineral Resource updates at the Weednanna deposit have continued to improve geological confidence and classification, infill drilling has more closely defined the extent of mineralisation with a net result of outlining less total contained ounces than the original estimates. The iron mineralisation is located adjacent to the gold deposit. There is a risk associated with the Mineral Resources estimates especially associated with the geological model and the extent of the mineralisation, this is considered to be a moderate risk. Additionally, it is noted that the highest-grade material (Open Pit or Underground) is classified as Inferred, which clearly indicates a potential resource risk.

There has been minimal previous exploration at the Nepean West and Kalgoorlie South Projects, which are considered to be early-stage exploration projects.

The Exploration Results and Mineral Resources have been reviewed at a high level by VRM to inform the basis of our valuation. VRM has not re-estimated the Mineral Resources and has not conducted full due diligence on these. Risks and opportunities related to the company's defined mineralised zones are discussed further in the body of the Report and, where material, has been noted in the valuation.

Considering both the mineralisation currently defined and the exploration potential in VRM's opinion, the mineral assets of Alliance have a market value of between \$8.2 million and \$12.0 million with a preferred value of \$10.1 million on an 100% ownership basis. The respective valuation components are summarised in Table ES-1 and the basis for these values is outlined within the body of this Report.

Table ES-1 Alliance Mineral Assets Valuation Summary

Valuation summary by Project			
	Lower (\$M)	Preferred (\$M)	Upper (\$M)
Wilcherry Project			
Weednanna Gold Mineral Resources	\$3.7	\$4.6	\$5.5
Weednanna Iron Mineral Resources	\$0.2	\$0.2	\$0.3
Exploration Potential	\$4.1	\$4.7	\$5.3
Nepean West Project			
Exploration Potential	\$0.1	\$0.3	\$0.5
Kalgoorlie South Project			
Exploration Potential	\$0.1	\$0.2	\$0.3
Total Mineral Asset Value	\$8.2	\$10.0	\$11.9

Note the totals may not add due to rounding

## 1. Introduction

Valuation and Resource Management Pty Ltd (VRM), was engaged by PKF Melbourne Corporate Pty Ltd (PKF) to undertake an Independent Technical Assessment and Valuation Report (Report or ITAR) on the Wilcherry, Kalgoorlie South and Nepean West Projects of Alliance Limited (ASX: AGS) (Alliance or the Company). This is in relation to the proposed takeover bid for Alliance by Gandel Metals Pty Ltd (Gandel Metals) with the intention to make the off market takeover bid announced on 22 February 2022 and supported by a Bidder's Statement on 4 April 2022 and a Supplementary Bidder's Statement on 14 April 2022. PKF was engaged by Alliance to prepare an Independent Expert's Report (IER) in relation to the proposed transaction.

VRM understands that this ITAR will be included in the Independent Experts Report (IER) being prepared by PKF. PKF will refer to, and rely on, the VRM report and mineral asset valuation which will be attached to its IER to inform shareholders as to the fairness and reasonableness of the proposed transaction.

Paul Dunbar and Deborah Lord of VRM were contacted to undertake a valuation of the mineral assets of Alliance located in South Australia (SA) and Western Australia (WA). Lynda Burnett of VRM assisted with compilation of geological information. Stefan Galbo of PKF engaged VRM for the purposes of the ITAR and all correspondence was directed through PKF.

VRM has estimated a likely range of values and a preferred market value for the Wilcherry, Kalgoorlie South and Nepean West Projects considering the previously reported Mineral Resource estimates and Exploration Results. Ground surrounding the Mineral Resources was valued based on its exploration potential. The technical information supporting the prospectivity of the licences and the valuation of the tenements is on an 100% interest basis to determine a market value for the Projects as at 22 February 2022 and considering information up to 27 April 2022.

### 1.1. Compliance with the JORC and VALMIN Codes and ASIC Regulatory Guides

The ITAR is prepared applying the guidelines and principles of the 2015 VALMIN Code and the 2012 JORC Code. Both industry codes are mandatory for all members of the Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG). These codes are also requirements under Australian Securities and Investments Commission (ASIC) rules and guidelines and the listing rules of the ASX.

This ITAR is a Public Report as described in the VALMIN Code (Clause 5) and the JORC Code (Clause 9). It is based on, and fairly reflects, the information and supporting documentation provided by Alliance and the associated Competent Persons as referenced in this ITAR and additional publicly available information.

## 1.2. Scope of Work

VRM's primary obligation in preparing mineral asset reports is to independently describe mineral projects applying the guidelines of the JORC and VALMIN Codes. These require that the Report contains all the relevant information at the date of disclosure, which investors and their professional advisors would reasonably require in making a reasoned and balanced judgement regarding the project.

VRM has compiled the valuation based upon the principle of reviewing and interrogating the documentation of Alliance and previous exploration within the areas. This Report is a summary of the work conducted, completed and reported by the various explorers to 27 April 2022 based on information supplied to VRM by Alliance as well as other information sourced from the public domain to the extent required by the VALMIN and JORC Codes.

VRM understands that the objective of this study is to provide:

- Summaries of the regional and local geology, the security of the tenure, a summary of the recent and previous exploration,
- Review of the mineral assets to determine the most appropriate valuation techniques for the assets based on the development stages of the projects and amount of available information.
- Provide an independent valuation on the mineral assets of Alliance as at 22 February 2022.

VRM understands that its reviews and valuations will be relied upon and appended to an IER prepared by PKF to assist shareholders in their decision regarding the approval of the proposed transaction. As such, it is understood that VRM's review and valuation will be a public document.

## 1.3. Statement of Independence

VRM was engaged to undertake an ITAR. This work was conducted applying the principles of the JORC and VALMIN Codes, which in turn reference ASIC Regulatory guide 111 Content of expert reports (RG111) and ASIC Regulatory guide 112 Independence of experts (RG112).

Ms Deborah Lord, Ms Lynda Burnett and Mr Paul Dunbar of VRM have not had any association with Alliance or Gandel, their individual employees, within at least the last two years nor any interest in the securities of Alliance or Gandel which could be regarded as affecting their ability to give an independent, objective and unbiased opinion. Neither VRM, Ms Lord, Ms Burnett nor Mr Dunbar hold an Australian Financial Services Licence and the valuation contained within this Report is limited to a valuation of the mineral assets being reviewed. VRM will be paid a fee for this work based on standard commercial rates for professional services. The fee is not contingent on the results of this review and is between \$35,000 to \$40,000 (excluding GST).

## 1.4. Competent Persons Declaration

This report was prepared by Ms Deborah Lord and Ms Lynda Burnett as the primary authors and the valuation was conducted by Mr Paul Dunbar.



The information in this Report that relates to report compilation reflects information compiled and conclusions derived by Ms Deborah Lord, BSc (Hons), who is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) and Member of the Australian Institute of Geoscientists (AIG). Ms Lord is a Principal of VRM and is independent of Alliance and Gandel. She has sufficient experience relevant to the Technical Assessment of the Mineral Assets under consideration and to the activity being undertaken to qualify as a Practitioner as defined in the 2015 VALMIN Code. She is Chairperson of the VALMIN Committee and a member of the AusIMM Professional Conduct Committee. Ms Lord consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

The information in this Report that relates to Technical Assessment of the Mineral Assets reflects information compiled and conclusions derived by Ms Lynda Burnett, BSc (Hons), who is a Member of the AusIMM. Ms Burnett is an Associate of VRM and is independent of Alliance and Gandel. She has sufficient experience relevant to the Technical Assessment of the Mineral Assets under consideration and to the activity being undertaken to qualify as a Practitioner as defined in the 2015 VALMIN Code. Ms Burnett consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

The Report and information that relates to Valuation of the Mineral Assets reflects information compiled and conclusions derived by Mr Paul Dunbar, BSc (Hons), MSc (Minex) who is a Member of the AusIMM and the AIG. Mr Dunbar is a Principal of VRM and is independent of Alliance and Gandel. He has sufficient experience relevant to the Technical Assessment and Valuation of the Mineral Assets under consideration and to the activity being undertaken to qualify as a Practitioner as defined in the 2015 VALMIN Code. Mr Dunbar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

### **1.5. Reliance on Experts – Mineral Resource estimates**

The most recent Wilcherry Mineral Resource estimates were announced by Alliance on 9 November and 19 November 2020 in accordance with the guidelines of the JORC Code 2012 and were completed by a consultant independent of Alliance. VRM has reviewed the estimates for reasonableness to inform its valuation but has not re-calculated or re-estimated the Mineral Resources and has therefore placed reliance on the Competent Person's sign off for these estimates as reported by Alliance in November 2020. VRM notes that it has not performed the role, nor does it accept the responsibilities of a Competent Person as the JORC Code defines with respect to the Wilcherry Mineral Resource estimates.

VRM has not verified the underlying geological datasets, nor has it completed a full review or re-reported the Mineral Resource estimates for the Projects as at the date of this Report. VRM has provided an opinion in relation to the Mineral Resource estimates and has noted some risks and opportunities in relation to these estimates as documented further in the body of this report.

Ms Lord, Ms Burnett and Mr Dunbar, the authors of this report are not qualified to provide extensive commentary on the legal aspects of the mineral properties or the compliance with the legislative

environment and permitting in WA and SA. In relation to the tenement standing, VRM has relied on the documentation of the Competent Persons for the Mineral Resources estimates and associated JORC Table 1 documentation. In addition to relying on the Competent Persons Table 1 documentation, VRM undertook an independent review of the Department of Mines, Industry Regulation and Safety (DMIRS) online tenement database, Mineral Titles online and the South Australian Department of Energy and Mining (DEM) on 20 April 2022. As required by the VALMIN Code the status of the tenements is detailed within this Report.

## 1.6. Sources of Information

All information and conclusions within this report are based on information made available to VRM to assist with this report by Alliance and other relevant publicly available data to 27 April 2022. Reference has been made to other sources of information, published and unpublished, including government reports and reports prepared by previous interested parties and Joint Venturers to the areas, where it has been considered necessary. VRM has, as far as possible and making all reasonable enquiries, attempted to confirm the authenticity and completeness of the technical data used in the preparation of this report and to ensure that it had access to all relevant technical information. VRM has relied on the information contained within the reports, articles and databases provided by Alliance as detailed in the reference list. A draft of this Report was provided to Alliance, via PKF to identify and address any factual errors or omissions prior to finalisation of the Report. The valuation sections of the Report were not provided to the company until the technical aspects were validated and the Report was declared final.

Between 22 February 2022 and the date of this Report, nothing has come to the attention of VRM unless otherwise noted in the Report that would cause any material change to the conclusions.

## 1.7. Site Visits

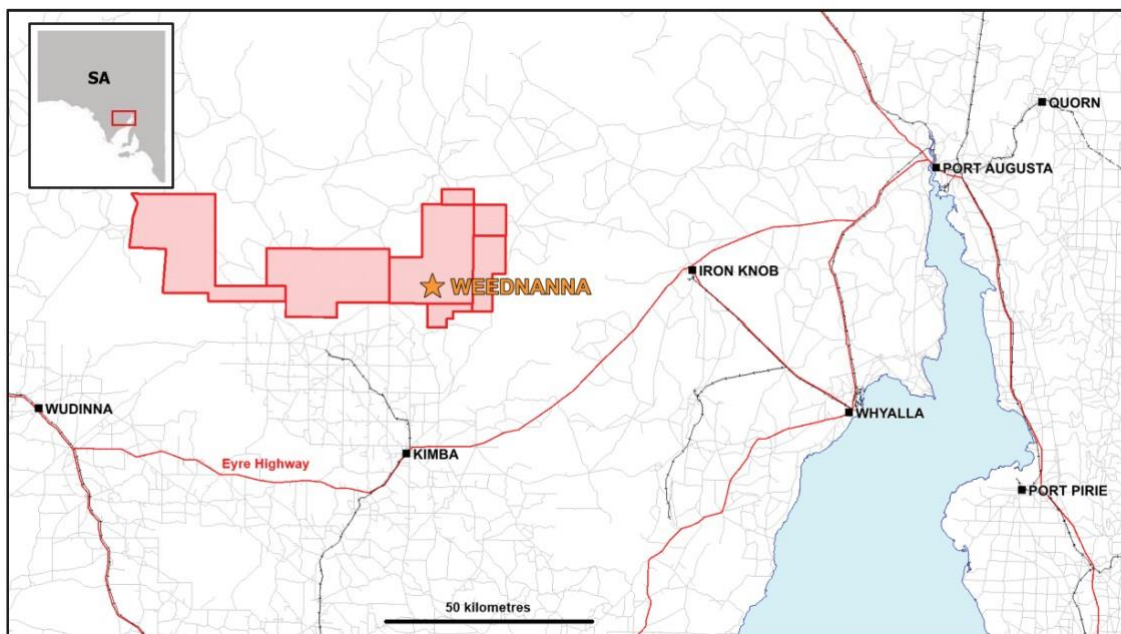
No specific site visits have occurred as part of this report or valuation. VRM is satisfied that all information has been made available to it to undertake this valuation and report and that given the projects are mostly considered as early-stage exploration projects a site visit would not provide any additional information that would modify the opinions or valuation contained in this report.

For the Wilcherry Mineral Resource estimates, VRM notes that a site visit has been conducted by the Competent Person in 2018.

## 2. Alliance Resources Mineral Assets

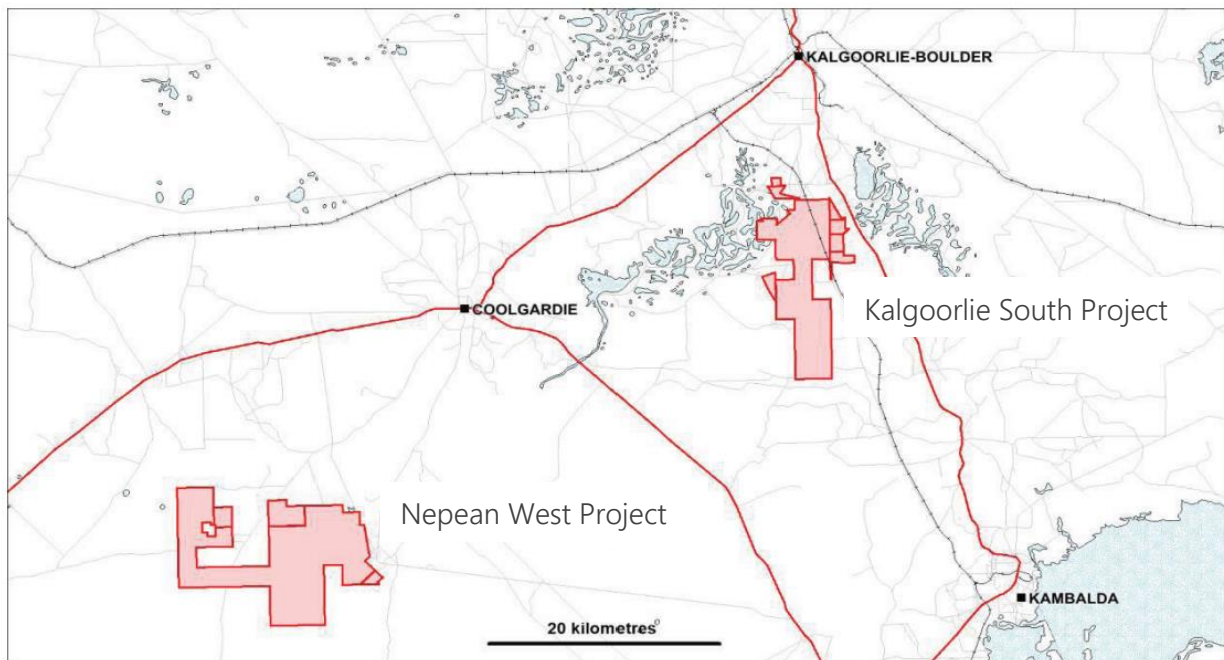
The mineral assets included in this valuation include the Wilcherry Project owned 100% by Alliance (Eyre) Pty Ltd (Eyre), a wholly owned subsidiary of Alliance, located within the southern Gawler Craton on the northern Eyre Peninsula, South Australia comprising seven exploration licences over approximately 1,469 km<sup>2</sup>. The Western Australian projects, being the Nepean West and Kalgoorlie South Projects are owned 100% by Alliance Resources (WA) Pty Ltd, a wholly owned subsidiary of Alliance. The Nepean West Project consists of three exploration licence and one prospecting licence located approximately 65 km southwest of Kalgoorlie, Western Australia; and the Kalgoorlie South Project located approximately 15 km south of Kalgoorlie, Western Australia consisting of one exploration licence and five prospecting licences and two prospecting licence applications.

The general location of the properties is summarised below in Figure 1 and in Figure 2.



Source: Alliance Annual Report (ASX: AGS 29 Oct 2021)

Figure 1 – Location of the Wilcherry Project and Weednanna Deposit in South Australia



Source: Alliance Resources Annual Report 2021 (ASX: AGS 29 Oct 2021)

Figure 2 – Location of the Kalgoorlie South and Nepean West Projects in Western Australia

## 2.1. Tenure

The tenement portfolio making up the Mineral Assets of Alliance consists of all 100% direct holding tenements. Tenement information is summarised below in Table 1.

**Table 1 Alliance tenement schedule as at 4 April 2022**

Tenement Schedule as at 4 April 2022						
Project	Licence Holder	Licence No.	Area	Equity	Grant Date / Application Date	Expiry Date
Wilcherry	Alliance (Eyre)	EL6379	55km <sup>2</sup>	100%	29/07/2019	28/07/2024
Wilcherry	Alliance (Eyre)	EL5875	14km <sup>2</sup>	100%	10/06/2016	9/06/2021
Wilcherry	Alliance (Eyre)	EL6475	408km <sup>2</sup>	100%	21/01/2020	20/01/2025
Wilcherry	Alliance (Eyre)	EL5931	26km <sup>2</sup>	100%	23/03/2017	22/03/2022
Wilcherry	Alliance (Eyre)	EL6072	115km <sup>2</sup>	100%	13/11/2017	12/11/2022
Wilcherry	Alliance (Eyre)	EL6188	387km <sup>2</sup>	100%	1/07/2018	30/06/2023
Wilcherry	Alliance (Eyre)	EL6521	464km <sup>2</sup>	100%	22/09/2020	21/09/2022
Nepean West	Alliance Resources (WA)	E15/1658	39BL	100%	14/11/2019	13/11/2024
Nepean West	Alliance Resources (WA)	E15/1787	3BL	100%	03/03/2022	02/03/2027
Nepean West	Alliance Resources (WA)	E15/1788	1BL	100%	30/04/2021	29/04/2026
Nepean West	Alliance Resources (WA)	P15/6591	130ha	100%	23/04/2021	22/04/2025
Kalgoorlie South	Alliance Resources (WA)	E26/208	23BL	100%	03/03/2020	02/03/2025
Kalgoorlie South	Alliance Resources (WA)	P15/6389	168ha	100%	4/09/2020	3/09/2024
Kalgoorlie South	Alliance Resources (WA)	P26/4458	68ha	100%	28/11/2018	N/A
Kalgoorlie South	Alliance Resources (WA)	P26/4459	141ha	100%	28/11/2018	N/A
Kalgoorlie South	Alliance Resources (WA)	P26/4460	121ha	100%	23/08/2019	28/11/2023
Kalgoorlie South	Alliance Resources (WA)	P26/4461	184ha	100%	03/03/2020	02/03/2024
Kalgoorlie South	Alliance Resources (WA)	P26/4462	193ha	100%	03/03/2020	02/03/2024
Kalgoorlie South	Alliance Resources (WA)	P26/4463	200ha	100%	23/08/2019	22/08/2023

Note the suffix Pty Ltd has been removed from the licence holder, P26/4458 and P26/4459 are applications, and are expected to be granted in accordance with the WA Mining Act and Mining Regulations. The area of the prospecting licences (and applications) have been rounded to the nearest hectare.

VRM independently confirmed the status of the South Australian and Western Australian tenements on the South Australian Department of Energy and Mines (DEM) and Department of Mines, Industry Regulation and Safety (DMIRS) online tenement databases, accessed on 20 April 2022. The tenement locations are shown in Figure 1 and Figure 2.

## 2.2. Accessibility

The Wilcherry Project is located approximately 40 kilometres north of Kimba in South Australia a small town on the Eyre Highway 100km west of Port Augusta. Access to the area is via both sealed and all weather unsealed public roads to the tenement boundary north of Kimba. Numerous tracks provide access within the tenements to the main prospect areas.

The Kalgoorlie South Project is situated 10 kilometres south of Kalgoorlie. The area can be accessed via the station tracks after travelling south for 10km on the Goldfields Esperance Highway. The Nepean West Project

is located approximately 30km southwest of Coolgardie. The project can be accessed via station roads after turning south around 20km west of Coolgardie on the Great Eastern Highway.

### 3. Wilcherry Project

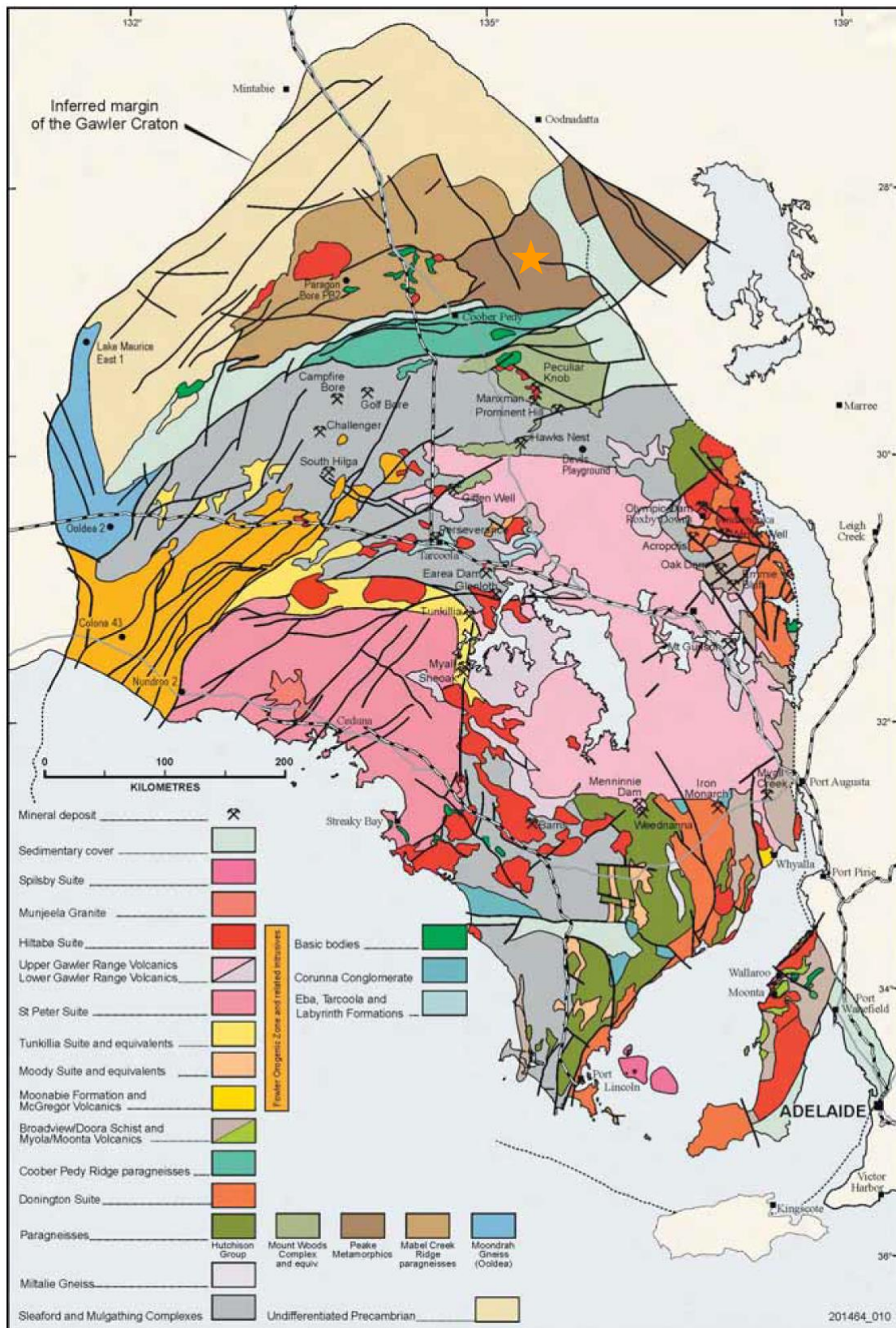
#### 3.1. Geological Setting

The tenements that form the Wilcherry Project are located within the southern part of the Gawler Craton. in Central SA.

The project area is at the southern margin of the Central Gawler Craton Gold Province (CGCP) which was described by Drown (2003) based on similarities in mineralisation and alteration style between the Barns and Tunkillia Prospects (Figure 3) and other gold dominated Proterozoic mineral occurrences within Hiltaba Suite intrusives and the coeval Gawler Range Volcanics (GRV). Ferris and Schwarz (2003) suggest the difference between the gold only and polymetallic mineralisation styles may be related to the tectonic setting where the CGCP is proximal to a former subduction zone and the eastern Cu-Au province (with contains Weednanna) is within a reactivated accreted margin.

They considered the epithermal and skarn mineralisation at Weednanna, and surrounding areas is part of a broad spectrum of orogenic-style gold deposits related to the Hiltaba Suite – GRV magmatic event, which differs from the dominantly Iron-Oxide Copper-Gold (IOCG) mineralisation of the eastern Gawler Craton.





Source: MESA Journal 30 2003, after Daly et al, 1998

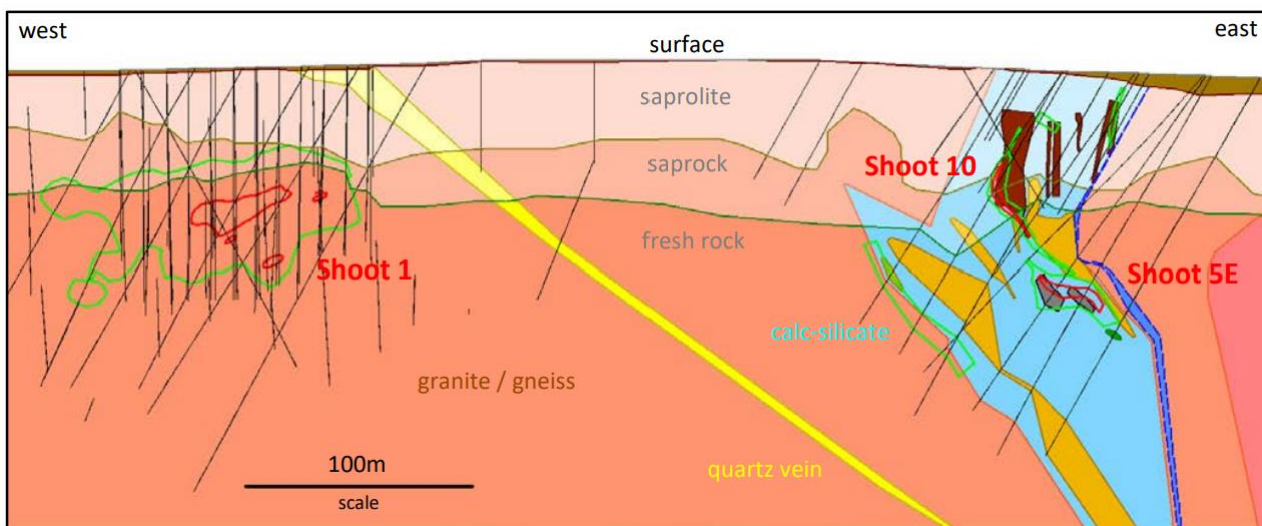
Figure 3 – Approximate location of the Wilcherry Project (Weednanna) within the Gawler Craton



### 3.2. Wilcherry Project Local Geology

Host rocks are Archean Sleaford Complex granite and gneiss occurring east and west of the Paleoproterozoic Hutchinson Group meta-sediments which are intruded by Hiltaba Suite granites.

Weednanna is characterised by a north striking and moderate to steep east-dipping unit of Paleoproterozoic Hutchinson Group sediments, consisting of marl and dolomite with lesser sandstone and possibly minor basalt, which have been metamorphosed under upper-amphibolite facies conditions and altered to produce interleaving calc-silicate and magnetite skarn with lesser gneiss and minor amphibolite (Figure 4). One deep diamond hole has been drilled beneath the Weednanna Deposit and intersected unmineralised Hiltaba-aged K-spar rich granite from 409.5 metres depth to the end of hole at 577 metres depth.

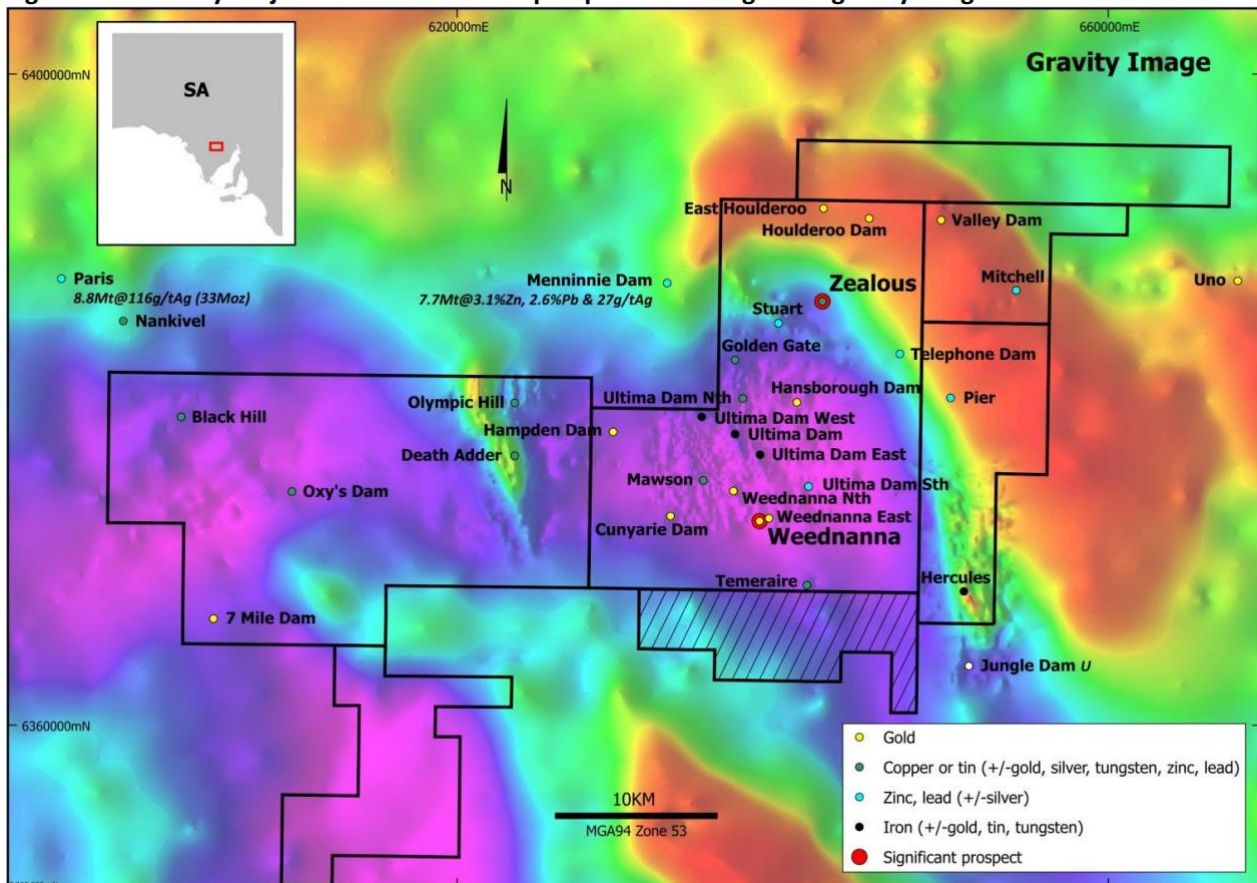


Legend: Orange: Archean Sleaford Complex granite / gneiss, Light blue: Paleoproterozoic calc-silicate altered Hutchinson Group sediments, Brown: Paleoproterozoic ironstone after magnetite skarn altered Hutchinson Group sediments (> 55 % Fe), Grey: Paleoproterozoic magnetite skarn altered Hutchinson Group sediments (> 55 % Fe), Light orange: Kimban Peter Pan Super Suite? Granites, Green: Kimban Peter Pan Super Suite? Amphibolite, Pink: Hiltaba? K-spar granite, Dark blue: biotite-rich hanging wall shear, Yellow: quartz vein. Green contours: 0.2 – 2.5 g/t Au and Red contours: > 2.5 g/t Au

Source: ASX announcement dated 19 November 2020

Figure 4 – Schematic cross section of the Weednanna Deposit at 6,373,425mN in the Wilcherry Project

The area is predominantly overlain by a shallow veneer of transported cover that has prevented effective exploration by early prospectors. Drilling by modern explorers has identified significant mineralised systems hosted within Paleoproterozoic calcareous and iron-rich metasediments which are intruded by Hiltaba Suite Granites that are responsible for widespread gold, uranium, and base metal mineralisation in the Gawler Craton. The gravity lows (pinks) on the image below (Figure 5) show the location of the granites within the project.



Source: (ASX: announcement dated 16 November 2016) Note the tenements shown are not the current tenements.

Figure 5 – Location of main prospect areas at the Wilcherry Project over gravity

### Gold Mineralisation

Gold mineralisation occurs within both the Archean Sleaford Complex granite and gneiss and Paleo-Proterozoic Hutchinson Group meta-sediments and has been described as associated with the intrusion of Hiltaba Granites and skarn alteration. The alteration history and mineral paragenesis at Weednanna is complex and includes multiple phases of hydrothermal activity. While the peak-metamorphic skarn alteration event has been dated as Hiltaba-aged, petrographic, and structural observations show that gold mineralisation occurred under retrograde conditions possibly towards the end of the skarn alteration event and / or during a later phase of hydrothermal activity. Gold is associated with sulphides and generally occurs as discrete high-grade shoots with distribution strongly influenced by localised structural and lithological heterogeneity. In the Hutchison Group meta-sediments gold is dominantly associated with pyrite, bismuth, copper, and tellurides, whereas in the Sleaford Complex granite and gneiss arsenopyrite is the most common accessory sulphide.

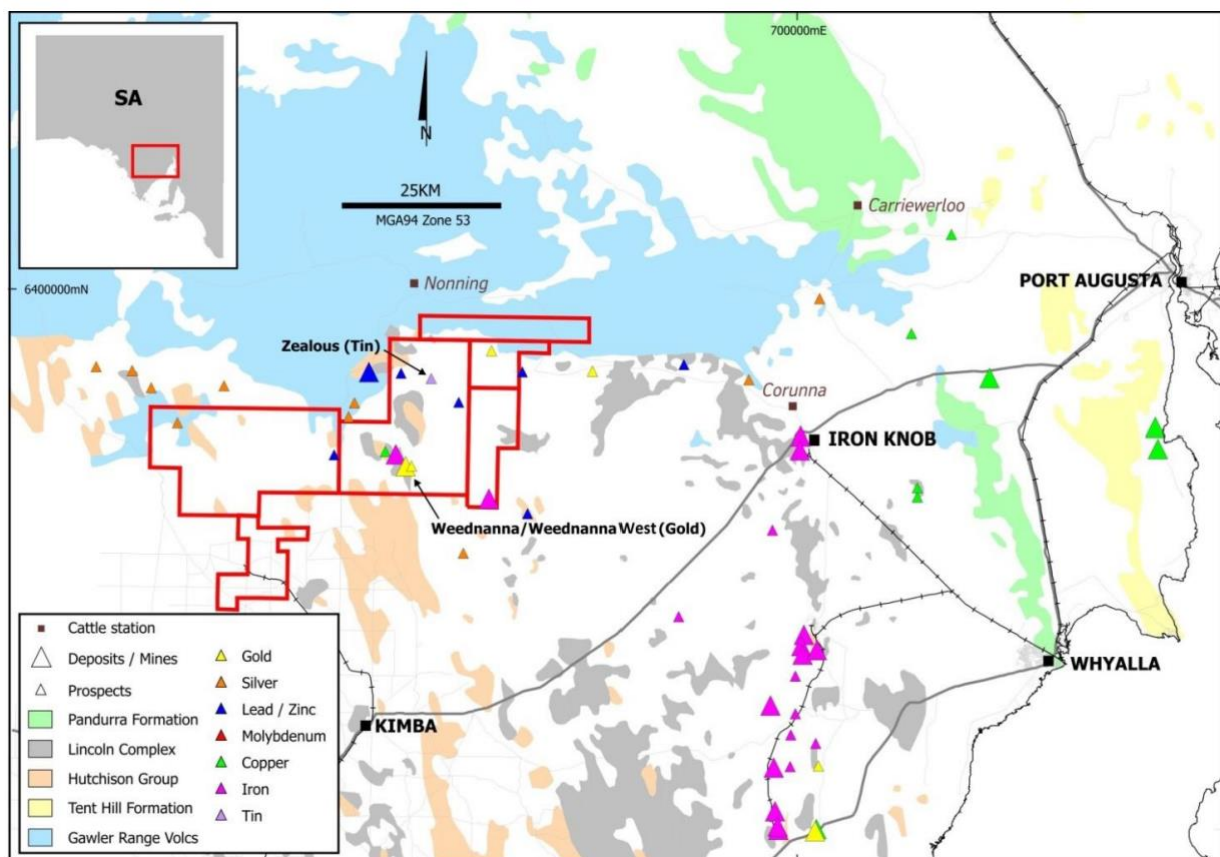
### Iron Mineralisation

Iron mineralisation occurs within Paleo-Proterozoic Hutchinson Group meta-sediments and is associated with the intrusion of Hiltaba-aged granites and skarn alteration. Magnetite-rich skarn formed during the

peak metamorphic event by iron replacement of an impure dolomitic marble / marl host meta-sedimentary sequence interpreted as Katunga Dolomite. At Weednanna broad zones of magnetite skarn occur near-surface and are weathered to hematite- and goethite- rich ironstone. The weathering process increases the iron content and produces potential Direct Shipping Ore. High-grade fresh magnetite-rich skarn also occurs adjacent to, and on the margins of gold mineralisation.

### 3.3. Previous Exploration

The area has been explored since the 1970's by companies including Pan Continental Mining, Asarco and Marumba Minerals for uranium and Broken Hill Type base metals associated with the Paleoproterozoic Hutchison Group metasediments. This resulted in the discovery of the Menninnie Dam lead-zinc-silver deposit (to the north of the Project) and the Telephone Dam lead-zinc-silver occurrence. These base metal concentrations occur within calc-silicates, marbles, and banded iron formations (BIF's) of the Middleback Subgroup (Figure 6). Research by later explorers concluded that the mineralisation was contemporaneous with intrusive rhyolites of identical age to the Gawler Range Volcanics. The BIF sequences of the Hutchison Group also include the high-grade hematite deposits of the Middleback Ranges.



Source: (ASX: AGS announcement dated 26 September 2016)

Figure 6 – Location of mineral occurrences at the Wilcherry Project over geology

During the 1980's The Shell Company of Australia and WMC explored the area for lead and zinc. Shell (later Acacia) in joint venture with Aberfoyle then refocused exploration to copper and gold utilising calcrete sampling to identify and prioritise target areas for drill testing.

In 1997 Acacia, identified a strong gold-in-calcrete anomaly at Weednanna which is coincident with a prominent north-northwest trending magnetic anomaly. Successive drilling campaigns identified gold mineralisation associated with skarn alteration and brecciation in the contact aureole of the adjacent granite. Weednanna is now known to be a magnetite breccia in carbonate-altered rocks forming a skarn near the contact with a granite intrusion and containing elevated gold, bismuth, tin, uranium, lead, and zinc. Weednanna West is a calc-silicate skarn defined by a NW-trending induced polarisation (IP) anomaly and containing significant gold.

In 2002, Aquila Resources acquired the Project tenements to explore for IOCG deposits similar to Olympic Dam and in 2006, Trafford Resources Ltd (Trafford), now a wholly owned subsidiary of Tyranna, acquired the Project tenements from Aquila. Trafford and Tyranna (then known as IronClad Mining Limited (IronClad)) under previous management made a substantial investment on the Project, including but not limited to, defining Direct Shipping iron Ore (DSO) in magnetite skarns, BIFs and near surface iron oxide deposits.

Trafford established historical estimates of iron mineralisation across seven deposit areas, with iron being classified as either DSO or Dry Magnetic Separation product (source: Trafford Annual Report 2014). In 2012, a 10-hole drilling program by IronClad, designed to test an outcrop of high-grade hematite at the Zealous prospect, 13km NE of Wilcherry Hill, intersected high grade tin (cassiterite) hosted by a magnetite skarn which has been weathered to goethite and limonite. The discovery drill hole (12ZLRC007) returned 7m @ 3.28 % Sn from 52m. The host rocks are Paleoproterozoic sediments adjacent to a granite footwall.

Significant gold (Au) intercepts to date from Weednanna and Weednanna West prospects at the time Alliance purchased the project are summarised in Table 2.

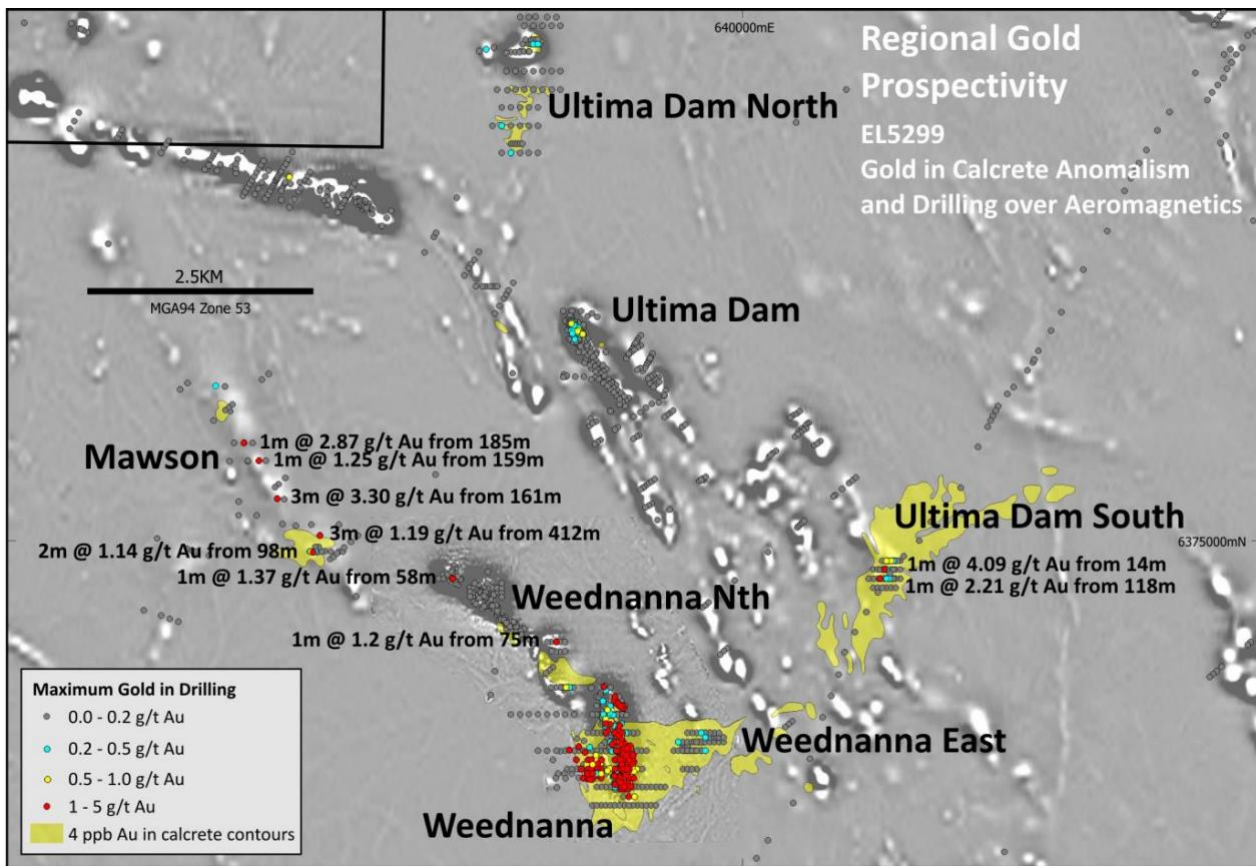
**Table 2 Weednanna and Weednanna West significant drilling intercepts**

Hole ID	Northing (GDA04)	Easting (GDA94)	Azimuth	Dip	Depth From (m)	Depth To (m)	Width (m)	Au (g/t)
12WDDH001	6372417	638311	0	-90	63	85	22	5.25
06WDRC002	6372421	638353	270	-60	56	88	32	3.44
06WDRC007	6372422	638276	90	-60	52	88	36	5.71
	incl.				68	80	12	11.37
98WDDH001	6372470	638712	270	-55	7	16	9	24.60
98WDDH002	6372280	638755	270	-55	125	132	7	18.50



### 3.4. Regional Exploration

The Mawson prospect, 3,600m to the northwest of Weednanna, was initially identified by calcrete sampling in the 1990's that defined a gold-in-calcrete anomaly over the southern part of the prospect. In 1999, drilling by AngloGold into the calcrete gold anomaly intersected 29m @ 0.86% Cu from 41m in 99WDR061. Trafford drilled nine RC holes across Mawson in 2008, including four with diamond tails. Five holes report significant intercepts >1 g/t Au, with a best intercept of 5m @ 2.46 g/t Au from 159m in 08MAW008, including 3m @ 3.30 g/t gold from 161m. This drilling targeted a belt of northwest-striking magnetic anomalism (6 km long by 300-400m wide) and corresponding with the eastern edge of a gravity anomaly. These high-grade holes occur over a strike length of approximately 1,500m. The mineralisation remained open to the north, up-dip and at depth. The Ultima Dam South prospect, 3,200m to the northeast of Weednanna, was drilled by AngloGold in 1999. Two holes report significant intercepts >1 g/t Au, with a best and shallow intercept of 1m @ 4.09 g/t Au from 14m in 99UDSR029 (Figure 7).



Source: (ASX: AGS announcement dated 30 July 2018)

Figure 7 – Summary of regional exploration and previous drilling at the Wilcherry Project over magnetics

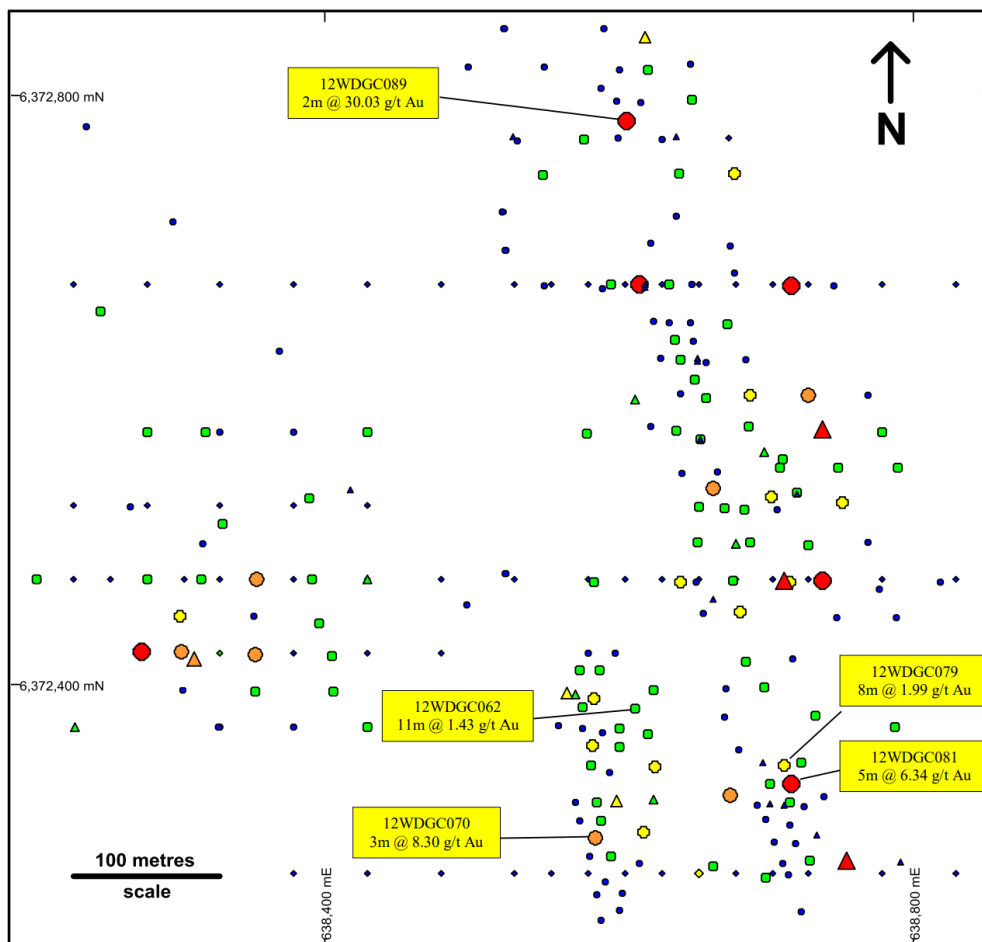
### 3.5. Recent Exploration

On 23 September 2016 Alliance announced the acquisition of 51% equity in the Wilcherry project from Tyranna Resources for \$2Million. The project was considered prospective for gold at Weednanna and

Weednanna West and tin at Zealous. At the time, Alliance also had the option to subscribe for up to 19.9% of Tyranna’s issued capital. Alliance continued to earn further equity by exploration expenditure until 31 January 2019 when it announced that it had reached an agreement to acquire Trafford’s remaining interest (18.59%) for \$1.5 million in cash in three tranches being, \$730,000, plus an 80-person camp located on leased land in the township of Kimba for \$760,000 and a motor vehicle for \$10,000.

Between 2007 and 2013 approximately 830 RC and diamond holes totalling over 77,000 metres were drilled at the Wilcherry Project to define iron mineralisation. At that time, tenement holder IronClad Mining Limited (which became Tyranna) did not have the rights to gold or base metals and therefore did not analyse for those elements. Alliance assayed these historic sample pulps for gold (fire assay) and XRF analyses for other metals commencing in 2017 with significant gold results (Figure 8) returned from assaying of 2012 RC samples (originally drilled for magnetite but not assayed for gold), including:

- 12WDGC089 from 17m, 2m @ 30.03 g/t Au
- 12WDGC081 from 13m, 5m @ 6.34 g/t Au (incl. 3m @ 10.10 g/t Au from 13m)
- 12WDGC070 from 53m, 3m @ 8.30 g/t Au
- 12WDGC079 from 5m, 8m @ 1.99 g/t Au (incl. 3m @ 4.03 g/t Au from 6m)
- 12WDGC062 from 55m, 11m @ 1.43 g/t (incl. 6m @ 2.13 g/t Au from 60m)



Source: (ASX: AGS 2 Feb 2017)

**Figure 8 – 2017 Gold results from the first assaying of historic pulps.**

In April 2017 Alliance drilled 24 RC holes from 3920m to test for extensions of the high-grade gold shoot mineralisation returning high grade gold results for three targets such as:

- 17WDRC017 14m @ 36.1 g/t Au from 118m (including 5m @ 95.6 g/t Au from 120m) and 7m @ 7.4 g/t Au from 147m (including 1m @ 40.0 g/t Au from 149m)
- 17WDRC021 3m @ 5.5 g/t Au from 144m
- 17WDRC022 3m @ 3.1 g/t Au from 84m
- 17WDRC003 49m @ 6.3 g/t Au from 45m (incl. 21m @ 10.7 g/t Au from 48m)
- 17WDRC012 2m @ 61.1 g/t Au from 167m
- 17WDRC011 10m @ 6.8 g/t Au from 79m (incl. 3m @ 15.5 g/t Au from 81m)
- 17WDRC013 7m @ 11.0 g/t Au from 82m (incl. 4m @ 17.6 g/t Au)
- 17WDRC014 1m @ 20.5 g/t Au from 120m
- 17WDRC015 1m @ 16.2 g/t Au from 99m

A further 25 RC holes for 4041m were drilled in August 2017 (17WDRC025-49) continuing to test the three high grade gold mineralised shoots, returning result such as:

- 17WDRC032, 60m @ 5.65 g/t from 47m (incl. 9m @ 15.57 g/t Au from 63m and 8m @ 13.38 g/t Au from 99m)
- 17WDRC030 16m @ 7.66 g/t Au from 81m (incl. 8m @ 12.90 g/t Au from 88m)
- 17WDRC029 30m @ 2.95 g/t Au from 53m
- 17WDRC046 7m @ 12.15 g/t Au from 153m (incl. 4m @ 18.81 g/t Au from 154m)
- 17WDRC031 41m @ 1.62 g/t Au from 44m

These results were considered by Alliance to confirm the high-grade gold shoots are ovoid to rod-like in geometry and have continuity along strike.

In January 2018 result of a further 21 RC holes for 3246m (17WDRC050-70) were announced over the 3 early targets and a fourth "Target 4".

- 17WDRC051 35m @ 3.65 g/t Au from 43m, including 9m @ 8.91 g/t from 44m (Target 1)
- 17WDRC057 6m @ 13.63 g/t Au from 59m, including 3m at 26.6 g/t Au from 62m (Target 2)
- 17WDRC067 15m @ 18.21 g/t Au from 107m, including 7m at 35.94 g/t Au from 109m (Target 4)
- 17WDRC070 3m @ 25.45 g/t Au from 80m including 1m at 74.2 g/t Au from 81m (Target 4)

Drilling continued in 2018 with 22 RC holes for 3138m (18WDRC001-22) completed in April 2018. Results from Target 4 included.

- 18WDRC003 16m @ 3.2 g/t Au from 84m
- 18WDRC005 12m @ 10.2 g/t Au from 92m, incl. 4m @ 28.1 g/t Au from 96m

- 18WDRC006 4m @ 12.4 g/t Au from 52m
- 18WDRC020 4m @ 11.6 g/t Au from 76m

Drilling also confirmed a new Target 5 potential lode with a best intercept of:

- 18WDRC016 8m @ 2.2 g/t Au from 164m

In September 2018, an initial Mineral Resource estimate was announced by Alliance (ASX: AGS 6 Sep 2018) that included gold located close to surface and higher grade material considered to have potential for underground extraction. It was noted that significant potential existed to increase the size of the Mineral Resource with further drilling as all 13 modelled gold shoots were open at in at least one direction.

In November 2018 results from extension drilling were announced with 28 RC holes for 4278m at Shoots 1, 4, 5 and 5E.

- 18WDRC027 20m @ 12.44 g/t Au from 104m, incl. 8m @ 28.57 g/t Au from 112m
- 18WDRC029 3m @ 5.97 g/t Au from 64m
- 18WDRC030 5m @ 3.06 g/t Au from 145m
- 18WDRC034 5m @ 3.96 g/t Au from 117m
- 18WDRC039 22m @ 1.29 g/t Au from 64m, incl. 8m @ 2.3 g/t Au from 64m

The December 2018 round of RC drilling consisted of 17 RC holes for 2615m and in February 2019 a further round of 23 RC holes for 3102m was completed.

In January 2019 further re-assaying of historical pulps from Weednanna North, 1.3 km north of Weednanna, was announced with 11 holes returning greater than 2 g/t per metre.

Five HQ sized diamond holes (19WDDH001-005) were completed for 591.6 metres during January and February 2019 to provide metallurgical samples for the fresh sulphide rock domains of Shoots 1, 2, 4, and 5. (ASX: AGS 12 June 2019).

In February 2019, 23 RC holes for 3102m were drilled with results announced in April 2019 indicating growth potential for the resource. At the time, a further 68 RC holes for 9,995 metres had been completed since estimation of the 2018 Mineral Resource. Completion of a scoping study by Mining One Pty Ltd (Mining One) was announced that assessed the potential viability of a stand-alone operation (ASX: AGS 2 April 2019). The independent scoping study was shown to be positive and to support a new 250ktpa gold plant at Weednanna. Total capital cost was approximately \$44 million, including an open pit pre-strip of approximately \$8 million (ASX: AGS 18 April 2019).

Mining One was engaged to update the Weednanna gold Mineral Resource, previously estimated in September 2018, to incorporate new drilling data acquired from five diamond holes and 270 RC holes, totalling 35,940 metres, drilled between September 2018 and May 2020 to increase geological confidence in the deposit.



In 2021, after the November 2020 Mineral Resource estimates (detailed below), Alliance drilled 47 RC holes for 6198m to further test Shoots 7 and 8 on a 20m by 25m spacing and shoot 3 on a 12.5m by 20m spacing. Results were announced in (ASX: AGS 15 Mar 2021) and (ASX: AGS 8 April 2022) where the company stated Shoot 8 was effectively closed off and infill drilling returned only one significant intercept at shoot 3 and that the drilling did not support the interpreted geometry of the high-grade gold shoot. These announcements post-date the valuation date.

Additionally, six diamond holes for 1560m were drilled for research purposes into the high-grade shoots and core sent to CSIRO.

### Regional Exploration

Alliance re-assayed pulps from Ultima Dam project, which returned multiple broad low grade <0.5 g/t intercepts (ASX: AGS 8 October 2021). The project is considered by Alliance to be similar in nature to the magnetite skarn mineralisation at Weednanna. The Company also advised that depletion was present at Weednanna and the low grade at Ultima may also be due to depletion. The data did not present any immediate high-grade "shoot like" targets. Alliance commented that the drilling has only targeted iron and not gold or structural targets.

In October 2021 Alliance released data from the re-assay of pulps at the Bonza prospect around 20km west of Weednanna which showed broad zones of anomalous nickel (1000-3000ppm) within high MgO (>18%) rocks with some evidence of elevated copper up to 1300ppm and up to 1.3% S (ASX: AGS 28 October 2021).

## 3.6. Mineral Resource Estimates

### 3.6.1. Gold Mineral Resource Estimates

The previous Mineral Resource estimate was updated in November 2020 and is summarised in Table 3.

Table 3 Summary of the current gold Mineral Resource estimate as at November 2020

Classification	Tonnes	Grade (g/t gold)	Gold (Ounces)
Measured	186,000	3.2	19,000
Indicated	750,000	3.7	89,600
Inferred	170,000	7.9	43,300
<b>Total</b>	<b>1,106,000</b>	<b>4.3</b>	<b>152,000</b>

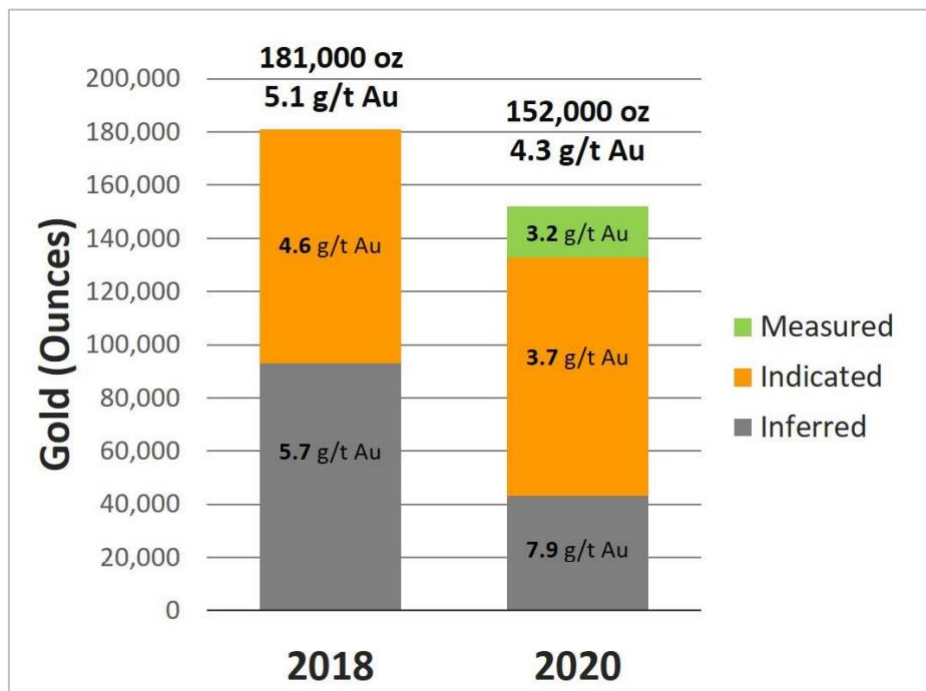
*Note that figures may not add up due to rounding*

*The above information is extracted from the announcement entitled 'Revised gold resource for Weednanna gold-iron Deposit' announced on 9 November 2020 and is available to view at [www.allianceresources.com.au](http://www.allianceresources.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources,*

that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

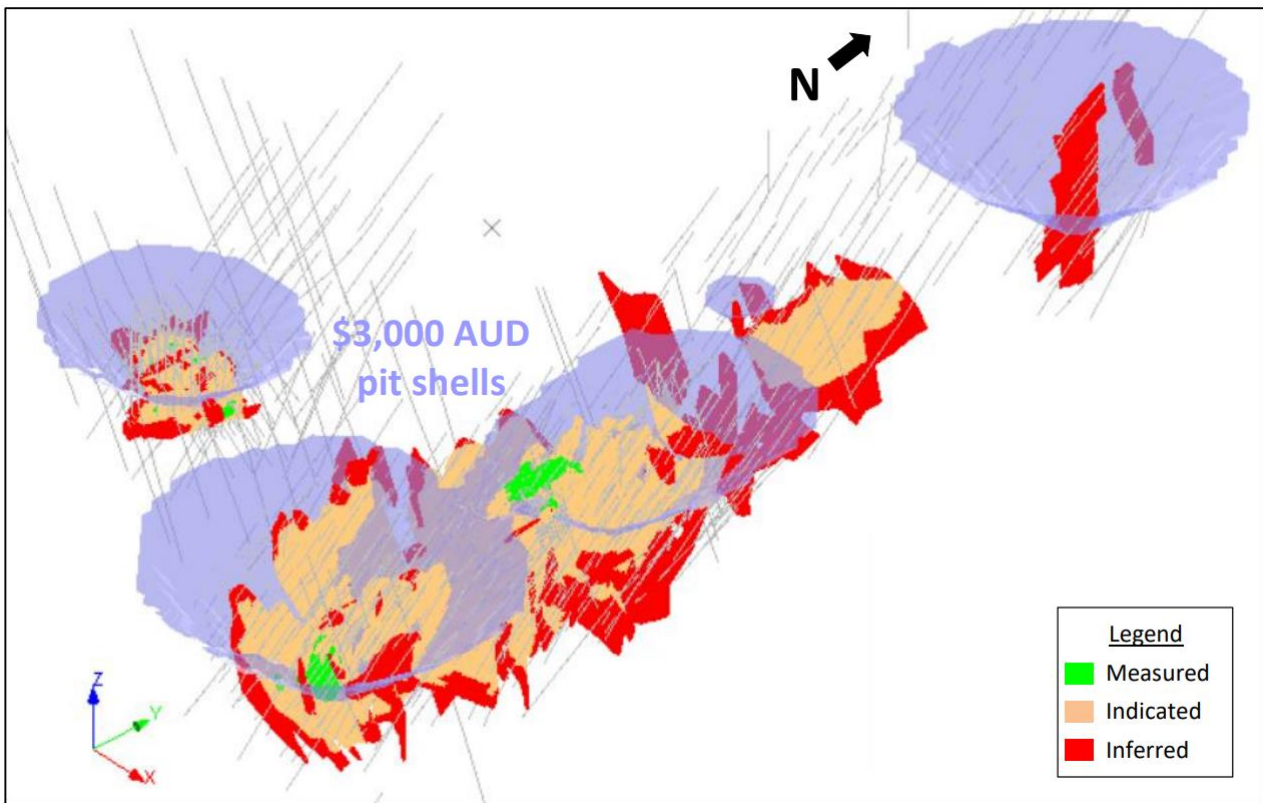
The Measured and Indicated component of the Mineral Resource estimate was increased to 108,700oz of contained gold compared to the previous estimate. In total, 71% of the Mineral Resource was now classified as Measured and Indicated and 29% classified as Inferred on a contained gold basis.

The total Mineral Resource was reduced by 16%, principally due to an 18% decrease in the average bulk density applied to the deposit. This was a result of the number of bulk density measurements collected at the deposit increasing from 1,123 specific gravity measurements to 9,715 measurements. The outcome of this work resulted in a material decrease in the average bulk density of the deposit from 3.58 SG to 2.95 SG. The net outcome of this Mineral Resource estimate was a 21,000oz gain in high geological confidence Measured and Indicated Resources and a 49,500oz reduction in low geological confidence Inferred Resources. Figure 9 is a comparison of the two resource estimates and Figure 10 shows the spatial distribution of the gold mineralisation.



Source: (ASX: AGS Announcement dated 9 November 2020)

Figure 9 – Comparison of the 2018 and 2020 Mineral Resource estimates by classification and contained gold



Source: (ASX: AGS Announcement dated 9 November 2020)

Figure 10 – Image of the 2020 gold Mineral Resource distribution and classification

### 3.6.2. Iron Mineral Resource estimates

In 2013 Ironclad Mining Limited (Ironclad) estimated an historical estimate of iron mineralisation within 2014 Annual Report). Since that time Alliance has drilled 363 RC holes and five diamond holes, totalling 50,281 metres, in the same general area to test for economic concentrations of gold. As the gold is located adjacent to, and on the margins of an ironstone and magnetite-rich skarn, the drill samples were also analysed for an extended iron ore suite of elements and compounds (refer to Alliance ASX announcement dated 31 August 2020).

On 19 November 2020 Alliance announced an updated Iron Mineral Resource estimate of 1.15 Mt at 59.4% Fe adjacent to the Weednanna Gold Mineral Resource to a maximum depth of 220 below surface. The estimate is summarised in Table 4 and the classification of the Iron Mineral Resource estimate is shown in Figure 11.

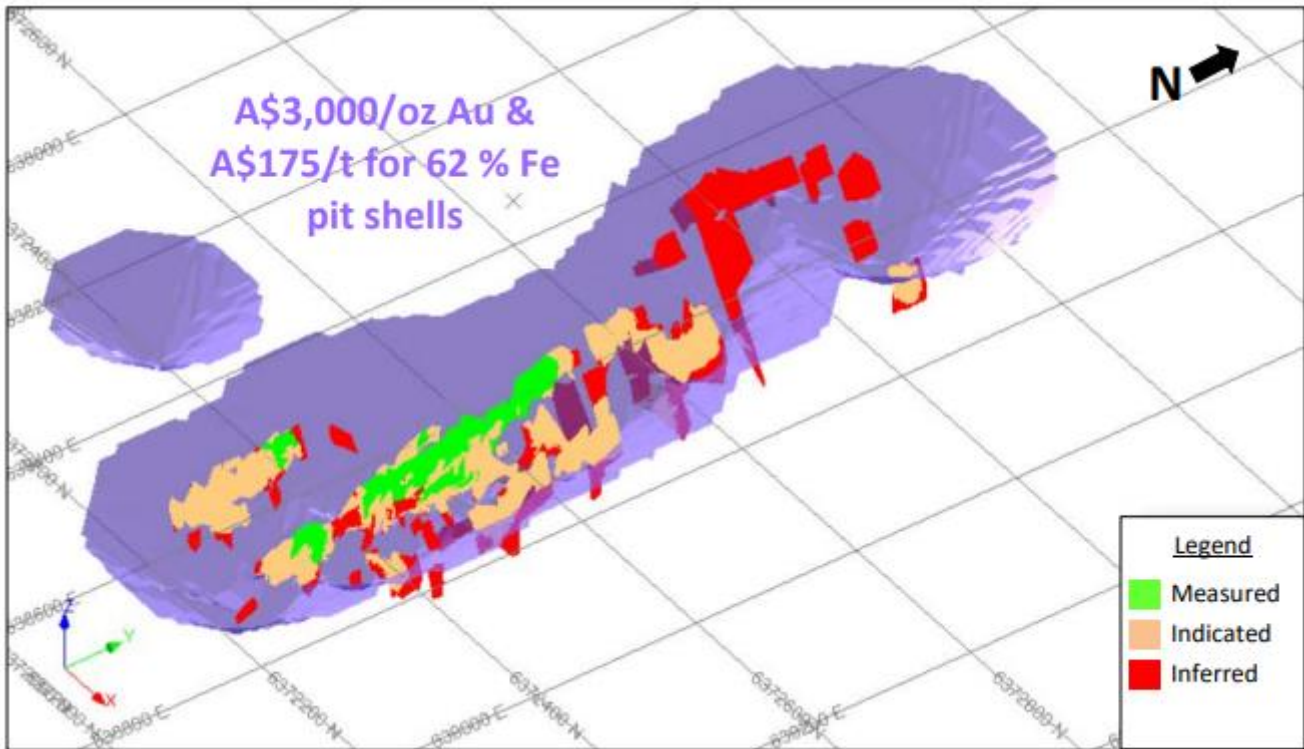
Table 4 Summary of the current iron Mineral Resource estimate as at November 2020

<b>Classification</b>	<b>Tonnes</b>	<b>Fe %</b>	<b>Al<sub>2</sub>O<sub>3</sub> %</b>	<b>SiO<sub>2</sub> %</b>	<b>S %</b>	<b>P %</b>	<b>LOI %</b>
Measured	284,000	60.7	2.5	6.4	0.08	0.021	2.08
Indicated	467,000	59.2	1.8	6.2	0.24	0.014	2.12
Inferred	400,000	58.8	1.8	6.7	0.18	0.012	1.67
<b>Total</b>	<b>1,150,000</b>	<b>59.4</b>	<b>2.0</b>	<b>6.4</b>	<b>0.18</b>	<b>0.015</b>	<b>1.95</b>

*Note that figures may not add up due to rounding*

*The above information is extracted from the announcement entitled 'Maiden iron resource confirms DSO iron ore potential of Weednanna gold-iron Deposit' announced on 19 November 2020 and is available to view at [www.allianceresources.com.au](http://www.allianceresources.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.*

The 2013 iron mineral resource estimate used a 25% Fe lower cut-off grade and no gold upper cut-off grade because ore processing contemplated the production of iron only as DSO and magnetite concentrate produced using dry magnetic separation (DMS) and gravity separation (GS). The 2020 Mineral Resource estimate uses a 55 % Fe lower cut-off grade and appropriate open pit and underground gold upper cut-off grades of 0.5 g/t Au and 1.5 g/t Au respectively because a gold mining operation was proposed with DSO produced as a by-product. Ore mined above the upper gold cut-off grades would report to the gold processing plant proposed for the project. The proximity of iron to gold in the deposit means that the cost of open pit and underground mining of high-grade iron is incidental or incremental to the proposed gold mining operation (ASX: AGS 19 November 2020).



Source: (ASX: AGS Announcement dated 19 November 2020)

Figure 11 – Image of the 2020 iron Mineral Resource distribution and classification

### 3.6.3. High Level Review - Overview

VRM has reviewed two Mineral Resource estimates that we consider to be material to the valuation of the Alliance mineral assets, one relating to gold and the second for iron, both from 2020 and within the Weednanna deposit area. Each had several previous historical estimates of mineralisation which were subsequently updated and reported applying the guidelines of the JORC Code (2012 Edition). For gold, the most recent Mineral Resource estimates were announced by Alliance on 9 November 2020, while the iron estimates were reported by Alliance on 19 November 2020.

As required by the VALMIN Code, Clause 4.1, VRM has undertaken a high - level review of the Mineral Resource estimation documentation and technical data to provide an assessment of the reasonableness of the Mineral Resource gold and iron estimates for the Weednanna Prospect within the Wilcherry Project as key inputs into the valuation. The underlying geological or geochemical datasets have not been validated, nor has there been a complete audit or reassessment of the resource. The Mineral Resources for the Project have not been re-reported or re-estimated as a part of this report. The technical data was reviewed at a high level, however full due diligence was not undertaken.

### 3.6.4. Information Sources

The contents of this Review have been created using the Mineral Resource estimation data and reports provided by Alliance up until April 2022.

Estimates for the Wilcherry Project gold and iron deposits were completed by Mining One Pty Ltd (Mining One). The original Mineral Resource reports were provided, but the underlying geological databases were not reviewed by VRM. In addition, Alliance's ASX announcements dated 9 November 2020 and 19 November 2020 detailing the results of Mineral Resource updates including JORC Table 1 summary information were used.

In VRM's opinion, the information provided was of reasonable quality and satisfactorily addressed the VALMIN Code requirements for an assessment of the reasonableness of the approach to the Mineral Resource estimates.

The current estimate for the deposits was completed using Ordinary Kriging (OK) for gold and iron. The 0.5g/t Au cut-off reflects the potential of the deposit for open pit mining and a cut-off of 1.5 g/t Au was applied for material considered to have potential for underground mining. The cut-off for 55% Fe cut-off is reasonable considering the current Iron Ore price and the intent to undertake minimal processing and market a direct shipping product. VRM considers that the proposed mining of the Iron Mineral Resource as essentially a by-product of the gold production is reasonable.

### 3.6.5. Mineral Resource Review comments

The present comments are based on an independent review of the latest Mineral Resource Estimate report "JORC resource estimation 2020 of the Weednanna Gold/Iron Deposit" by Mining One Consultants, dated 4<sup>th</sup> December 2020 and on the two related ASX releases of Alliance.

Globally VRM has not identified any fatal flaws to the estimates, there are nevertheless some areas of risk that have been identified.

#### 3.6.5.1. Gold Resource

The Gold mineralisation was modelled into 24 separate shoots, which were themselves divided into low-grade LG (0.2-2.5g/t) and high-grade HG (> 2.5g/t) shoots. For estimation purposes based on the dominant dip direction, these were regrouped into 3 domains, maintaining the separation into LG and HG sub-domains.

The shoots appear relatively small, and the ASX release mentions that "The confidence in the overall geological interpretation is moderate." This suggests that geological continuity and mineralisation modelling present some risk to the estimate.

Top-cuts were applied in all 6 sub-domains and in the high-grade sub-domains they result in a significant decrease in the average grade, i.e., a "loss" of metal, varying between 12% and 36%. This represents a conservative view of the resource, suggesting there might be upside in the resource. Importantly on page 11 of the Alliance ASX release there is a comment that for the HG and LG outliers "it was more appropriate to restrict the search influence...instead of applying a top cut". This appears to be a contradiction with both the resource report and the associated JORC Table 1.



The estimation was performed by sub-domain, using Ordinary Kriging of 10m x 10m x 5m blocks (with sub-blocks down to 0.5m x 0.5m x 0.5m) after variography and careful analysis of the kriging parameters. The quality of this estimation appears reasonable.

Classification of the resource is essentially based on the mean sample distance in the estimation (less than 15m for Measured and between 15m and 30m for Indicated) and a kriging quality criterion, the slope of regression (higher than 0.8 for Measured and between 0.6 and 0.8 for Indicated). The “spotted dog” effect resulting from the block-by-block classification associated with the sample distance from drill holes was eliminated by defining wireframes based on the confidence in the continuity of the mineralisation. This is acceptable.

A pit optimisation at a gold price of A\$3,000 /oz was used to separate what was potentially economic within an Open-Pit mining scenario and what could potentially be mined Underground. This approach is reasonable.

The model was validated through statistical and graphical methods, including swath plots.

It is also noted that the highest-grade material (Open Pit or Underground) is classified as Inferred, which clearly indicates a potential resource risk.

### 3.6.5.2. Iron Ore – Magnetite Resource

The Iron Ore Mineral Resource estimate is focused on future production of direct shipping ore (DSO) at a lower cut-off of 55% Fe. Three separate domains were defined, being Domain 1 (Fresh magnetite), Domain 2 (Oxidised magnetite) and Domain 4 (Weathered magnetite +/- hematite/goethite grading to hematite/goethite +/- weathered magnetite). Domain 2 shows the best continuity

As for the Gold Mineral Resource estimate and geological model, there are multiple small bodies, and it is clear that the geological continuity and mineralisation modelling presents a level of risk within the Mineral Resource estimate.

Fe, Al<sub>2</sub>O<sub>3</sub>, SiO<sub>2</sub>, P, S and LOI were estimated and reported as a part of the Mineral Resource estimate.

Top-cuts were used for all variables and in all domains, where appropriate. The impact is generally low (less than 5%) with the exception of Al<sub>2</sub>O<sub>3</sub> where it can reach 10% and particularly S where it is higher than 15%.

As for the Gold Mineral Resource estimate, the Iron Ore Mineral Resource estimation was performed by domain, using Ordinary Kriging of 10m x 10m x 5m blocks (with sub-blocks down to 0.5m x 0.5m x 0.5m) after variography and careful analysis of the kriging parameters. The quality of this estimation is considered to be reasonable.

Classification of the resource was based on the same criteria as those used for the Gold Mineral Resource estimate. The “spotted dog” effect was similarly treated. This is acceptable. The same pit optimisation used for Au was also used for the final classification of the Fe Resource (based on a A\$175/t for 62% Fe)

The model was validated through statistical and graphical methods, including swath plots.

Due to the top-cuts used for S, there is a risk that S might be underestimated particularly in the Saprock / weathering domains.

Overall VRM does not believe there is a major issue while there is some upside potential for the resources exists as down dip extensions, and new mineralisation within the current tenements where favourable geology settings are present.

Overall, the review concluded that the modelling approach was reasonable, and the model does not include any fatal flaws. On this basis VRM is confident that the Mineral Resource estimates can be used to inform the valuation.

### 3.7. Status of Technical Studies

The most recent publicly reported technical study at Weednanna was a Scoping Study announced by Alliance on 18 April 2019. As that study precedes the updated Mineral Resource estimates discussed above, VRM considers this is now largely outdated but may highlight some project risks that remain relevant.

Since that study was completed, Alliance is reported to have undertaken additional metallurgical test work that resulted in a reduction in the metallurgical recovery from 89.4% assumed in the scoping study to 67.1% from analysis from Shoot 1 reported in the December 2019 Quarterly Report (Alliance ASX release 31 January 2020). Additional metallurgical tests have been completed however the results have not yet been reported in any public announcements. The results of the tests have however been incorporated into the preliminary design of the Weednanna processing plant which was completed during the September quarter 2021 and included upgrades and modifications to review options for the recovery of an iron ore (magnetite) by-product from the feed to the gold processing plant. The design and study work has not been reported or progressed to a level that would allow the reporting of Ore Reserves.

Further work is required on refining the geological model prior to completion of detailed mine design work. It is envisaged that the deposit will be exploited by open pit and underground mining methods, the scheduling and mine design work is ongoing. Preliminary underground development design work commenced during in late 2021 and incorporated indicative development sizes and ventilation requirements. Access for future underground diamond drill locations is expected to be incorporated into the designs to ensure exploration can continue to search for depth and strike extensions to mineralisation.

Additional baseline studies including environmental, hydrology and weather monitoring have commenced to progress permitting along with an application for a Mining Licence, however these have not been reported or completed to a level that would support allow an Ore Reserve to be reported.

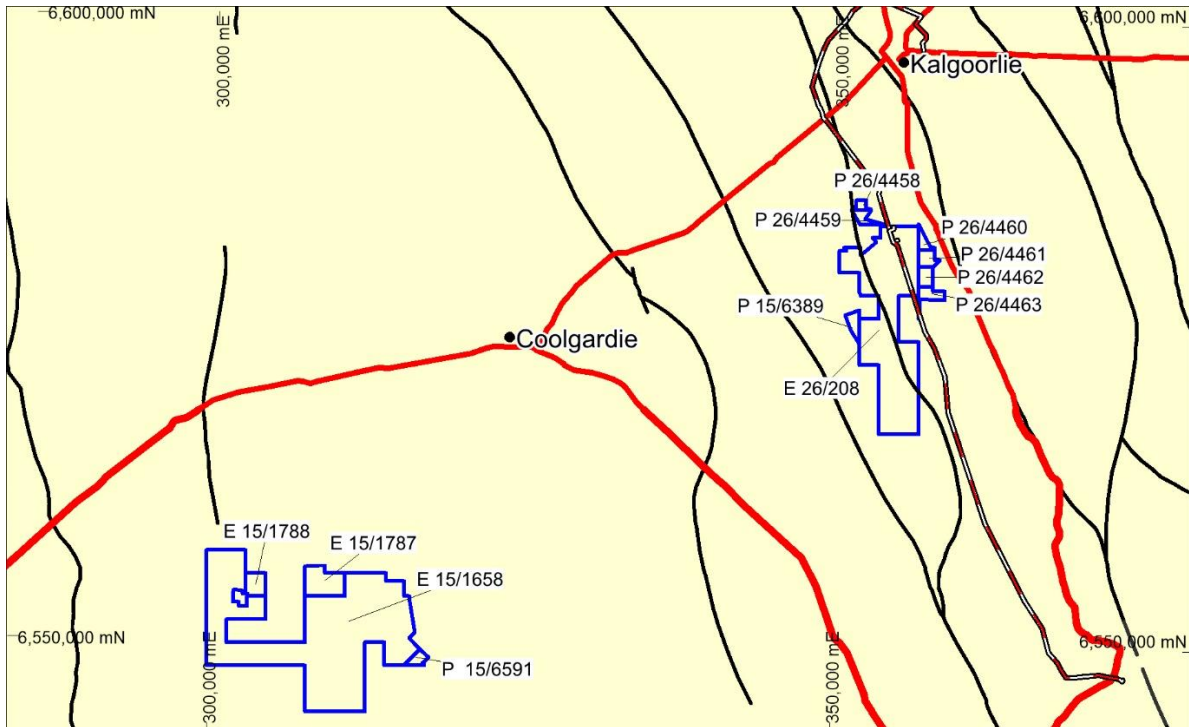
Weather data collection and the surface hydrological modelling is ongoing. Additional work is underway to evaluate options for power generation for the project with studies including wind and solar (PV) power generation being considered.



While all of these studies would form the basis of a Pre-feasibility study or Feasibility study and ultimately, if the feasibility studies provide a viable development option, a development decision a Pre-Feasibility (or Feasibility) study has not yet been completed and no Ore Reserves have been estimated. The timeframe before the completion of a Pre-feasibility study and declaring any Ore Reserves is unknown.

## 4. Kalgoorlie South and Nepean West Projects

The location of the WA projects is summarised in Figure 12.



Source: (VRM, April 2022 with GSWA Structural Interpretation shown)

**Figure 12 - Location of the Kalgoorlie South and Nepean West tenements with major geological structures shown**

### 4.1. Local Geology Kalgoorlie South

The Kalgoorlie South prospect, consisting of six granted tenements and two tenement applications covering 72.95km<sup>2</sup>, is located around 15km south of Kalgoorlie with the tenements straddling the regional significant Abattoir shear zone, which separates the Ora Banda Domain in the west from the Kambalda Domain in the east. The Kalgoorlie Nickel smelter and power station are located in the northeast of the project. No MINEDEX mineral occurrences are located on the tenements.

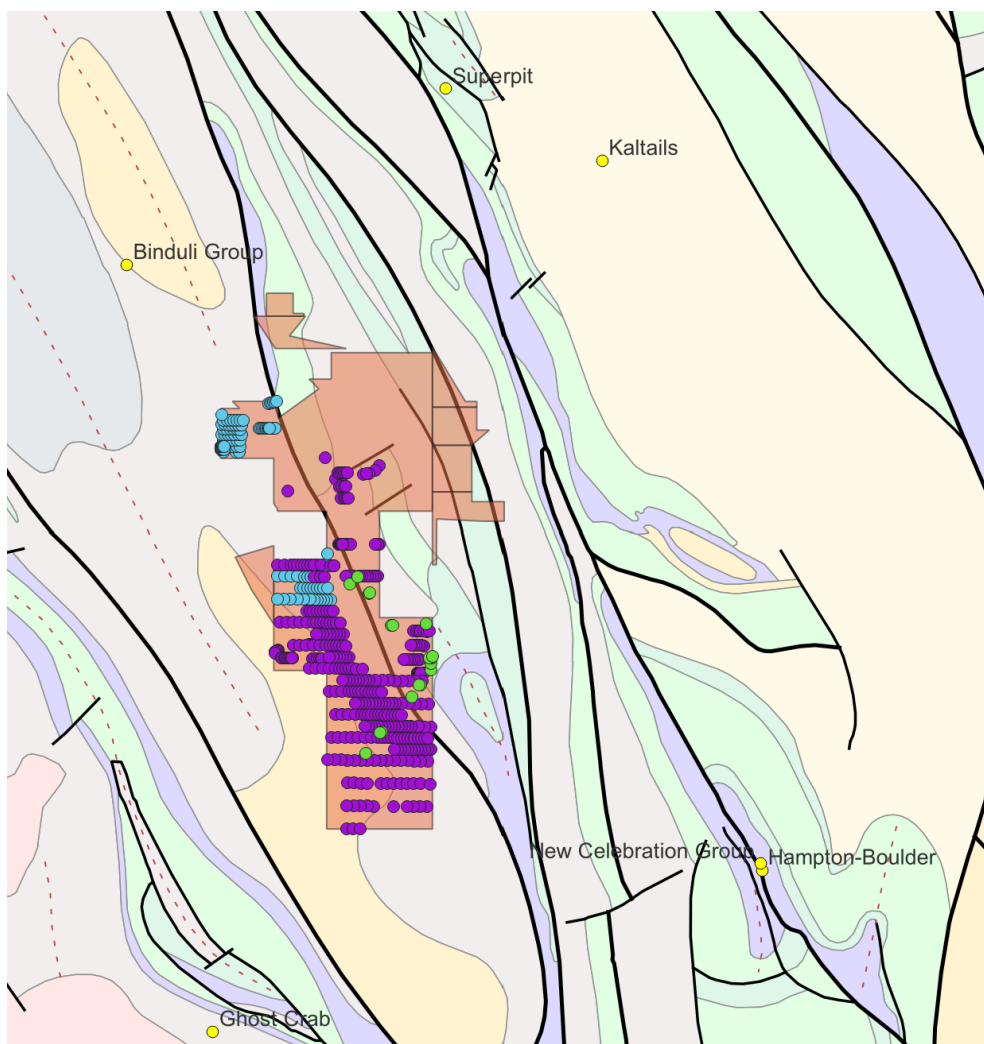
### 4.2. Previous Exploration Kalgoorlie South

The largest tenement E26/208 contains most of the previous exploration with Table 5 below showing a compilation of previous drilling. Previous drilling was principally shallow Aircore and RAB to an average depth of 30-39m.

Table 5 Kalgoorlie South previous exploration drilling summary

Type	Holes	Metres	Average depth
AC	120	4700	39.17
RAB	389	12232	31.44
RC	18	1935	107.50

RC drilling of a total 18 holes for 1935m comprised programs by Dioro and Westgold in 1994 (five holes for 554m) and in 2006 by Harmony Gold Mines (12 holes for 1212m) who joint ventured into the Dioro ground. No significant gold result were returned.



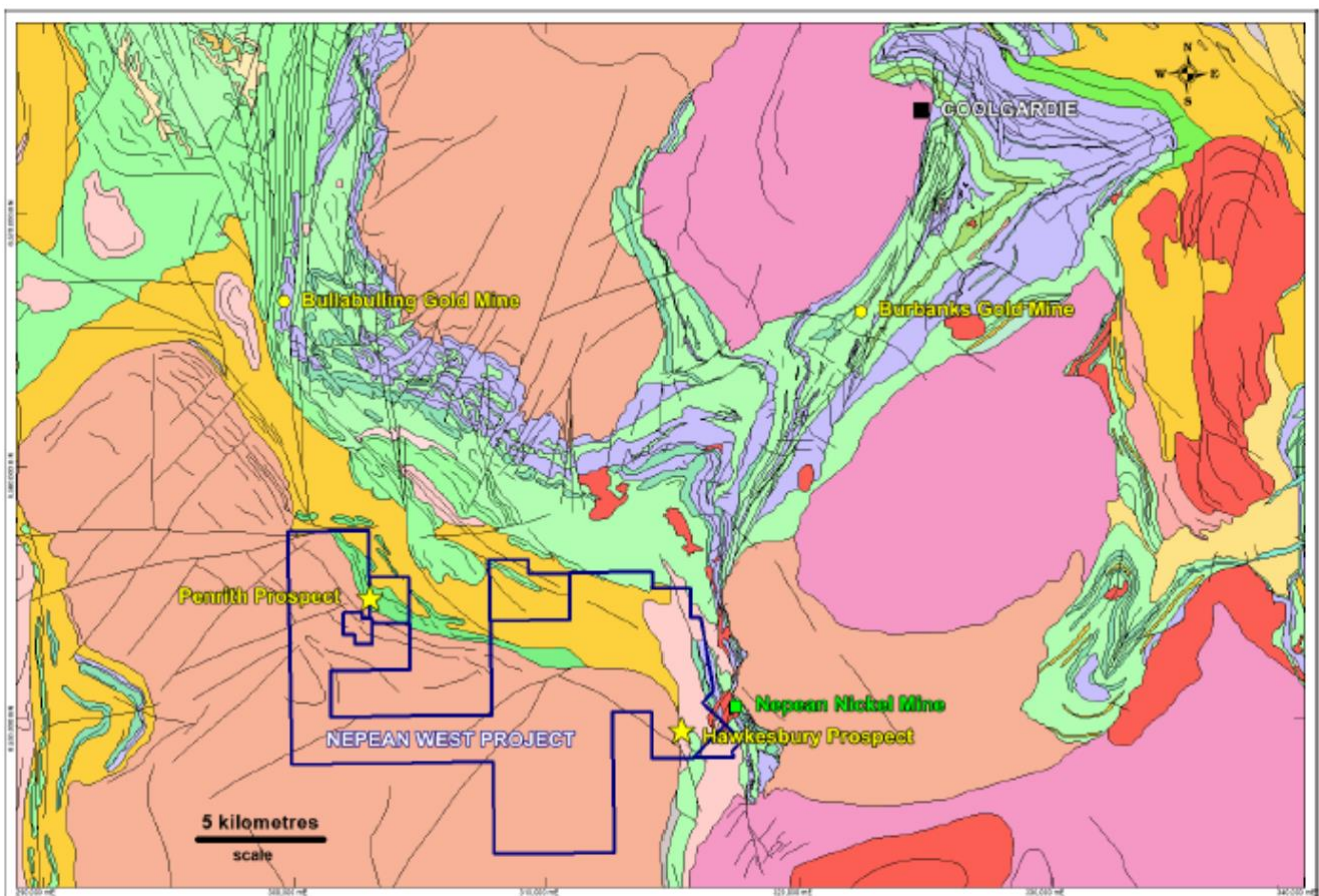
Source: (VRM, April 2022)

Figure 13 – Location of the Kalgoorlie South Project with previous exploration drilling by type (purple RAB, blue AC, and green RC) over geology

### 4.3. Local Geology Nepean West

The Nepean Project is located south and west of the historic Nepean Nickel underground mine. The tenements consist of three granted exploration licences E15/1658, E15/1788 and E15/1787 (granted after the valuation date) and a prospecting licence P15/6591 for a total of 118.3km<sup>2</sup>.

The project is located approximately 25km southwest of Coolgardie in the Coolgardie Domain of the Kalgoorlie Terrane of the Eastern Goldfields. The north portion of the tenements contain interpreted greenstone and felsic volcanics. The eastern portion of the tenements contain some extensions of the greenstone sequence which host the Nepean nickel deposit. The remainder of the tenements are covered by domal granitoids and are considered by VRM to have limited exploration potential. (Figure 14).



Source: (VRM, April 2022)

Figure 14 – Location of the Nepean West Project over geology

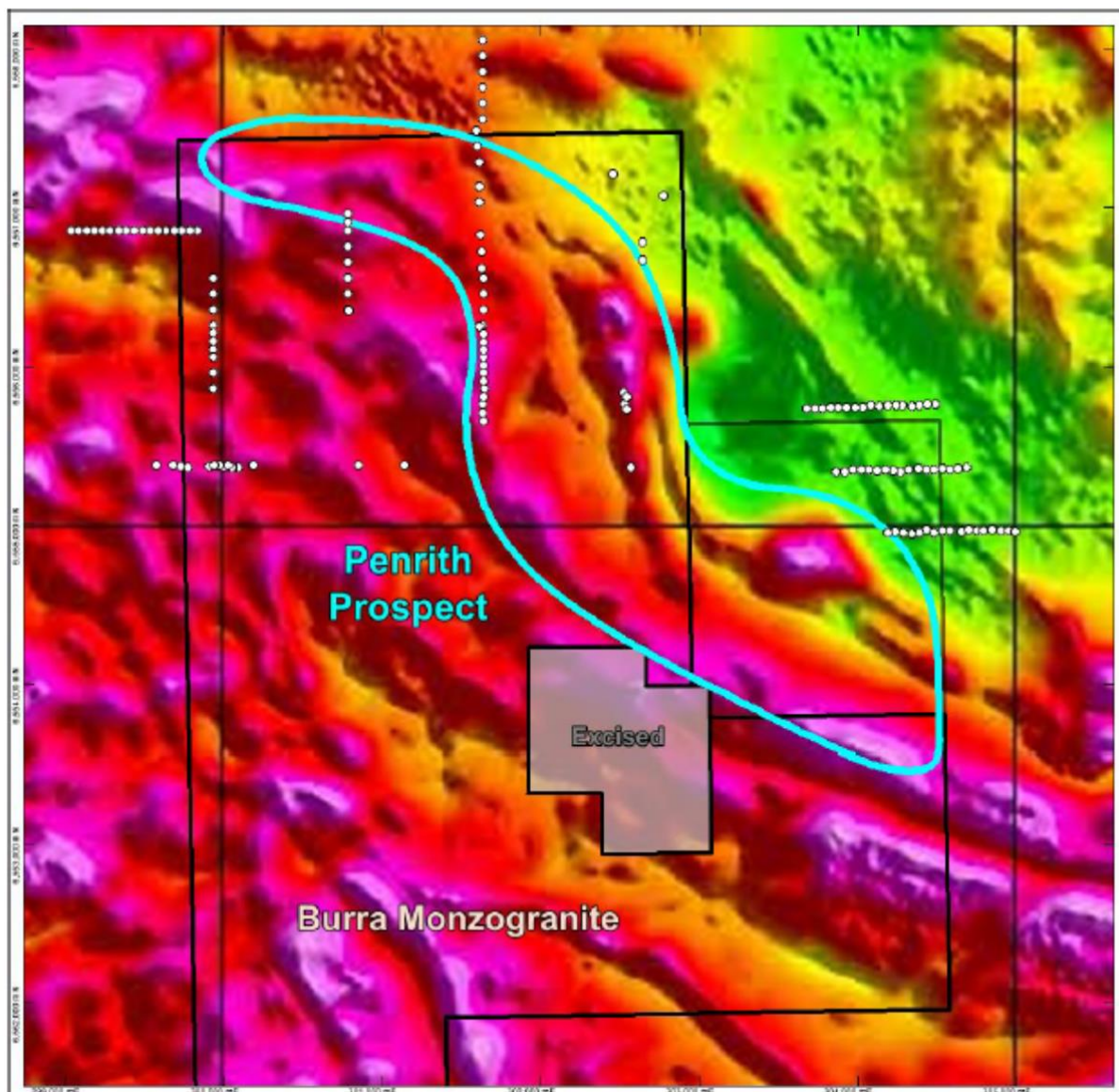
No mineral occurrences from Minedex are located on the tenements. Alliance has defined two gold prospects known as Penrith and Hawkesbury as shown in Figure 15 and Figure 16.



#### 4.4. Previous Exploration Nepean

Alliance has targeted the Penrith prospect based on aeromagnetics and structural interpretation defining a 10km by 1.5km low level (>5ppbAu) gold in soil anomaly located off tenement (but down drainage) to the northeast.

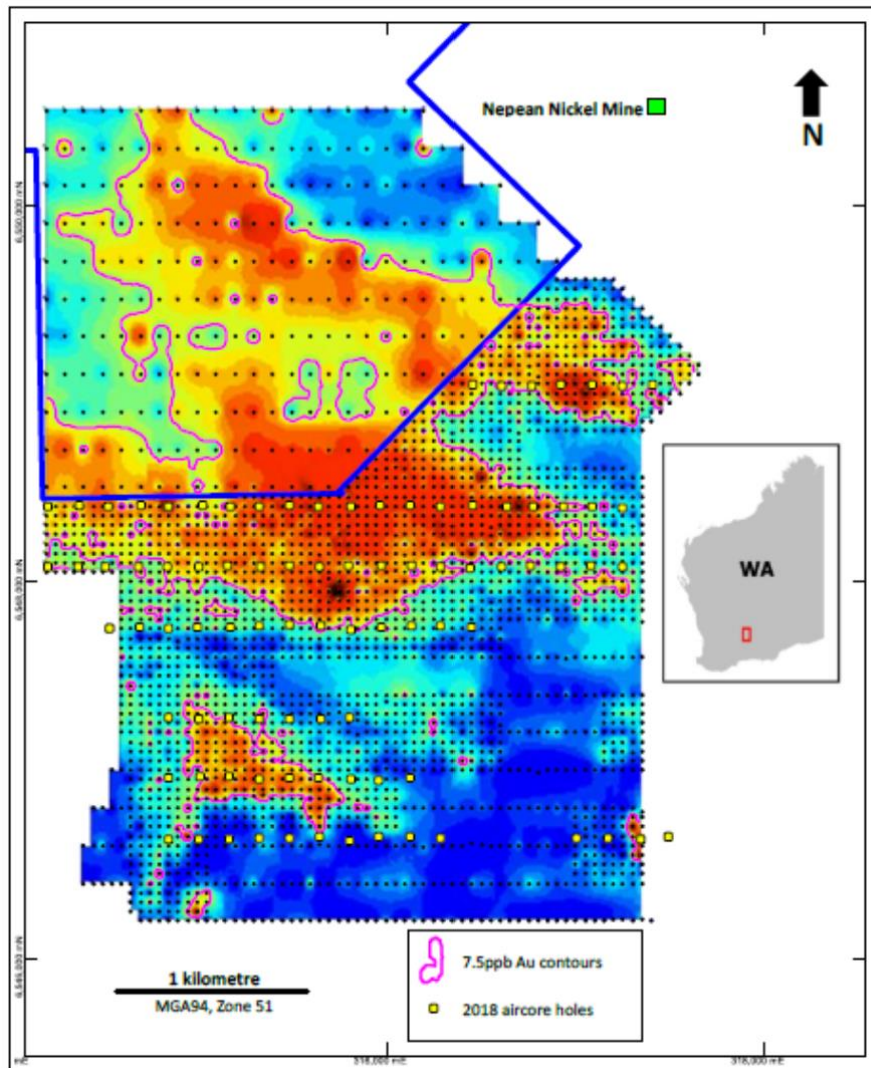
Historic drilling is shown in Figure 15 where the conceptual target is shown in blue.



Source: (Alliance website)

Figure 15 - Nepean West Project – Penrith Prospect magnetics and previous drilling showing conceptual target

At the Hawkesbury target a 7.5ppb gold contour (Figure 16) shows a zone of anomalism in soils of around 1km by 1km extending off licence. Drilling in the area off licence (under separate tenure since relinquished) did not identify any gold anomalism but Alliance considered the gold may have come from the area to the north (on tenement). No drill testing of the target has been conducted.



Source: (Alliance website)

Figure 16 - Nepean West Project – Hawkesbury Prospect showing gold in soil contours

## 5. Valuation Methodology

The VALMIN Code outlines various valuation approaches that are applicable for Properties at various stages of the development pipeline. These include valuations based on market-based transactions, income or costs as shown in Table 6 and provides a guide as to the most applicable valuation techniques for different assets.

**Table 6 VALMIN Code 2015 valuation approaches suitable for mineral Properties**

Valuation Approaches suitable for mineral properties				
Valuation Approach	Exploration Projects	Pre-development Projects	Development Projects	Production Projects
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

The Wilcherry Project, including the Weednanna Gold deposit is best described as an advanced exploration project while the Nepean West and Kalgoorlie projects are early exploration projects. There are Mineral Resource estimates within the Wilcherry Project both a Gold and Iron Ore Mineral Resource estimates within the Weednanna deposit which are reported under the JORC Code (2012). There are no Mineral Resource estimates for other prospects within any of the projects and importantly from a valuation prospective there are no Ore Reserve estimates on the projects. In VRM’s opinion an income-based valuation approach including a discounted cashflow (DCF) model cannot be used to value the projects due to the uncertainty and unreliability of the modifying factors associated with a potential mining operation. Therefore, the valuation of the Mineral Resources is based on a comparable transaction (market - based approach) with supporting valuation methods used including a yardstick approach (market-based approach). A geoscientific (Kilburn) approach and a prospectivity enhancement multiplier (PEM) were also applied to surrounding exploration tenements, these valuations are cost-based methods.

### 5.1. Previous Valuations

VRM is aware of and has reviewed the previous Target Statement and Independent Experts Report (IER) associated with a previous off market takeover offer. In VRM’s opinion the Independent Technical Assessment Report and Valuation that was appended to the IER is no longer a valid or an accurate representation of the market value of the project primarily due to the updated Mineral Resource estimate, and the modifying factors assumed in that report being no longer valid due to additional study work that has been completed since that report was undertaken.

### 5.2. Valuation Subject to Change

The valuation of any mineral Property is subject to several critical inputs most of these change over time and this valuation is using information available as of 22 February 2022 being the valuation date of this Report.

This valuation is subject to change due to updates in the geological understanding, variable assumptions and mining conditions, climatic variability that may impact on the development assumptions, the ability and timing of available funding to advance the properties, the current and future metal prices, exchange rates, political, social, environmental aspects of a possible development, a multitude of input costs including but not limited to fuel and energy prices, steel prices, labour rates and supply and demand dynamics for critical aspects of the potential development like mining equipment. While VRM has undertaken a review of several key technical aspects that could impact the valuation there are numerous factors that are beyond the control of VRM.

As at the date of this Report in VRM's opinion there have been no significant changes in the underlying inputs or circumstances that would make a material impact on the outcomes or findings of this Report.

### 5.3. General assumptions

The Mineral Assets of Alliance are valued using appropriate methodologies as described Table 6 and in the following sections. The valuation is based on several specific assumptions detailed above, including the following general assumptions.

- That all information provided to VRM is accurate and can be relied upon,
- The valuations only relate to the Alliance Mineral Assets located within tenements controlled by the Company and not the Company itself nor their shares or market value,
- That the mineral rights, tenement security and statutory obligations were fairly stated to VRM and that the mineral licences will remain active,
- That all other regulatory approvals for exploration and mining are either active or will be obtained in the required and expected timeframe,
- That the owners of the mineral assets can obtain the required funding to continue exploration activities,
- The gold prices assumed (where it is used / considered in the valuation) is as at 22 February 2022, being US\$1,899.10/oz (source S&P Market Intelligence),
- The Iron Ore price (62% Fe) assumed (where it is used / considered in the valuation) is as at 22 February 2022, being US\$143.26/tonne (source S&P Market Intelligence),
- The US\$ - AUS\$ exchange rate of 0.722465 ([www.xe.com](http://www.xe.com)) resulting in an Australian dollar price of AUS\$2,628.64/oz and AUS\$198.29/tonnes respectively for gold and Iron Ore.
- All currency in this report are Australian Dollars or AUS, unless otherwise noted, if a particular value is in United States Dollars, it is prefixed with US\$.

### 5.4. Market Based Valuations

As the Projects being valued in this Report are dominantly prospective for gold (with potential at the Wilcherry project for Iron Ore) it is important to note the current market conditions and supply and demand fundamentals of the precious metal markets. The gold price is fundamentally different to many of the other commodities as the gold price is frequently seen as a pseudo currency and is considered by many as a safe-



haven investment option, especially in the current monetary policies of many of the major countries reserve banks. Global uncertainty in regard political instability in Europe and following to the COVID-19 pandemic, and the resulting impact to the world economy has driven an increase in the gold price since early 2020. Figure 17 shows the gold price over the last five years.



Figure 17 - Five-year gold price (A\$) from April 2017 to April 2022  
(Source: S&P Capital IQ)

The Weednanna Project being valued in this Report is also prospective for iron and this commodity is very different to gold. Figure 18 shows the Iron Ore A\$ price (for various grades of product) over the last five years.

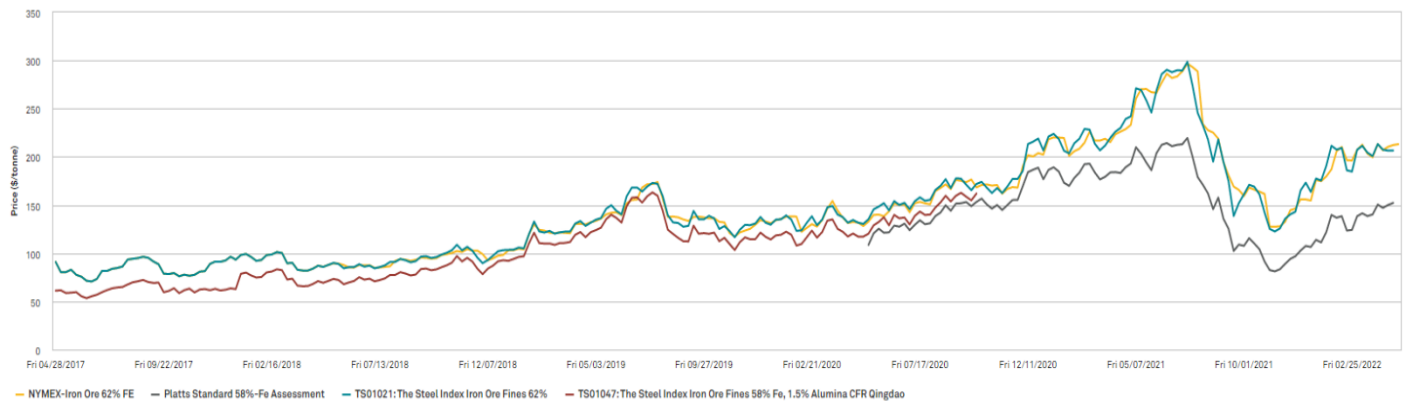


Figure 18 - Five-year Iron Ore price (A\$) graph from April 2017 to April 2022  
(Source: S&P Capital IQ)

## 5.5. Valuation of Advanced Properties

There are several valuation methods that are suitable for advanced Properties including the following:

- Financial modelling including discounted cash flow (DCF) valuations (generally limited to Properties with published Ore Reserves),
- Comparable Market Based transactions including Resource and Reserve Multiples
- Joint Venture Transactions

- Yardstick valuations

As at the Valuation Date there were no current Ore Reserves estimated for the Alliance Projects, therefore a DCF based approach is not considered suitable.

### 5.5.1. Comparable Market Based Transactions – Resource Based

A comparable transactional valuation is a simple and easily understood valuation method which is broadly based on the real estate approach to valuation. It can be applied to a transaction based on the contained metal for projects with Mineral Resource Estimates reported. Advantages of this type of valuation method include that it is easily understood and applied, especially where the resources or tenement area is comparable, and the resource or exploration work is reported according to an industry standard (like the JORC Code or NI43-101).

However, is not as robust for projects where the resources are either historic in nature, reported according to a more relaxed standard, or are using a cut-off grade that reflects a commodity price that is not justified by the current market fundamentals. If the projects being valued are in the same or a comparable jurisdiction, then it removes the requirement for a geopolitical adjustment. Finally, if the transaction being used is recent then it should reflect the current market conditions.

Difficulties arise when there are a limited number of transactions, where the projects have subtle but identifiable differences that impact the economic viability of one of the projects. For example, the requirement for a very fine grind required to liberate gold from a sulphide rich ore or where the ore is refractory in nature and requires a non-standard processing method.

The information for the comparable transactions has been derived from various sources including the ASX and other securities exchange releases associated with these transactions, a database compiled by VRM for exploration stage projects (with resources estimated) and development ready projects.

This valuation method is the primary valuation method for exploration or advanced (pre-development) projects where Mineral Resources have been estimated. More advanced projects would typically be valued using an income approach due to the modifying factors for a mining operation being better defined.

The preference is to limit the transactions and resource multiples to completed transactions from the past two to three years in either the same geopolitical region or same geological terrain. The comparable transactions have been compiled where Mineral Resources and in some cases Ore Reserves have been estimated. Appendix A details the Resource Multiples for a series of transactions that are considered at least broadly comparable with the Weednanna Project.

### 5.5.2. Yardstick Valuation

A yardstick valuation was undertaken as a check of the comparable transactions. This yardstick valuation is based on a rule of thumb as supported by a large database of transactions where resources and reserves at

various degrees of confidence are multiplied by a percentage of the spot commodity price. The yardstick valuation factors used in this report are in line with other yardstick valuation factors commonly used by other independent specialists and used in other VALMIN reports. The US\$-AUS\$ exchange rate and gold (and Iron Ore) price as of 22 February 2022 and documented above have been used to determine the yardstick valuation.

## 5.6. Valuation of Exploration Properties

To generate a value of an early-stage exploration Property or the exploration potential away from a mineral deposit it is important to value all the separate parts of the mineral assets under consideration. In the case of the advanced Properties the most significant value drivers for the overall Property are the declared Mineral Resources or Ore Reserves, while for earlier stage Properties a significant contributor to the Property's value is the exploration potential. There are several ways to determine the potential of pre-resource Properties, these being:

- A Geoscientific (Kilburn) Valuation
- Comparable transactions (purchase) based on the Properties' area
- Joint Venture terms based on the Properties' area
- A prospectivity enhancement multiplier (PEM)

The methodology to determine the Comparable transactions based on a projects area is undertaken using the same methodology as that described for the Comparable transactions' valuation for advanced projects section; however transactional value is applied to the project's area rather than the Mineral Resources or Ore Reserves. The Joint Venture terms valuation is similar to the comparable transactions based on the project area, other than a discount to the Joint Venture terms is applied to account for the time value of money (an appropriate discount rate is applied) and a discount to the earn-in expenditure to account for the chance that the Joint Venture earn-in expenditure is not completed in the agreed timeframe.

VRM considers a Geoscientific or Kilburn valuation as a robust valuation method. The comparable transaction multiples can also be useful but are strongly related to the projects tenement area so can be conservative for small areas and overstate large areas. It is the view of VRM that the least transparent and most variable valuation method is a PEM valuation as this depends on an assessment of the effectiveness of the expenditure.

### 5.6.1. Kilburn Valuation

One valuation technique that is widely used to determine the value of a project that is at an early exploration stage without any Mineral Resources or Ore Reserve estimates was developed and is described in an article published in the CIM bulletin by Kilburn (1990). This method is widely termed the geoscientific method where a series of factors within a project are assessed for their potential.

While this technique is somewhat subjective and open to interpretation it is a method that when applied correctly by a suitably experienced specialist enables an accurate estimate of the value of the project. There

are five critical aspects that need to be considered when using a Kilburn or Geoscientific valuation, these are the base acquisition cost, which put simply is the cost to acquire and continue to retain the tenements being valued. The other aspects are the proximity to both adjacent to and along strike of a major deposit (Off Property Factors), the occurrence of a mineral system on the tenement (On Property Factors), the success of previous exploration within the tenement (Anomaly Factors) and the geological prospectivity of the geological terrain covered by the mineral claims or tenements (Geological Factors). In early-stage projects often the anomaly factors and geological factors have limited information.

While this valuation method is robust and transparent it can generate a very wide range in valuations, especially when the ranking criteria are assigned to a large tenement. This method was initially developed in Canada where the mineral claims are generally small therefore reducing the potential errors associated with spreading both favourable and unfavourable ranking criteria to be spread over a large tenement. Therefore, VRM either values each tenement or breaks down a larger tenement into areas of higher and lower prospectivity.

Table 7 documents the ranking criteria while the inputs and assumptions that were used to derive the base acquisition cost (BAC) for each tenement are detailed in the valuation section below. VRM determines the BAC based on the holding cost of maintaining the tenement for the next year. That cost is determined by the minimum exploration commitment required on the tenement. For the Kalgoorlie South and Nepean West Projects the BAC is derived from the Western Australian DMIRS while the BAC for the South Australian projects is based on the covenant associated with the tenements.

The technical valuation derived from the Kilburn ranking factors are frequently adjusted to reflect the geopolitical risks associated with the location of the project and the current market conditions toward a specific commodity or geological terrain. These adjustments can either increase or decrease the technical value to derive the fair market valuation.

Using the ranking criteria from Table 7 along with the base acquisition costs tabulated in the appendices an overall technical valuation is determined.

Table 7 Ranking criteria are used to determine the geoscientific technical valuation

Geoscientific Ranking Criteria				
Rating	Off-property factor	On-property factor	Anomaly factor	Geological factor
0.1				Generally unfavourable geological setting
0.5			Extensive previous exploration with poor results	Poor geological setting
0.9			Poor results to date	Generally unfavourable geological setting, under cover
1.0	No known mineralisation in district	No known mineralisation within	No targets defined	Generally favourable geological setting
1.5	Mineralisation identified	Mineralisation identified	Target identified; initial indications positive	Favourable geological setting
2.0	Resource targets identified	Exploration targets identified	Significant intersections – not correlated on section	
2.5				
3.0	Along strike or adjacent to known mineralisation	Mine or abundant workings with significant previous production	Several significant ore grade intersections that can be correlated	Mineralised zones exposed in prospective host rocks
3.5				
4.0	Along strike from a major mine(s)	Major mine with significant historical production		
5.0	Along strike from world class mine			

The technical valuation was discounted / escalated to derive a market valuation. A market factor was derived to account for the status of the gold market which is currently elevated as shown in Figure 17 and Figure 18. On that basis, the technical valuations are inflated by 15% for the status of the gold and Iron Ore market conditions and there has been no discount applied for the locational risks associated with the projects.

For early-stage Projects (where there are no Mineral Resources estimated), VRM considers the Geoscientific (Kilburn) Valuation method to be the most robust and is commonly the primary valuation method used. Where Mineral Resources or Ore Reserves are present VRM considers that these are the primary value driver, and the surrounding exploration ground is usually less material.

### 5.6.2. PEM Valuation

As outlined in Table 6 above and in the VALMIN Code a cost - based or appraised value method is an appropriate valuation technique for early-stage exploration Properties. Under this method, the previous

exploration expenditure is assessed as either improving or decreasing the potential of the Property. The prospectivity enhancement multiplier (PEM) involves a factor which is directly related to the success of the exploration expenditure to advance the Property. There are several alternate PEM factors that can be used depending on the specific Property and commodity being evaluated. Onley, (1994) included several guidelines for the use and selection of appropriate PEM criteria. The PEM ranking criteria used in this report are outlined in Table 8 below. VRM considers the PEM valuation method as a secondary valuation method and no higher PEM ranges are used once a JORC 2012 resource has been estimated. In the opinion of the authors, it is preferable to use resource multiples for comparable transactions once a JORC 2012 resource has been estimated.

**Table 8 Prospectivity Enhancement Multiplier (PEM) ranking criteria**

PEM Ranking Criteria	
Range	Criteria
0.2 – 0.5	Exploration downgrade the potential
0.5 – 1	Exploration has maintained the potential
1.0 – 1.3	Exploration has slightly increased the potential
1.3 – 1.5	Exploration has considerably increased the potential
1.5 – 2.0	Limited Preliminary Drilling intersected interesting mineralised intersections
2.0 – 2.5	Detailed Drilling has defined targets with potential economic interest
2.5 – 3.0	A Mineral Resource has been estimated at an Inferred category

## 6. Alliance Projects Valuation

The principal mineral assets valued as a part of this ITAR are the Wilcherry, Kalgoorlie South and Nepean West Projects. There are Mineral Resource estimates for the Weednanna Deposit within the Wilcherry Project, as well as a package of surrounding tenements that are variably prospective and have had differing levels of previous exploration. The Kalgoorlie South and Nepean West Projects have no Mineral Resource estimates and are early-stage exploration projects.

VRM has undertaken a valuation based on several techniques, these being a comparable transaction (resource multiplier) and Yardstick method as a cross check for the reported Mineral Resource estimates. The surrounding exploration tenure have been valued considering a Kilburn or Geoscientific valuation method and a Prospectivity Enhancement Multiplier (PEM) method as described further below.

### 6.1. Comparable Transactions – Resource Multiples

VRM reviewed a series of gold and iron ore resource transactions in Australia over the past five years. A resource multiple was calculated for each transaction to determine the gold price paid per ounce or Iron Ore price paid per tonne of contained Iron. For the Gold comparable transactions, a resource multiple was also calculated as a value normalised to the gold price at the transaction date to reduce the impact on the Resource Multiples due to market fluctuations.

Only transactions on projects without Ore Reserves were considered comparable. Other transactions were excluded as not being comparable due to the projects being related to operating mines, the deals including a mill or other infrastructure, or the transaction being terminated prior to completion. The final set of data used to derive the valuation included 119 transactions as detailed in Appendix A.

From the analysis of completed gold transactions, VRM determined average, median, and various percentiles of the data at the transaction date as well as normalised to the valuation date (refer Appendix A). For a recent JORC (2012) resource, the 25<sup>th</sup>, median and 75<sup>th</sup> percentile values would generally be applied to estimate a valuation range using this method. However, in analysing recent transactions the average of the comparable normalised transactions multiples is materially higher than the entire dataset of comparable transactions. Based on this observation and the recently reported technical and economic studies that have been undertaken VRM elected to use 105% of the median normalised resource multiples as the preferred valuation with the upper and lower valuations being +/- 20% from the preferred normalised resource multiple. These correspond to a lower multiple of \$24.2/oz, a preferred multiple of \$30.3/oz and an upper multiple of \$36.3/oz.

From the analysis of completed Iron Ore transactions, VRM determined average, median, and various percentiles of the data at the transaction date. VRM has, based on its professional opinion and experience, and based on the limited number of transactions that are potentially comparable and elected to use the average of the eleven transactions to determine the preferred valuation multiple for the Iron Ore Mineral

Resource estimates within the Wilcherry Project. To determine the valuation range VRM considers a range of +/- 20% to be a reasonable assessment as to the likely valuation range in potential market values for the Iron Ore mineralisation. This results in a lower multiple of \$0.25/t Fe contained, a preferred multiple of \$0.32/t Fe contained and an upper multiple of \$0.38/t contained Fe.

The resource multiples detailed above and supported by the information in Appendix A have been used along with the Mineral Resource estimates in Table 3 and Table 4 to derive the value of the gold and Iron Ore Mineral Resources within the Wilcherry Project (Table 9).

**Table 9 Comparable transaction valuation of the Mineral Resource estimates within the Wilcherry Project, South Australia.**

Comparable Transaction Valuation – Weednanna Mineral Resources			
	Lower (-20%)	Preferred	Upper (+20%)
Gold Resource (contained Au oz)	152,000	152,000	152,000
Resource Multiple (\$/oz contained Au)	24.2	30.3	36.3
Total Gold Valuation (AUS\$ million)	<b>\$3.7</b>	<b>\$4.6</b>	<b>\$5.5</b>
Iron Ore Resource (contained Fe t)	683670	683670	683670
Resource Multiple (\$/t contained Fe)	\$0.25	\$0.32	\$0.38
Total Iron Ore Valuation (AUS\$ million)	<b>\$0.2</b>	<b>\$0.2</b>	<b>\$0.3</b>
Valuation Mineral Resources (AUS\$ million)	<b>\$3.9</b>	<b>\$4.8</b>	<b>\$5.7</b>

VRM considers the Mineral Resource estimates within the Wilcherry Project to be valued, based on comparable transactions, at between \$3.9 million and \$5.7 million with a preferred valuation of \$4.8 million.

### 7.1.1 Yardstick Method

As detailed above the yardstick method can also be considered as a valuation approach, particularly as a cross check or secondary valuation technique to support the valuation generated by a comparable transaction method. This method is typically used as a secondary approach for valuation of Mineral Resources and is based on a percentage of the current metal price.

For the gold Mineral Resource estimates, a typical yardstick value would be between 0.5% and 5% of the current gold price, dependent on the classification as at the valuation date. For lower classification levels such as Inferred Mineral Resources this percentage is lower reflecting the higher uncertainty compared to Indicated or Measured categories. The risks relating to the resources described above have been incorporated into the Yardstick approach.



For Iron Ore projects with declared Mineral Resources, a typical yardstick value for direct shipping ore (DSO) would be between 0.1% and 1% of the current iron ore price. For the yardstick method where a DSO product is being valued the yardstick multiple is assigned to the number of tonnes of Iron Ore that are potentially available to sell i.e., the tonnes of the Mineral Resource, as compared to the contained iron used in the comparable transaction valuation. The contained iron is used in a comparable transaction analysis due to the variable grades of iron ore from various projects with some requiring extensive processing prior to production of a saleable product, this is especially the case for low grade magnetite deposits. As the Iron Ore Mineral Resource estimate has been based on a DSO product specification (>55% Fe) it is reasonable to use the Resource tonnes in the yardstick valuation for the DSO Iron Ore yardstick valuation.

VRM has applied a range of percentage values, corresponding to the classification of the Gold and Iron Ore Mineral Resources within the Weednanna deposit, a part of the Wilcherry Project and the gold (\$/oz) and Iron Ore (\$/t for 62% Fe) prices at the valuation date in order to value the resources within the Project. This valuation is summarised in Table 10.

**Table 10 Yardstick valuation of the Mineral Resources within Weednanna Deposit, Wilcherry Project, SA.**

Yardstick Valuation Summary of Weednanna Mineral Resources				
Classification	Yardstick Factors	Lower (\$M)	Preferred (\$M)	Upper (\$M)
Measured Au Resources <sup>1</sup>	2.0 – 5.0%	\$1.0	\$1.7	\$2.5
Indicated Au Resources	1.0 – 2.0%	\$2.4	\$3.5	\$4.7
Inferred Au Resources	0.5 – 1.0%	\$0.6	\$0.9	\$1.1
Total Valuation gold Resources (AUS\$M)		\$3.9	\$6.1	\$8.3
Measured Iron Ore Resource	0.5 – 1.0%	\$0.3	\$0.4	\$0.6
Indicated Iron Ore Resource	0.2% - 0.5%	\$0.1	\$0.2	\$0.3
Inferred Iron Ore Resource	0.1% - 0.2%	\$0.1	\$0.1	\$0.1
Final Valuation Iron Ore Resource (AUS\$M)		\$0.5	\$0.7	\$1.0
Total Resource Valuation (AUS\$M)		\$4.4	\$6.8	\$9.3

Notes Yardstick Valuation based on gold price of A\$2,628.64/oz, Iron Ore price of A\$198.29/t (62% Fe) rounding has been applied to the Resource estimate and valuation.

Therefore, VRM considers the Gold and Iron Ore Mineral Resources at the Weednanna deposit in the Wilcherry Project, South Australia, to be valued, based on a yardstick approach, at between \$4.4 million and \$9.3 million with a preferred valuation of \$6.8 million

### 7.1.2 Geoscientific Valuation

There are several specific inputs that are critical in determining a valid Geoscientific or Kilburn valuation, these are ensuring that the specialist undertaking the valuation has a good understanding of the mineralisation styles within the overall region, the tenements and has access to all the exploration and

geological information to ensure that the rankings are based on a thorough knowledge of the projects. In addition to ensuring the rankings are correct deriving the base acquisition costs (BAC) is critical as that is the primary driver of the final value. For the Western Australian tenements, the BAC is derived by the exploration commitment to maintain the tenement in good standing while the costs of the tenement applications, annual tenement rents and targeting have not been included. For the South Australian projects VRM has used the covenant associated with each tenement to determine the BAC. In VRM’s opinion using the covenant as the BAC has generated an artificially high valuation for the exploration potential within the Wilcherry Project, as such VRM considers the Kilburn valuation for the Wilcherry Project to be a supporting valuation but prefers the PEM valuation as the preferred valuation of the exploration potential of the project.

The Geoscientific rankings were derived for each of the Kilburn ranking criteria with the off property criteria, on property criteria, the anomaly factor and geology criteria estimated for each tenement following the ratings listed in Table 7. When these ranking criteria are combined with the base acquisition cost both of which are detailed in Appendix B this has determined the technical value which are summarised for each project in Table 11. Note due to the size of the tenement that hosts the Mineral Resource estimates in the Wilcherry Project and the exploration potential within that tenement has not been included in the Resource valuations above, therefore VRM has assigned 10% of the Kilburn value of EL6188 as being the exploration potential of the project away from Mineral Resources at the Weednanna Deposit.

**Table 11 Technical Valuation for the Alliance exploration tenements**

Technical Valuation Summary by Tenement			
Project	Lower (\$M)	Preferred (\$M)	Upper (\$M)
Wilcherry Project	\$4.3	\$7.6	\$10.8
Nepean West Project	\$0.1	\$0.3	\$0.5
Kalgoorlie South Project	\$0.1	\$0.2	\$0.3
<b>Combined Technical Valuation (AUS\$M)</b>	<b>\$4.5</b>	<b>\$8.0</b>	<b>\$11.6</b>

Note Appropriate rounding has been undertaken

Table 11 details the technical value of the exploration potential of the tenement while the Market Value of the project is based on a location and market discount or premium. The current gold and iron ore market is considered to represent a premium and therefore a factor of 15% was applied to the technical value to account for this. The location of the licences is considered favourable and therefore no adjustment was applied. Overall, the market valuation is detailed in Table 12.

**Table 12 Market Valuation for the Alliance exploration tenements**

Market Valuation Summary by Tenement			
Project	Lower (\$M)	Preferred (\$M)	Upper (\$M)

Market Valuation Summary by Tenement			
Wilcherry Project	\$5.0	\$8.7	\$12.5
Nepean West Project	\$0.1	\$0.3	\$0.5
Kalgoorlie South Project	\$0.1	\$0.2	\$0.3
<b>Combined Valuation (AUS\$ million)</b>	<b>\$5.2</b>	<b>\$9.2</b>	<b>\$13.3</b>

Note Appropriate rounding has been undertaken, a breakdown of the valuations by tenement are included in the appendices

For the Alliance exploration properties including the tenements surrounding the Weednanna deposit, the fair market valuation as determined by the Geoscientific or Kilburn valuation method has resulted in a value between \$5.2 million and \$13.3 million with a preferred valuation of \$9.2 million.

VRM considers that the Kilburn valuation for the Wilcherry project is artificially high due to the high BAC used on the project as it is based on the covenant associated with the tenements rather than the commitment for expenditure for the next year, therefore the Kilburn valuation for the Wilcherry project is considered to be a supporting valuation to the preferred PEM valuation.

### 7.1.3 PEM Valuation

VRM has undertaken a PEM valuation of the tenements based on the exploration expenditure provided by Alliance and for the Western Australian tenements validated against the expenditure reports lodged with the Western Australian DMIRS to 22 February 2022. The expenditures were provided on a tenement basis with rents and rates factored into the amounts. Project acquisitions costs were supplied but were not included in the analysis as these are considered sunk costs and not contributing to geological / prospectivity knowledge. These expenditures are summarised below.

This expenditure has been multiplied by and Prospectivity Enhancement Multiplier as detailed in Table 8 above. To generate a range in the PEM valuation VRM has assessed the effectiveness of the exploration expenditure and therefore used an upper and lower PEM multiple to generate a range in likely values of the project. The preferred valuation is the average of the upper and lower PEM valuation. Table 13 below details the expenditure, the PEM multiples, and the valuations for the project. The PEM valuation of the main tenement at the Wilcherry Project has been modified as VRM considers that at least 90% of the reported expenditure would have been directed to the Resource drilling and work associated with delineation of the Mineral Resource estimates, therefore the value of the exploration potential away from the Mineral Resources has been determined based on the PEM multiple and 10% of the expenditure on EL6188.

**Table 13 PEM Valuation for the Alliance exploration tenements**

Project	PEM Valuation by Project		
	Lower (\$M)	Preferred (\$M)	Upper (\$M)
Wilcherry Project	\$4.1	\$4.7	\$5.3
Nepean West Project	\$0.1	\$0.1	\$0.2
Kalgoorlie South Project	\$0.2	\$0.2	\$0.3
<b>Total PEM Valuation</b>	<b>\$4.4</b>	<b>\$5.1</b>	<b>\$5.8</b>

Note Appropriate rounding has been undertaken, a breakdown of the valuations by tenement are included in the appendices

For the Alliance exploration Projects, the market valuation as determined by the PEM valuation method has resulted in a value between \$4.4 million and \$5.8 million with a preferred valuation of \$5.1 million.

## 8 Risks and Opportunities

As with all mineral assets there are several associated risks and opportunities and therefore also with the valuation of those assets. Some non-geological or mining related technical risks and opportunities that are common to most projects include the risks associated with security of tenure, native title claims, environmental approvals, social, geopolitical, and regulatory approval risks.

The geological continuity of the Weednanna gold and iron mineralisation is a risk to the potential development by the structural and lithological control on the mineralisation and the interaction with the intrusive granite bodies controlling the skarn mineralisation which is dominated by ore shoots that have a limited strike length and occur as discontinuous ovoid to rod like bodies. An additional risk is the significant reduction in the metallurgical recovery from the recent metallurgical samples compared to the recovery reported in the 2019 scoping study. VRM considers the metallurgy of the project a material risk however this may have been mitigated by the recent tests which have been used to optimise and refine the preliminary processing plant design. In VRM’s opinion, based on the review of the Mineral Resource estimate, the resource may in some part be conservative due to the impact of the high grade top cut used in the estimates, these top cut’s result in a reduction in the average grade of some of the mineralised domains by up to 35% however that may also be due to the structurally controlled nature of the mineralisation and the sub-optimal orientation of some of the drilling.

Opportunities to extend the current resource inventory are present in a number of areas, and continued exploration and drilling has the potential of delineation of additional Mineral Resources, in particular at depth of the existing Mineral Resources and at adjacent targets.

Exploration by previous owners within the Wilcherry project since 2002 has focused on the potential for Iron Ore mineralisation or Iron Oxide Copper Gold (IOCG) style mineralisation similar to the giant Olympic Dam

system. There has been minimal modern exploration targeting gold or base metals. Alliance has a history of re-evaluation and re-sampling previous exploration samples, in particular drill samples for gold and other metals, with that re-sampling being highly cost effective, a rapid method of evaluating the potential of the area and identifying additional targets for exploration.

As with all exploration projects, a key technical risk is that further exploration will not result in identifying a body of mineralisation sufficiently large to be considered an economic resource.

## 9 Preferred Valuations

Based on the valuation techniques detailed above, Table 14 provides a summary of the valuations derived by the various techniques these valuations are shown graphically in Figure 19 with the preferred valuation range documented in Table 15.

The preferred valuation that VRM has determined is based on the comparable transaction approach recognising that most of the value in the projects is attributed to the Mineral Resource estimates at the Weednanna Deposit within the Wilcherry Project. This valuation is supported by the yardstick approach which returned a higher valuation considering the current gold and iron ore market and took into account the classification of the Mineral Resources.

The Geoscientific / Kilburn method is considered to appropriately value the Kalgoorlie South and Nepean West Projects while the PEM valuation method is considered the most reliable for the exploration potential within the Wilcherry Project. The valuation of the exploration potential within the Kalgoorlie South and Nepean West Projects is supported by a PEM valuation while the PEM valuation for the Wilcherry Project is supported by the Geoscientific method.

**Table 14 Alliance Mineral Assets Valuation Summary by method**

Valuation summary by various methods			
Valuation Technique	Lower (\$M)	Preferred (\$M)	Upper (\$M)
South Australian Projects			
Comparable Gold Transactions (Mineral Resources)	\$3.7	\$4.6	\$5.5
Gold Yardstick (Mineral Resources)	\$3.9	\$6.1	\$8.3
Comparable Iron Ore Transactions (Mineral Resources)	\$0.2	\$0.2	\$0.3
Iron Ore Yardstick (Mineral Resources)	\$0.5	\$0.7	\$1.0
PEM (Exploration Potential)	\$4.1	\$4.7	\$5.3
Kilburn / Geoscientific (Exploration Potential)	\$5.0	\$8.7	\$12.5
<b>Total Wilcherry Project</b>	<b>\$8.0</b>	<b>\$9.5</b>	<b>\$11.1</b>
Western Australian Projects			

## Valuation summary by various methods

Nepean West Project			
Kilburn / Geoscientific	\$0.1	\$0.3	\$0.5
PEM	\$0.2	\$0.2	\$0.3
Kalgoorlie South Project			
Kilburn / Geoscientific	\$0.1	\$0.2	\$0.3
PEM	\$0.2	\$0.2	\$0.3

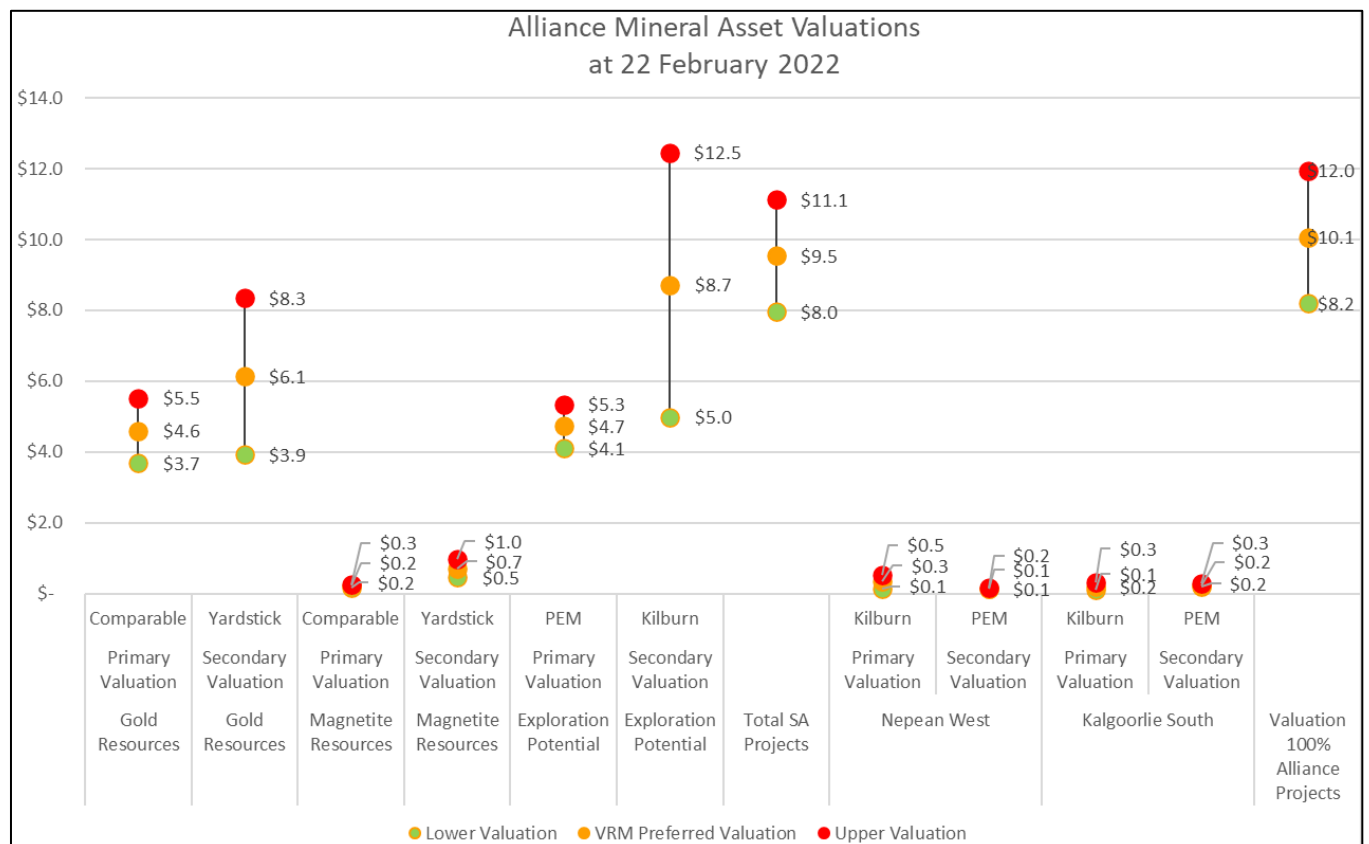
Note the preferred valuations are Bold

Based on the rationale outlined in the body of this Report, VRM’s opinion is that the Mineral Resource estimates at the Weednanna Deposit within the Wilcherry Project are best valued by a comparable transaction approach, while the exploration potential (at the Kalgoorlie South and Nepean West Projects, that do not host resources) are most appropriately valued applying the Geoscientific / Kilburn method while due to the high base acquisition cost (BAC) for the tenements within the Wilcherry Project those tenements are most validly valued using a prospectivity enhancement multiplier (PEM) valuation method. On this basis, in VRM’s opinion the Mineral Asset valuation owned by Alliance as outlined in Table 15, are between \$8.2 million and \$11.9 million with a preferred valuation of \$10.0 million.

**Table 15 Alliance Mineral Assets Valuation as at 22 February 2022**

Valuation summary by Project			
Project Names	Lower (\$M)	Upper (\$M)	Preferred (\$M)
Wilcherry Project (including the Weednanna Deposit)	\$8.0	\$9.5	\$11.1
Nepean West	\$0.1	\$0.3	\$0.5
Kalgoorlie South	\$0.1	\$0.2	\$0.3
<b>Total (AUD\$ million)</b>	<b>\$8.2</b>	<b>\$10.0</b>	<b>\$11.9</b>

Note Appropriate rounding has been undertaken



**Figure 19 – Chart of Alliance Project Valuations as at 22 February 2022**

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## 10 References

The references below document the main documents referred to in this report however the various ASX releases for the various companies including Alliance have not been included in the reference list.

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## 11 Glossary

Below are brief descriptions of some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Webmineral [www.webmineral.com](http://www.webmineral.com), Wikipedia [www.wikipedia.org](http://www.wikipedia.org),

*The following terms are taken from the 2015 VALMIN Code*

**Annual Report** means a document published by public corporations on a yearly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

**Australasian** means Australia, New Zealand, Papua New Guinea and their off-shore territories.

**Code of Ethics** means the Code of Ethics of the relevant Professional Organisation or Recognised Professional Organisations.

**Corporations Act** means the Australian Corporations Act 2001 (Cth).

**Experts** are persons defined in the Corporations Act whose profession or reputation gives authority to a statement made by him or her in relation to a matter. A Practitioner may be an Expert. Also see Clause 2.1.

**Exploration Results** is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

**Feasibility Study** means a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-feasibility Study.

**Financial Reporting Standards** means Australian statements of generally accepted accounting practice in the relevant jurisdiction in accordance with the Australian Accounting Standards Board (AASB) and the Corporations Act.

**Independent Expert Report** means a Public Report as may be required by the Corporations Act, the Listing Rules of the ASX or other security exchanges prepared by a Practitioner who is acknowledged as being independent of the Commissioning Entity. Also see ASIC Regulatory Guides RG 111 and RG 112 as well as Clause 5.5 of the VALMIN Code for guidance on Independent Expert Reports.

**Information Memoranda** means documents used in financing of projects detailing the project and financing arrangements.

**Investment Value** means the benefit of an asset to the owner or prospective owner for individual investment or operational objectives.

**Life-of-Mine Plan** means a design and costing study of an existing or proposed mining operation where all Modifying Factors have been considered in sufficient detail to demonstrate at the time of reporting that extraction is reasonably justified. Such a study should be inclusive of all development and mining activities proposed through to the effective closure of the existing or proposed mining operation.

**Market Value** means the estimated amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing

buyer and a willing seller in an arm's length transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion. Also see Clause 8.1 for guidance on Market Value.

**Materiality** or being **Material** requires that a Public Report contains all the relevant information that investors and their professional advisors would reasonably require, and reasonably expect to find in the report, for the purpose of making a reasoned and balanced judgement regarding the Technical Assessment or Mineral Asset Valuation being reported. Where relevant information is not supplied, an explanation must be provided to justify its exclusion. Also see Clause 3.2 for guidance on what is Material.

**Member** means a person who has been accepted and entitled to the post-nominals associated with the AIG or the AusIMM or both. Alternatively, it may be a person who is a member of a Recognised Professional Organisation included in a list promulgated from time to time.

**Mineable** means those parts of the mineralised body, both economic and uneconomic, that are extracted or to be extracted during the normal course of mining.

**Mineral Asset** means all property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment and infrastructure owned or acquired for the development, extraction, and processing of Minerals in connection with that Tenure.

Most Mineral Assets can be classified as either:

(a) **Early-stage Exploration Projects** – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified;

(b) **Advanced Exploration Projects** – Tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category;

(c) **Pre-Development Projects** – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken;

(d) **Development Projects** – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Pre-Feasibility Study;

(e) **Production Projects** – Tenure holdings – particularly mines, wellfields, and processing plants – that have been commissioned and are in production.

**Mine Design** means a framework of mining components and processes taking into account mining methods, access to the Mineralisation, personnel, material handling, ventilation, water, power, and other technical requirements spanning commissioning, operation, and closure so that mine planning can be undertaken.

**Mine Planning** includes production planning, scheduling and economic studies within the Mine Design taking into account geological structures and mineralisation, associated infrastructure and constraints, and other relevant aspects that span commissioning, operation, and closure.

**Mineral** means any naturally occurring material found in or on the Earth's crust that is either useful to or has a value placed on it by humankind, or both. This excludes hydrocarbons, which are classified as Petroleum.

**Mineralisation** means any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest. The term is intended to cover all forms in which mineralisation might occur, whether by class of deposit, mode of occurrence, genesis, or composition.

**Mineral Project** means any exploration, development, or production activity, including a royalty or similar interest in these activities, in respect of Minerals.

**Mineral Securities** means those Securities issued by a body corporate or an unincorporated body whose business includes exploration, development or extraction and processing of Minerals.

**Mineral Resources** is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

**Mining** means all activities related to extraction of Minerals by any method (e.g. quarries, open cast, open cut, solution mining, dredging etc).

**Mining Industry** means the business of exploring for, extracting, processing, and marketing Minerals.

**Modifying Factors** is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

**Ore Reserves** is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

**Petroleum** means any naturally occurring hydrocarbon in a gaseous or liquid state, including coal-based methane, tar sands and oil-shale.

**Petroleum Resource** and **Petroleum Reserve** are defined in the current version of the Petroleum Resources Management System (PRMS) published by the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council, and the Society of Petroleum Evaluation Engineers. Refer to <http://www.spe.org> for further information.

**Practitioner** is an Expert as defined in the Corporations Act, who prepares a Public Report on a Technical Assessment or Valuation Report for Mineral Assets. This collective term includes Specialists and Securities Experts.

**Preliminary Feasibility Study (Pre-Feasibility Study)** means a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors that are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

**Professional Organisation** means a self-regulating body, such as one of engineers or geoscientists or of both, that:

- (a) admits members primarily on the basis of their academic qualifications and professional experience;
- (b) requires compliance with professional standards of expertise and behaviour according to a Code of Ethics established by the organisation; and
- (c) has enforceable disciplinary powers, including that of suspension or expulsion of a member, should its Code of Ethics be breached.

**Public Presentation** means the process of presenting a topic or project to a public audience. It may include, but not be limited to, a demonstration, lecture or speech meant to inform, persuade, or build good will.

**Public Report** means a report prepared for the purpose of informing investors or potential investors and their advisers when making investment decisions, or to satisfy regulatory requirements. It includes, but is not limited to, Annual Reports, Quarterly Reports, press releases, Information Memoranda, Technical Assessment Reports, Valuation Reports, Independent Expert Reports, website postings and Public Presentations. Also see Clause 5 for guidance on Public Reports.

**Quarterly Report** means a document published by public corporations on a quarterly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

**Reasonableness** implies that an assessment which is impartial, rational, realistic, and logical in its treatment of the inputs to a Valuation or Technical Assessment has been used, to the extent that another Practitioner with the same information would make a similar Technical Assessment or Valuation.

**Royalty or Royalty Interest** means the amount of benefit accruing to the royalty owner from the royalty share of production.

**Securities** has the meaning as defined in the Corporations Act.

**Securities Expert** are persons whose profession, reputation or experience provides them with the authority to assess or value Securities in compliance with the requirements of the Corporations Act, ASIC Regulatory Guides and ASX Listing Rules.

**Scoping Study** means an order of magnitude technical and economic study of the potential viability of Mineral Resources. It includes appropriate assessments of realistically assumed Modifying Factors together with any other relevant operational factors that are necessary to demonstrate at the time of reporting that progress to a Pre-Feasibility Study can be reasonably justified.

**Specialist** are persons whose profession, reputation, or relevant industry experience in a technical discipline (such as geology, mine engineering or metallurgy) provides them with the authority to assess or value Mineral Assets.

**Status** in relation to Tenure means an assessment of the security of title to the Tenure.

**Technical Assessment** is an evaluation prepared by a Specialist of the technical aspects of a Mineral Asset. Depending on the development status of the Mineral Asset, a Technical Assessment may include the review of geology, mining methods, metallurgical processes and recoveries, provision of infrastructure and environmental aspects.

**Technical Assessment Report** involves the Technical Assessment of elements that may affect the economic benefit of a Mineral Asset.

**Technical Value** is an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations.

**Tenure** is any form of title, right, licence, permit or lease granted by the responsible government in accordance with its mining legislation that confers on the holder certain rights to explore for and/or extract agreed minerals that may be (or is known to be) contained. Tenure can include third-party ownership of the Minerals (for example, a royalty stream). Tenure and Title have the same connotation as Tenement.

**Transparency** or being **Transparent** requires that the reader of a Public Report is provided with sufficient information, the presentation of which is clear and unambiguous, to understand the report and not be misled by this information or by omission of Material information that is known to the Practitioner.

**Valuation** is the process of determining the monetary Value of a Mineral Asset at a set Valuation Date.

**Valuation Approach** means a grouping of valuation methods for which there is a common underlying rationale or basis.

**Valuation Date** means the reference date on which the monetary amount of a Valuation in real (dollars of the day) terms is current. This date could be different from the dates of finalisation of the Public Report or the cut-off date of available data. The Valuation Date and date of finalisation of the Public Report **must** not be more than 12 months apart.

**Valuation Methods** means a subset of Valuation Approaches and may represent variations on a common rationale or basis.

**Valuation Report** expresses an opinion as to monetary Value of a Mineral Asset but specifically excludes commentary on the value of any related Securities.

**Value** means the Market Value of a Mineral Asset.

## Appendix A - Comparable Gold transactions

Project	Purchaser	Date	State	Deal Summary	Equity Acquired	Deal Value A\$ million	Resources	A\$/oz	Normalised A\$/oz
Lake Roe	Global Lithium Resources Limited	22/12/2021	Western Australia	Global Lithium Resources Limited has acquired 80% Stake in Manna project from Breaker Resources NL. The project is located in Western Australia.	80%	32.97	1,096,000	30.08	31.75
Devon, Red October	Linden Gold Alliance Pty Ltd	20/12/2021	Western Australia	Linden Gold Alliance Pty Ltd has agreed to acquire Red October and Devon project from Matsa Resources Limited. The projects are located in Western Australia, Australia.	100%	20.00	314,000	63.69	67.38
Millrose	Strickland Metals Limited	17/12/2021	Western Australia	Strickland Metals Ltd. has acquired Millrose project from an investor group comprised of Millrose Gold Mines Ltd. and Golden Eagle Mining Ltd. The project is located in Western Australia.	100%	10.00	346,000	28.90	30.43
Mount Ida	Red Dirt Metals Limited	13/09/2021	Western Australia	West Perth, Australia-based Red Dirt Metals Ltd. has acquired Mount Ida project from West Perth, Australia-based Ora Banda Mining Ltd., through the acquisition of Mt Ida Gold Pty Ltd. The project is located in Western Australia.	100%	11.00	141,000	78.01	82.53
Twin Hills	GBM Resources Limited	19/07/2021	Queensland	Mount Pleasant, Australia-based GBM Resources Ltd. has agreed to acquire Twin Hills project from Jinan, China-based Jinan High-tech Dev. Co. The project is located in Queensland.	100%	2.00	646,590	3.09	3.25
Xanadu	Platina Resources Limited	22/06/2021	Western Australia	Mount Hawthorn, Australia-based Platina Resources Ltd. has acquired Xanadu project from an investor group comprised of Jolimont, Australia-based Mineral Edge Pty Ltd and Subiaco, Australia-based Coolabah Resources Pty Ltd. The project is located in Western Australia.	100%	1.13	78,000	14.44	15.39
White Dam	GBM Resources Limited	16/06/2021	South Australia	Mount Pleasant, Australia-based GBM Resources Ltd. has acquired 100% interest in White Dam project from Sydney-based Washington H. Soul Pattinson & Co. Ltd.	100%	0.50	101,900	4.91	5.02
Braemore	Mt Malcolm Gold Holdings Pty Ltd	1/06/2021	Western Australia	Perth, Australia-based Mt Malcolm Mines NL unit Mt Malcolm Gold Holdings Pty Ltd, has acquired the Malcom project from West Perth, Australia-based Torian Resources Ltd. The Malcom project is located in Western Australia.	100%	0.35	14,500	24.14	24.14
Central Tanami	Northern Star Resources Limited	8/05/2021	Northern Territory	Subiaco, Australia-based Northern Star Resources Ltd. has acquired further 10% interest in Central Tanami project from South Perth, Australia-based Tanami Gold NL., through a joint venture transaction. The project is located in Northern Territory.	10%	15.00	274,400	54.67	56.57
Horse Well	Strickland Metals Limited	5/05/2021	Western Australia	Perth, Australia-based Strickland Metals Ltd. has acquired the remaining 37% interest in the Horse Well project from South Perth, Australia-based Silver Lake Resources Ltd. The project is located in Western Australia.	37%	1.75	95,090	18.40	19.60
Kurnalpi	Northern Star (Carosue Dam) Pty Limited	17/03/2021	Western Australia	Perth, Australia-based Northern Star Resources Ltd. unit Subiaco, Australia-based Northern Star (Carosue Dam) Pty Ltd. has acquired the Kurnalpi Project from Kalgoorlie, Australia-based KalNorth Gold Mines Ltd. The project is located in Western Australia.	100%	18.00	189,400	95.04	104.49
Koongie Park	AuKing Mining Limited	8/02/2021	Western Australia	AuKing Mining Ltd. has agreed to acquire a 75% interest in the Koongie Park project from Anglo Australian Resources NL, through an earn-in and joint venture transaction. Koongie Park project is located in Western Australia.	75%	1.00	70,290	14.23	14.71
Mount Chalmers	QMiners Limited	18/01/2021	Queensland	Mosman, Australia-based QMiners Ltd. has acquired mount chalmers project from Arana Hills, Australia-based OreFox AI Ltd.	100%	0.05	100,000	0.50	0.52
Yandan	GBM Resources Limited	13/01/2021	Queensland	Perth, Australia-based GBM Resources Ltd. has acquired the Yandan project from Brisbane, Australia-based Aeris Resources Ltd., through the acquisition of Straits Gold Pty Ltd. The project is located in Queensland, Australia.	100%	3.33	308,000	10.82	11.06
Kookynie	Genesis Minerals Limited	12/01/2021	Western Australia	Perth, Australia-based Genesis Minerals Ltd. has acquired Kookynie project from an investor group comprised of Burwood, Australia-based A&C Mining Investment Pty Ltd and Ms. Yijun Zhu. The project is located in Western Australia.	100%	14.47	414,000	30.67	31.56
Lefroy Goldfield, Mathinna	Nubian Resources Ltd.	16/12/2020	Tasmania	Abbotsford, British Columbia-based Nubian Resources Ltd. has acquired Orogenic gold tenements from an investor group comprised of Perth, Australia-based Stavelly Minerals Ltd. and West Perth, Australia-based Bestlevel Holdings Pty Ltd. The Orogenic gold tenements include Mathinna/Alberton & Lefroy Goldfields tenements, located in Tasmania, Australia and Fosterville East tenement, located in Victoria, Australia.	100%	2.50	45,300	55.19	56.27
Lindsays	Nu-Fortune Gold Ltd	4/12/2020	Western Australia	East Perth, Australia-based Nu-Fortune Gold Ltd has acquired Lindsays project from Kalgoorlie, Australia-based KalNorth Gold Mines Ltd. The project is located in Western Australia.	100%	5.00	215,100	23.25	24.07
Jumbuck	Marmota Limited	30/11/2020	South Australia	Adelaide-Australia based Marmota Ltd. has acquired the Jumbuck project from Perth-Australia based Tyranna Resources Ltd. The project is located in South Australia.	100%	3.00	319,000	9.40	10.06



Project	Purchaser	Date	State	Deal Summary	Equity Acquired	Deal Value A\$ million	Resources	A\$/oz	Normalised A\$/oz
Coogee	Victory Mines Limited	3/11/2020	Western Australia	Perth, Australia-based Victory Mines Ltd. has acquired the remaining 90% interest in the Coogee project from Perth, Australia-based Ramelius Resources Ltd. The Coogee project is located in Western Australia.	90%	1.00	9,900	101.01	100.69
Tuckanarra	Odyssey Energy Limited	19/10/2020	Western Australia	Perth, Australia-based Odyssey Energy Ltd. has acquired an 80% interest in the Tuckanarra project from Vancouver, British Columbia-based Monument Mining Ltd., through a joint venture transaction. The project is located in Western Australia.	80%	5.00	80,739	61.93	61.68
Kalpini	Horizon Minerals Limited	12/10/2020	Western Australia	Perth, Australia-based Horizon Minerals Ltd. has acquired the Kalpini project from West Perth, Australia-based NBT Metals Pty Ltd. The project comprises of mining lease M27/485 and miscellaneous lease L27/88 located in Western Australia.	100%	2.75	255,600	10.76	10.63
Clinker Hill, Slate Dam, Trojan	Black Cat Syndicate Limited	7/10/2020	Western Australia	Perth, Australia based-Black Cat Syndicate Ltd. has acquired Trojan, Slate Dam and Clinker Hill projects from Perth, Australia based-Aruma Resources Ltd. The projects are located in Western Australia.	100%	0.50	115,000	4.35	4.38
Malmsbury	Novo Resources Corp.	24/09/2020	Victoria	Vancouver, British Columbia-based Novo Resources Corp. has agreed to acquire up to a 75% interest in the Malmsbury project from Perth, Australia-based GBM Resources Ltd., through an earn-in and joint venture transaction. The Malmsbury project is located in Victoria, Australia.	75%	3.42	78,000	43.80	44.63
Leonora	Specrez Pty Ltd	10/08/2020	Western Australia	Perth, Australia-based Specrez Pty Ltd. has acquired the Leonora project tenements from Perth, Australia-based Kingwest Resources Ltd. These tenements includes M37/1202, E37/893 and P37/8901, located in Western Australia.	100%	0.19	104,000	1.83	1.70
Paris	Torque Metals Limited	29/07/2020	Western Australia	Perth, Australia-based Torque Metals Ltd. has acquired Paris project from Forrestdale, Australia-based Austral Pacific Pty Ltd. The Paris project is located in Western Australia, Australia	100%	3.55	32,700	108.56	105.43
Malcolm	GoldLake Two Pty Ltd.	22/07/2020	Western Australia	GoldLake Two Pty Ltd. has agreed to acquire the Malcolm project from Perth, Australia-based Anova Metals Ltd. The project is located in Western Australia.	100%	0.10	37,900	2.64	2.70
Mt Clement	Northern Star Resources Limited	20/07/2020	Western Australia	Perth, Australia-based Northern Star Resources Ltd. has acquired the remaining 80% interest in Mt Clement project from Perth, Australia-based Artemis Resources Ltd. The project is located in Western Australia, Australia.	80%	0.34	116,323	2.96	3.09
Jumbuck	Syngas Limited	29/06/2020	South Australia	Melbourne-based Syngas Ltd. would have acquired the Jumbuck project from Perth, Australia-based Tyranna Resources Ltd. through acquisition of Half Moon Pty Ltd. and Trafford Resources Pty Ltd. The project is located in South Australia.	100%	2.25	319,000	7.05	7.56
Mission/Cables	Darlot Mining Company Pty Limited	22/05/2020	Western Australia	Perth, Australia-based Red 5 Ltd. unit West Perth, Australia-based Darlot Mining Co. Ltd. has acquired the Cables and Mission deposits from Mr. Andrew George Paterson. The deposits are located in Western Australia.	100%	2.50	185,527	13.48	14.74
Albury Heath	Big Bell Gold Operations Pty. Ltd.	23/04/2020	Western Australia	Perth, Australia-based Westgold Resources Ltd. unit Big Bell Gold Operations Pty Ltd. has acquired the Albury Heath project from South Perth, Australia-based Cervantes Corp. Ltd. The project is located in Western Australia.	100%	1.30	27,000	48.15	52.62
Radio	Nu-Fortune Gold Limited	14/04/2020	Western Australia	East Perth, Australia-based Nu-Fortune Gold Ltd. has acquired a 93.75% interest in the Radio project from Sydney-based Resources & Energy Group Ltd. The project is located in Western Australia.	94%	1.50	26,813	55.94	61.37
Radio	Nu-Fortune Gold Limited	14/04/2020	Western Australia	East Perth, Australia-based Nu-Fortune Gold Ltd. has acquired the remaining 6.25% interest in the Radio project from Perth, Australia-based Valor Resources Ltd. The project is located in Western Australia.	625%	0.90	1,788	503.50	552.37
Great Western	Darlot Mining Company Pty Limited	2/04/2020	Western Australia	Perth, Australia-based Red 5 Ltd. unit West Perth, Australia-based Darlot Mining Co. Ltd. has acquired the mining lease M37/54 from Perth, Australia-based Terrain Minerals Ltd. The lease is located in Western Australia.	100%	2.50	62,100	40.26	47.58
Beaconsfield	NQ Minerals Plc	21/02/2020	Tasmania	London-based NQ Minerals Plc has acquired the Beaconsfield mine from an undisclosed seller. The assets purchased include the 350,000 tonnes per annum processing plant, tailings dams, associated infrastructure, property rights, mining leases, and related mining permits. The mine is located in Tasmania, Australia.	100%	2.00	57,060	35.05	40.53
Radio	Suphide X Limited	1/08/2019	Western Australia	West Perth, Australia-based Suphide X Ltd. has agreed to acquire up to a 75% interest in the Radio mine from Sydney-based Resources & Energy Group Ltd., through an earn-in and joint venture transaction. The mine is located 8km north west of Bullfinch, Western Australia.	75%	2.00	21,450	93.24	125.23
Western Queen	Rumble Resources Limited	1/08/2019	Western Australia	Perth, Australia-based Rumble Resources Ltd. has acquired a 100% interest in Western Queen project from Perth, Australia-based Ramelius Resources Ltd. The Western Queen project is located at 110km NW of Mt Magnet within the Yalgoo mineral field of Western Australia.	100%	1.10	21,000	52.38	70.35

Project	Purchaser	Date	State	Deal Summary	Equity Acquired	Deal Value A\$ million	Resources	A\$/oz	Normalised A\$/oz
Youanmi	Rox Resources Limited	21/06/2019	Western Australia	Perth, Australia-based Rox Resources Ltd. has acquired a 70% interest in OYG Joint venture from Perth, Australia-based Venus Metals Corp. Ltd. through an earn-in and joint venture agreement. The project is located in Western Australia, Australia.	70%	5.33	833,420	15.36	20.93
Spargos Reward	Corona Minerals Pty Ltd	3/06/2019	Western Australia	West Perth, Australia-based Corona Resources Ltd. unit Corona Minerals Pty Ltd. has acquired the remaining 15% interest in the Spargos Reward project from Adelaide, Australia-based Mithril Resources Ltd. The Spargos Reward project is located in Western Australia.	15%	0.05	18,900	2.65	3.81
Norseman	Pantoro Limited	14/05/2019	Western Australia	Perth, Australia-based Pantoro Ltd. acquired a 50% interest in the Central Norseman project from Bondi Junction, Australia-based Norseman Gold Plc, through a joint venture transaction. The project is located in Western Australia.	50%	57.00	1,745,500	32.66	47.82
Bardoc	Bardoc Gold Limited	8/05/2019	Western Australia	Perth, Australia-based Bardoc Gold Ltd. acquired 100% interest in the Bardoc project from Perth, Australia-based Torian Resources Ltd. The project consists of a package of 40 tenements, located in Western Australia.	100%	0.15	549,000	0.27	0.40
Tick Hill	Berkut Minerals Limited	23/04/2019	Queensland	Perth, Australia-based Berkut Minerals Ltd. has acquired a 75% interest in the Tick Hill project from Brisbane, Australia-based Diatreme Resources Ltd. The project is located in Queensland, Australia.	75%	0.57	16,350	34.85	52.15
Tick Hill	Berkut Minerals Limited	23/04/2019	Queensland	Perth, Australia-based Berkut Minerals Ltd. has acquired a 25% interest in Tick Hill project from Brisbane, Australia-based Superior Resources Ltd. The Tick Hill project is located in Queensland, Australia.	25%	0.23	5,450	42.43	63.50
Box Well, Deep South	Saracen Mineral Holdings Limited	18/04/2019	Western Australia	Perth, Australia-based Saracen Mineral Holdings Ltd. has acquired a 100% interest in Box Well and Deep South mining leases along with 18 tenements from Melbourne-based Hawthorn Resources Ltd. The 18 tenements and leases are located in Western Australia, Australia.	100%	13.50	206,800	65.28	97.21
Snake Well	Adaman Resources Pty Ltd.	27/12/2018	Western Australia	Perth, Australia-based Adaman Resources Pty Ltd. has acquired the Snake Well project from Perth, Australia-based Kalamazoo Resources Ltd. The project is located in Western Australia.	100%	7.00	140,900	49.68	73.98
Andy Well, Gnaweeda	Westgold Resources Limited	24/12/2018	Western Australia	Perth, Australia-based Westgold Resources Ltd. would have acquired a 100% interest in two gold projects from Perth, Australia-based Doray Minerals Ltd. These projects are Andy Well and Gnaweeda gold projects located in Western Australia.	100%	15.00	827,000	18.14	27.22
Devon	Matsa Resources Limited	13/12/2018	Western Australia	Perth, Australia-based Matsa Resources Ltd. has acquired a 100% interest in Devon mine and surrounding projects including New Year's Gift project from Fremantle, Australia-based GME Resources Ltd. unit Golden Cliffs NL. The Devon mine and surrounding projects including New Year's Gift project is located in Western Australia.	100%	0.10	45,500	2.20	3.36
Zelica	Matsa Resources Limited	29/10/2018	Western Australia	Perth, Australia-based Matsa Resources Ltd. has acquired a 100% interest in Zelica project from Perth, Australia-based Anova Metals Ltd. The Zelica project is located in Western Australia.	100%	0.15	30,000	5.00	7.72
Andy Well	Galane Gold Limited	4/10/2018	Western Australia	Toronto-based Galane Gold Ltd. would have acquired Andy Well project from Perth, Australia-based Doray Minerals Ltd. The Andy Well project is located in Western Australia.	100%	10.00	505,000	19.80	31.25
Twin Hills	GBM Resources Limited	28/09/2018	Queensland	Mount Pleasant, Australia-based GBM Resources Ltd. would have acquired Twin hills project from Jinan, China-based Jinan High-tech Dev. Co. The Twin hills project is located in Queensland, Australia.	100%	1.50	398,000	3.77	6.01
Jungle Well	PVW Resources NL	23/08/2018	Western Australia	Perth, Australia-based PVW Resources NL has acquired Jungle Well project from Perth, Australia-based Saracen Mineral Holdings Ltd. Jungle Well project is comprise of M37/135 tenement and is located in Western Australia.	100%	0.01	17,000	0.59	0.94
Northcote	Bulletin Resources Limited	3/08/2018	Queensland	Perth, Australia-based Bulletin Resources Ltd. would have acquired an 80% interest in the Mareeba gold project from Perth, Australia-based Territory Minerals Ltd., through an earn-in and joint venture transaction. The project is located in Queensland, Australia.	80%	2.15	276,866	7.77	12.09
Central Tanami	Northern Star Resources Limited	31/07/2018	Northern Territory	Perth, Australia-based Northern Star Resources Ltd. has acquired an additional 15% interest in the Central Tanami project from Perth, Australia-based Tanami Gold NL. The Central Tanami project is located in Northern Territory, Australia.	15%	20.00	411,600	48.59	75.51
Golden Camel	Catalyst Metals Limited	23/07/2018	Victoria	Perth, Australia-based Catalyst Metals Ltd. has agreed to acquire a 50.10% interest in the MIN5548 and MIN5570 from Caloundra, Australia-based Golden Camel Mining Pty Ltd., through an earn-in transaction. MIN5548 and MIN5570 mining licences are located in Victoria, Australia.	50%	1.00	7,315	136.71	211.99
Frances Creek, Mt Porter	Territory Iron Pty Ltd.	20/07/2018	Northern Territory	Perth, Australia-based Gold Valley Holdings Pty Ltd. unit Territory Iron Pty Ltd. would have acquired Mt. Porter and Frances Creek tenements from Sydney-based Ark Mines Ltd. These tenements are located in Northern Territory, Australia.	100%	4.00	34,497	115.95	179.15



Project	Purchaser	Date	State	Deal Summary	Equity Acquired	Deal Value A\$ million	Resources	A\$/oz	Normalised A\$/oz
Horse Well	Alloy Resources Limited	31/03/2018	Western Australia	Perth, Australia-based Alloy Resources Ltd. has acquired a 20% interest in Horse Well project from Perth, Australia-based Silver Lake Resources Ltd. unit Doray Minerals Ltd., through an earn in and joint venture transaction. As a result of this transaction Alloy Resources Ltd. has now secured a 60% interest in the project. The Horse Well project is located in Western Australia.	20%	0.53	15,000	35.05	50.30
Mount Adrah	Investor group	16/03/2018	New South Wales	Melbourne-based Investor group comprised of Wildcat Resources Pty Ltd. and Rock The Polo Pty Ltd. has acquired a 99.50% interest in the Mt Adrah project from Perth, Australia-based Force Commodities Ltd. The project is located in New South Wales, Australia.	100%	0.55	766,150	0.72	1.04
Indee	De Grey Mining Limited	9/02/2018	Western Australia	Perth, Australia-based De Grey Mining Ltd. has acquired Indee project from Xi'an, China-based Shaanxi Non-ferrous Metals Holding Group Co. Ltd. unit Melbourne-based Northwest Nonferrous Australia Mining Pty Ltd., through the acquisition of Indee Gold Pty Ltd. The Indee project is located in Western Australia, Australia.	100%	14.02	345,000	40.64	58.76
Balagundi	Black Cat Syndicate Limited	24/01/2018	Western Australia	Perth, Australia-based Black Cat Syndicate Ltd. has acquired Bulong project from Subiaco, Australia-based Bulong Mining Pty Ltd. Bulong project is located in Western Australia, Australia.	100%	0.70	109,000	6.42	9.02
New Hope	Chinova Resources Cloncurry Mines Pty Ltd.	15/01/2018	Queensland	Taiyuan, China-based Shanxi Donghui Coal Coking & Chemicals Group Co. Ltd. unit Milton, Australia-based Chinova Resources Cloncurry Mines Pty Ltd. has acquired a 100% interest in the New Hope project from Port Macquarie, Australia-based Pegmont Mines Ltd. The New Hope project is located in Queensland, Australia.	100%	0.73	28,310	25.61	36.27
Eureka	Tyranna Resources Limited	30/11/2017	Western Australia	Perth, Australia-based Tyranna Resources Ltd. has acquired a 100% interest in the Eureka Gold project from Sydney-based Central Iron Ore Ltd. The project is located in Western Australia, Australia.	100%	3.06	64,200	47.59	70.65
Norton	Undisclosed buyer	30/11/2017	Queensland	An undisclosed buyer has acquired a 90% interest in Norton project from Spring Hill, Australia-based AuStar Gold Ltd. The Norton project is located in Queensland.	90%	0.53	36,224	14.49	21.52
Peak	Defiance Resources Pty Ltd	20/11/2017	New South Wales	Orange, Australia-based Aurelia Metals Ltd. unit Defiance Resources Pty Ltd. has acquired a 100% interest in Peak mines from Toronto-based New Gold Inc. through acquisition of 100% shares of Peak Gold Asia Pacific Pty Ltd. Peak Gold Asia Pacific Pty Ltd. owns Peak gold mines through its wholly owned subsidiary Peak Gold Mines Pty Ltd. The Peak mines are located in New South Wales, Australia.	100%	76.81	2,059,264		55.10
Bottle Creek	Alt Resources Limited	3/11/2017	Western Australia	Jindabyne, Australia-based Alt Resources Ltd. has agreed to acquire a 100% interest in Bottle Creek project from an undisclosed seller. The Bottle Creek project is located in Western Australia and is comprised of M29/150 and M29/151 leases.	100%	6.00	172,629	34.76	52.06
Grants Creek	Halls Creek Mining Pty Ltd.	16/10/2017	Western Australia	Perth, Australia-based Pantoro Ltd. unit Halls Creek Mining Pty Ltd. has acquired a 100% interest in the Grants Creek project from an undisclosed seller. The project is located in Western Australia.	100%	0.05	16,400	3.05	4.44
Western Tanami	Northern Star (Tanami Gold) Pty Limited	2/10/2017	Western Australia	Perth, Australia-based Northern Star Resources Ltd. unit Northern Star (Tanami Gold) Pty Ltd. has acquired a 100% interest in the Western Tanami project from Perth, Australia-based Tanami Gold NL, through the purchase of 100% of the fully paid ordinary shares in Tanami Gold Exploration NL, a 100% owned subsidiary of Tanami Gold NL and the legal and beneficial owner of the Western Tanami project located in Western Australia.	100%	4.00	523,000	7.65	11.40
Kat Gap	Classic Minerals Limited	5/07/2017	Western Australia	Perth, Australia-based Classic Minerals Ltd. has acquired the Kat Gap project from Perth, Australia-based Sulphide Resources Pty Ltd., through a farm-in transaction. The project is located in Western Australia.	100%	0.30	42,000	7.14	11.10
Murchison	Big Bell Gold Operations Pty. Ltd.	23/06/2017	Western Australia	Perth, Australia-based Westgold Resources Ltd. unit Milton, Australia-based Big Bell Gold Operations Pty. Ltd. has acquired Tuckabianna assets from Perth, Australia-based Silver Lake Resources Ltd. These assets comprise Tuckabianna gold processing facility and underlying mining tenure, located in Australia.	100%	8.31	523,500	15.87	23.98
Anthill	Intermin Resources Limited	8/03/2017	Western Australia	Perth, Australia-based Intermin Resources Ltd. has acquired the Anthill project from Perth, Australia-based Echo Resources Ltd unit Metaliko Resources Ltd. The Anthill project is located in Western Australia, Australia.	100%	0.30	167,000	1.80	2.82
Bundarra	Saracen Mineral Holdings Limited	2/03/2017	Western Australia	Perth, Australia-based Saracen Mineral Holdings Ltd. would have acquired Bundarra project from Perth, Australia-based Bligh Resources Ltd. The Bundarra gold project is located in Western Australia.	100%	9.00	431,000	20.88	31.94

Project	Purchaser	Date	State	Deal Summary	Equity Acquired	Deal Value A\$ million	Resources	A\$/oz	Normalised A\$/oz
Blayney	LFB Resources NL	23/02/2017	New South Wales	Perth, Australia-based Regis Resources Ltd. unit Orange, Australia-based LFB Resources NL has acquired a 100% interest in the Blayney exploration project (EL5922) from Brisbane, Australia-based Aeris Resources Ltd. Blayney exploration project is located in New South Wales, Australia.	100%	3.25	1,096,000	2.97	4.51

Statistic	A\$/oz	Normalised A\$/oz
Average	\$37.69	\$46.29
Median	\$22.06	\$28.83
25th Percentile	\$6.07	\$7.68
75th Percentile	\$48.26	\$59.42
Minimum	\$0.27	\$0.40
Maximum	\$503.50	\$552.37
Count	70	70

Based on the statistical analysis of the 70 transactions VRM considers that the Median is the most reasonable basis for the valuation of the Alliance Gold Mineral Resources however an analysis of the transactions over time, while showing a low correlation coefficient the trend of the normalised resource multiples are higher for the more recent transactions, therefore VRM considers that a 5% increase in the median normalised resource multiple is the preferred multiple for the Alliance Mineral Resources with the range best determined by a +/- 20% from the elevated median. Therefore, VRM considers the preferred resource multiple should be \$30.3/oz with the lower normalised resource multiple being \$24.2/oz and the upper resource multiple being \$36.3/oz

## Appendix B - Comparable Iron Ore transactions

Property	Purchaser	Date	State	Deal Summary	Equity Acquired	Value	Resources (Mt)	A\$/t
Hamersley	Equinox Resources Ltd.	12/10/2021	Western Australia	Nedlands, Australia-based Equinox Resources Ltd. has acquired the Hamersley project from Perth, Australia-based investor group comprising of Pathfinder Resources Ltd. and Cazaly Resources Ltd. The Hamersley project is located in Western Australia.	100%	11.9	343.2	\$0.035
Red Hill	Mineral Resources Limited	30/07/2021	Western Australia	Applecross, Australia-based Mineral Resources Ltd. has acquired an additional 40% interest in Red Hill project from Perth, Australia-based Red Hill Iron Ltd. The project is located in Western Australia.	40%	400	328.0	\$1.220
Yalgoo	FI Joint Venture Pty Ltd	30/06/2021	Western Australia	Perth, Australia based-FI Joint Venture Pty Ltd has acquired a 50% interest in Yalgoo project from Perth, Australia based-Venus Metals Corp. Ltd. The property is located in Western Australia, Australia.	50%	2.5	349.1	\$0.007
Hawsons	Carpentaria Resources Limited	1/09/2020	New South Wales	Brisbane, Australia-based Carpentaria Resources Ltd. has acquired an additional 24.149% interest in the Hawsons project from Sydney-based Pure Metals Pty Ltd. The project is located in New South Wales, Australia.	24%	2.3608	603.7	\$0.004
Parker Range	Mineral Resources Limited	30/08/2019	Western Australia	Perth, Australia-based Mineral Resources Ltd. has acquired a 100% interest in the Parker Range project from Perth, Australia-based Cazaly Resources Ltd. The project is located in Western Australia, Australia.	100%	20	36.2	\$0.552
Mount Alexander	Mt Alexander Iron Ore Pty Ltd.	26/06/2019	Western Australia	Fremantle, Australia-based Mt Alexander Iron Ore Pty Ltd. has acquired a 100% interest in the Mt Alexander project from Perth, Australia-based Zenith Minerals Ltd. The project is located in Western Australia.	100%	2.75	591.6	\$0.005
Iron Ridge	Fenix Resources Limited	22/11/2018	Western Australia	Perth, Australia-based Fenix Resources Ltd. has acquired the Iron Ridge project from Shenton Park, Australia-based Prometheus Mining Pty Ltd., through the acquisition of Prometheus Mining Pty Ltd. The project covers the granted mining lease M20/118, located in Western Australia.	100%	6.1875	5.0	\$1.238
Wonmunna	Australian Aboriginal Mining Corporation Pty Limited	12/06/2018	Western Australia	Perth, Australia-based Australian Aboriginal Mining Corp. Pty Ltd. has acquired a 100% interest in the Wonmunna project from Nedlands, Australia-based Ascot Resources Ltd. The project is located in Western Australia.	100%	20	84.2	\$0.238
Yalleen	API Management Proprietary Limited	15/01/2018	Western Australia	Perth, Australia-based API Management Pty Ltd. has acquired a 14% interest in Yalleen project from Perth, Australia-based Helix Resources Ltd. The Yalleen project is located in Western Australia, Australia.	14%	0.5	11.8	\$0.042

Property	Purchaser	Date	State	Deal Summary	Equity Acquired	Value	Resources (Mt)	A\$/t
Cockatoo Island	Pearl Gull Proprietary Limited	13/09/2017	Western Australia	Perth, Australia-based Cockatoo Iron NL unit Pearl Gull Pty Ltd. has acquired the Cockatoo Island project from Perth, Australia-based Pelican Resources Ltd. The project is located in Australia and comprises of mining lease 04/235-I, miscellaneous license applications 04/102 and 04/103.	100%	3.75	29.1	\$0.129
Pilbara Iron	WA Iron Pty Ltd.	31/08/2017	Western Australia	Perth, Australia-based WA Iron Pty Ltd. has acquired Pilbara Iron project from Perth, Australia-based Riva Resources Ltd. The Pilbara Iron project is located in Western Australia.	100%	0.15	182.6	\$0.001

Statistic	A\$/t
Average	\$0.32
Median	\$0.04
25th Percentile	\$0.01
75th Percentile	\$0.55
Minimum	\$0.00
Maximum	\$1.24
Count	11

Based on the statistical analysis of the 11 transactions VRM considers that the average of the resource multiples is the most reasonable basis for the valuation of the Alliance Iron Ore Mineral Resources with the valuation range best determined by a +/- 20% from the elevated median. Therefore, VRM considers the preferred resource multiple should be \$0.32/t with the lower normalised resource multiple being \$0.25/t and the upper resource multiple being \$0.38/t.

## Appendix C - Geoscientific Valuations

Project	Tenements	BAC (AUS\$)	Equity	Off Property		On Property		Anomaly Factor		Geology Factor		Technical Valuation			Fair Market Valuation (AUS\$M)		
				Low	High	Low	High	Low	High	Low	High	Lower (AUS\$)	Preferred (AUS\$)	Upper (AUS\$)	Lower	Preferred	Upper
Uno/Valley Dam	EL6379	560,000	100%	1.2	1.4	1.0	1.2	1.1	1.4	0.9	1	\$665,280	\$991,200	\$1,317,120	\$0.8	\$1.1	\$1.5
Mount Miccollo	EL5875	480,000	100%	1.2	1.4	1.0	1.2	1.1	1.4	0.9	1	\$570,240	\$849,600	\$1,128,960	\$0.7	\$1.0	\$1.3
Peterlumbo	EL6475	1,120,000	100%	1.2	1.4	1.0	1.2	1.2	1.6	0.8	1	\$1,290,240	\$2,150,400	\$3,010,560	\$1.5	\$2.5	\$3.5
Maratchina Hill	EL5931	105,000	100%	1.2	1.5	1.1	1.2	1.2	1.4	0.9	1	\$149,688	\$207,144	\$264,600	\$0.2	\$0.2	\$0.3
Eurila Dam	EL6072	960,000	100%	1.2	1.5	1.0	1.3	1.2	1.8	0.9	1	\$1,244,160	\$2,306,880	\$3,369,600	\$1.4	\$2.7	\$3.9
Wilcherry Hill	EL6188	1,680,000	10%	1.2	1.8	1.0	1.5	1.2	2.0	1.0	1.5	\$241,920	\$801,360	\$1,360,800	\$0.3	\$0.9	\$1.6
Buckleboo West	EL6521	150,000	100%	1.2	1.4	1.0	1.2	1.2	1.5	0.8	1	\$172,800	\$275,400	\$378,000	\$0.2	\$0.3	\$0.4
Total SA Project Tenements												\$4,334,328	\$7,581,984	\$10,829,640	\$5.0	\$8.7	\$12.5
Napean West	E15/1658	39,000	100%	1.5	2.5	1.2	1.5	1.2	1.5	1.0	1.5	\$84,240	\$206,651	\$329,063	\$0.1	\$0.2	\$0.4
Napean West	E15/1787	15,000	50%	1.0	1.3	1.0	1.3	1	1.3	1.0	1.5	\$7,500	\$16,108	\$24,716	\$0.0	\$0.0	\$0.0
Napean West	E15/1788	10,000	100%	1.5	2.5	1.2	1.5	1.2	1.5	1.0	1.5	\$21,600	\$52,988	\$84,375	\$0.0	\$0.1	\$0.1
Napean West	P15/6591	5,240	100%	1.5	2.0	1.2	1.5	1.2	1.5	0.5	0.9	\$5,659	\$13,441	\$21,222	\$0.0	\$0.0	\$0.0
Total Nepean West												\$118,999	\$289,187	\$459,376	\$0.1	\$0.3	\$0.5
Kalgoorlie South	E26/208	23,000	100%	1.5	2.0	1.0	1.3	1	1.3	1.0	1.5	\$34,500	\$75,555	\$116,610	\$0.0	\$0.1	\$0.1
Kalgoorlie South	P15/6389	6,760	100%	1.2	1.5	1.0	1.3	1	1.3	1.0	1.3	\$8,112	\$15,195	\$22,278	\$0.0	\$0.0	\$0.0
Kalgoorlie South	P26/4458	2,720	50%	1.2	1.5	1.0	1.3	1	1.3	1.0	1.5	\$1,632	\$3,402	\$5,171	\$0.0	\$0.0	\$0.0
Kalgoorlie South	P26/4459	5,640	50%	1.2	1.5	1.0	1.3	1	1.3	1.0	1.5	\$3,384	\$7,054	\$10,723	\$0.0	\$0.0	\$0.0
Kalgoorlie South	P26/4460	4,840	100%	1.2	1.5	1.0	1.3	1	1.3	1.0	1.5	\$5,808	\$12,106	\$18,404	\$0.0	\$0.0	\$0.0
Kalgoorlie South	P26/4461	7,360	100%	1.2	1.5	1.0	1.3	1	1.3	1.0	1.5	\$8,832	\$18,409	\$27,986	\$0.0	\$0.0	\$0.0
Kalgoorlie South	P26/4462	7,760	100%	1.2	1.5	1.0	1.3	1	1.3	1.0	1.5	\$9,312	\$19,410	\$29,507	\$0.0	\$0.0	\$0.0
Kalgoorlie South	P26/4463	8,000	100%	1.2	1.5	1.0	1.3	1	1.3	1.0	1.5	\$9,600	\$20,010	\$30,420	\$0.0	\$0.0	\$0.0
Total Kalgoorlie South												\$81,180	\$171,140	\$261,100	\$0.1	\$0.2	\$0.3
Total												\$4,534,507	\$8,042,311	\$11,550,116	\$5.2	\$9.2	\$13.3

Note a 15% premium was applied to the technical value to account for the market conditions associated with the gold and iron ore markets, no premium or discount was applied for geopolitical or the location of the tenements.

A 50% discount was applied to the tenements that were in application at the valuation date (E15/1787 was granted between the valuation date and the date of this report).

Only 10% of the potential Kilburn valuation was applied to EL6188 as the majority of the value is considered to be derived from the Resource Multiples.

Appropriate rounding has been applied to the valuations

## Appendix D - PEM Valuations

Project	Tenements	Grant	Expiry	Total Expenditure over 5 years	Equity	PEM		Technical Valuation			Fair Market Valuation (AUS\$M)		
						Low	High	Lower (AUS\$)	Preferred (AUS\$)	Upper (AUS\$)	Lower	Preferred	Upper
Uno/Valley Dam	EL6379	29/07/2019	28/07/2024	\$64,609	100%	1.0	1.3	\$64,609	\$74,300	\$83,991	\$74,300	\$85,445	\$96,590
Mount Miccollo	EL5875	10/06/2016	9/06/2021	\$67,302	100%	1.0	1.3	\$67,302	\$77,397	\$87,492	\$77,397	\$89,007	\$100,616
Peterlumbo	EL6475	21/01/2020	20/01/2025	\$1,742,794	100%	1.0	1.3	\$1,742,794	\$2,004,213	\$2,265,633	\$2,004,213	\$2,304,845	\$2,605,477
Maratchina Hill	EL5931	23/03/2017	22/03/2022	\$112,003	100%	1.0	1.3	\$112,003	\$128,803	\$145,604	\$128,803	\$148,124	\$167,444
Eurila Dam	EL6072	13/11/2017	12/11/2022	\$167,805	100%	1.0	1.3	\$167,805	\$192,975	\$218,146	\$192,975	\$221,922	\$250,868
Wilcherry Hill	EL6188	1/07/2018	30/06/2023	\$12,713,413	10%	1.0	1.3	\$1,271,341	\$1,462,043	\$1,652,744	\$1,462,043	\$1,681,349	\$1,900,655
Buckleboo West	EL6521	22/09/2020	21/09/2022	\$148,658	100%	1.0	1.3	\$148,658	\$170,957	\$193,256	\$170,957	\$196,601	\$222,244
Total SA Project Tenements								\$3,574,512	\$4,110,689	\$4,646,865	\$4,110,689	\$4,727,292	\$5,343,895
Nepean West	E15/1658	14/11/2019	13/11/2024	\$102,630	100%	1.0	1.3	\$102,630	\$118,025	\$133,419	\$118,025	\$135,728	\$153,432
Nepean West	E15/1787	3/03/2022	2/03/2027	\$2,003	50%	1.3	1.5	\$1,302	\$1,402	\$1,502	\$1,497	\$1,612	\$1,728
Nepean West	E15/1788	30/04/2021	29/04/2026	\$551	100%	0.8	1.0	\$441	\$496	\$551	\$507	\$570	\$634
Nepean West	P15/6591	23/04/2021	22/04/2025	\$1,390	100%	0.8	1.0	\$1,112	\$1,251	\$1,390	\$1,279	\$1,439	\$1,599
Total Nepean West								\$105,485	\$121,174	\$136,862	\$121,307	\$139,350	\$157,392
Kalgoorlie South	E26/208	3/03/2020	2/03/2025	\$111,200	100%	1.0	1.3	\$111,200	\$127,880	\$144,559	\$127,880	\$147,061	\$166,243
Kalgoorlie South	P15/6389	4/09/2020	3/09/2024	\$4,402	100%	1.0	1.3	\$4,402	\$5,062	\$5,723	\$5,062	\$5,822	\$6,581
Kalgoorlie South	P26/4458	28/11/2018	n/a	\$-	50%	1.0	1.3	\$-	\$-	\$-	\$-	\$-	\$-
Kalgoorlie South	P26/4459	28/11/2018	n/a	\$-	50%	1.0	1.3	\$-	\$-	\$-	\$-	\$-	\$-
Kalgoorlie South	P26/4460	23/08/2019	22/08/2023	\$12,595	100%	1.0	1.3	\$12,595	\$14,484	\$16,373	\$14,484	\$16,657	\$18,829
Kalgoorlie South	P26/4461	3/03/2020	2/03/2024	\$15,065	100%	1.0	1.3	\$15,065	\$17,325	\$19,585	\$17,325	\$19,924	\$22,522
Kalgoorlie South	P26/4462	3/03/2020	2/03/2024	\$16,125	100%	1.0	1.3	\$16,125	\$18,543	\$20,962	\$18,543	\$21,325	\$24,106
Kalgoorlie South	P26/4463	23/08/2019	22/08/2023	\$20,839	100%	1.0	1.3	\$20,839	\$23,965	\$27,091	\$23,965	\$27,560	\$31,155
Total WA Kalgoorlie South								\$180,226	\$207,259	\$234,293	\$207,259	\$238,348	\$269,437
Total								\$3,860,222	\$4,439,122	\$5,018,021	\$4,439,256	\$5,104,990	\$5,770,724

Note a 15% premium was applied to the technical value to account for the market conditions associated with the gold and iron ore markets,

A 50% discount was applied to the tenements that were in application at the valuation date (E15/1787 was granted between the valuation date and the date of this report).

Only 10% of the potential PEM valuation was applied to EL6188 as the majority of the expenditure was considered to be focussed on the Resource area and is valued using the Comparable transactions Resource Multiple valuation.

Appropriate rounding has been applied to the valuations