

30 July 2020

ALLIANCE RESOURCES LTD

ASX: AGS

ABN: 38 063 293 336

Market Cap: \$28.5M @ \$0.16

Shares on issue: 178,300,080

Principal Office:

Suite 3, 51-55 City Road
Southbank Victoria 3006
AUSTRALIA

Tel: +61 3 9697 9090

Fax: +61 3 9697 9091

Email:

info@allianceresources.com.au

Web:

www.allianceresources.com.au

Projects:

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

Nepean, WA (100%):
nickel-gold

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

Share Registry:

Computershare Investor
Services

GPO Box 2975

Melbourne Victoria 3001

AUSTRALIA

Tel: 1300 850 505

Fax: +61 3 9473 2500

OFFER TO ACQUIRE JUMBUCK GOLD PROJECT FROM TYRANNA RESOURCES LODGED

Offer to acquire all of the tenements and interests in the Western Gawler Craton Joint Venture (WGCJV) which together comprise the Jumbuck Gold Project (Project) held by Tyranna Resources or its subsidiaries.

The offer comprises the following payments to Tyranna and offer to Tyranna shareholders;

- **\$25,000 non-refundable payment for an exclusive right to conduct due diligence on the project,**
- **\$2 million payable upon the fulfilment or waiver of all conditions in the offer document**
- **Tyranna shareholders to receive a non-renounceable right to subscribe for fully paid ordinary shares in Alliance up to a total issue value of \$1 million in proportion to their respective shareholdings in Tyranna (excluding AGS held shares in Tyranna) at a discount to the AGS share price at completion.**

The Offer is subject to Tyranna shareholders voting against the current transaction with Syngas, or Syngas failing to complete the transaction.

Alliance Resources Ltd (Alliance) is pleased to announce that it has submitted an *Offer to Purchase* all of the tenements and interests in the Western Gawler Craton Joint Venture (WGCJV) which together comprise the Jumbuck Gold Project, located in the southern Gawler craton in north western South Australia.

The Jumbuck gold project contains a Mineral Resource Estimate of 219,000 ounces in the inferred resource category (0.5 g/t cut-off) with upside potential at several identified targets (Tyranna presentation to South Australian Resources and Energy Investment Conference, May 2017). Further, there is a substantial proportion of the tenement package that remains untested using modern exploration techniques.

The *Offer to Purchase* the Jumbuck gold project by Alliance is conditional on Tyranna shareholders voting against the current transaction for the sale of the assets to Syngas Energy Ltd (Syngas), or Syngas failing to, or unable to complete the transaction.

The *Offer to Purchase* Jumbuck is structured in 3 parts comprising cash payments to Tyranna plus an offer to Tyranna shareholders to participate in a non-renounceable rights issue to acquire shares in Alliance at a discount to the market price.

The offer is structured in the following manner;

- A \$25,000 non-refundable payment to Tyranna, following acceptance of the offer for an exclusive right to complete due diligence on the Jumbuck project;
- A \$2 million payment to Tyranna payable on fulfilment of all conditions in the offer document, unless waived in writing by Alliance;
- An offer to Tyranna shareholders to participate in a non-renounceable right issue to subscribe for fully paid ordinary shares in Alliance Resources up to a total issue value of \$1 million in proportion to their respective shareholdings in Tyranna (excluding AGS held shares in Tyranna) at a significant discount to the Alliance share price at the time of completion of the transaction.

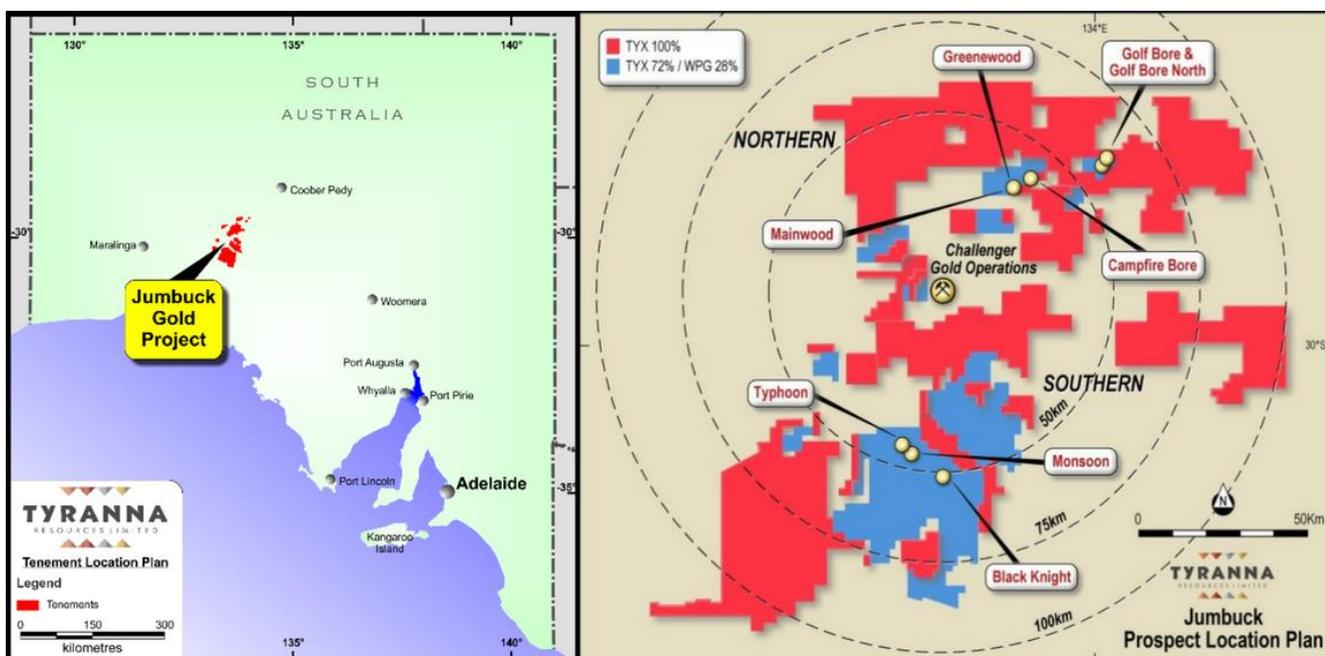


Figure 1: Location of Jumbuck gold project

Figure 2: Jumbuck gold project tenement package.

Alliance is confident that we have the Exploration team and the geological expertise to rigorously explore the Jumbuck tenements with the aim of recreating the success achieved at the company's Wilcherry Hill Project where the Weednanna gold deposit was discovered and now contains a JORC 2012 compliant Mineral Resource Estimate of 1.097 million tonnes at 5.1 g/t for 181,000 ounces of gold (ASX announcement dated 6th September, 2018). Alliance is due to release a revised Mineral Resource Estimate for the Weednanna gold and iron ore project in September 2020, following successful drilling programs in December 2018, February and May 2020.

Alliance remains well funded following the recent capital raise in May 2020 and strongly supported by our Major Shareholder, Mr Ian Gandel. Mr Gandel has indicated his intention to fully support any proposed future capital raise to fund the Jumbuck acquisition, re-invigorate exploration on the Jumbuck tenements and continue with exploration and Definitive feasibility work for the completion of a Mine Lease Proposal on the Weednanna gold and iron ore project for submission to the South Australian Department for Energy and Mining.

Kevin Malaxos
Managing Director

This announcement has been authorised for release by the Board.

About Alliance

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

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

The maiden Mineral Resource estimate for the Weednanna Gold Deposit, part of the Wilcherry Project, is 1.097 Mt grading 5.1 g/t gold for 181,000 oz gold (classified 49% Indicated and 51% Inferred). Refer to ASX announcement dated 6 September 2018 for details concerning the Mineral Resource and the Competent Persons consent. Alliance is not aware of any new information or data that materially affects the information included in the above- mentioned announcement. All material assumptions and technical parameters underpinning the above-mentioned Mineral Resource estimate continue to apply and have not materially changed.

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

There is potential to increase the size of this Mineral Resource with further drilling.

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

Competent Person

The information in this report that relates to the Exploration Results is based on information compiled by Mr Anthony Gray. Mr Gray is a Member of the Australian Institute of Geoscientists and is a part-time contractor to Alliance Resources Ltd. Mr Gray has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Gray consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.