

18 March 2019

ASX RELEASE

Alliance Resources Limited to raise up to \$4.95 million in non-renounceable rights issue

Alliance Resources Limited ACN 063 293 336 (ASX:AGS) (**Company**) is pleased to announce a partially underwritten non-renounceable rights issue entitling shareholders to subscribe for one new share for every two shares held on the record date of 21 March 2019 (**Record Date**) at an issue price of \$0.095 per share to raise up to approximately \$4.95 million (before costs) (**Entitlement Offer**). The Entitlement Offer is partially underwritten to \$4 million by Patersons Securities Limited (**Patersons**).

The issue price of \$0.095 per share represents a 0% discount to the closing price on 13 March 2019, and a 9.2% discount to the 30 trading day volume weighted average price up to and including 13 March 2019.

The funds raised from the Entitlement Offer will be applied to RC drilling and diamond drilling for exploration, infill and metallurgical/geotechnical purposes, aircore drilling for sterilization purposes for potential waste dumps and processing plant, metallurgical testwork, feasibility study, offer expenses and working capital.

Eligible shareholders

Existing shareholders with a registered address in Australia and New Zealand (**Eligible Shareholders**) will have the opportunity to participate in the Entitlement Offer. The Entitlement Offer will be made to registered Eligible Shareholders at 7.00pm (Melbourne time) on the Record Date (being 21 March 2019).

If the Entitlement Offer is fully subscribed, approximately 52.1 million New Shares (subject to rounding and assuming no options are exercised before the Record Date) will be issued.

Indicative timetable

An indicative timetable of key dates in relation to the Entitlement Offer is as follows:

	Event	Date - 2019
1.	Lodgment of Offer Document with ASX	Monday, 18 March
2.	Notice of Entitlement Offer sent to option holders	Monday, 18 March
3.	Notice of Entitlement Offer sent to Eligible Shareholders	Tuesday, 19 March
4.	Ex-date	Wednesday, 20 March

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	Event	Date - 2019
5.	Record Date	Thursday, 21 March
6.	Entitlement Offer Opening Date	Tuesday, 26 March
7.	Entitlement Offer Closing Date	Tuesday, 9 April
8.	New Shares quoted on a deferred settlement basis	Wednesday, 10 April
9.	Notification of shortfall	Friday, 12 April
10.	Allotment and issue of New Shares	Tuesday, 16 April

The above table is indicative only and all dates may be subject to change. Subject to the ASX Listing Rules and the underwriting agreement with Patersons, the Company's directors reserve the right to extend the Closing Date for the Entitlement Offer at their discretion. Should this occur, the extension would have a consequential effect on the anticipated date of issue of the New Shares.

The Entitlement Offer is being made without a prospectus pursuant to section 708AA of the *Corporations Act 2001* (Cth). The Offer Document will be lodged with the ASX on 18 March 2019. The Offer Document, which includes a personalised application form, will be sent to Eligible Shareholders on 26 March 2019. Eligible Shareholders should consider the Offer Document carefully before deciding whether to participate in the Entitlement Offer.

If you have any questions, you should seek advice from your stockbroker, accountant or other independent and appropriately licenced professional adviser. For further information about the Entitlement Offer you can call the Company on +61 3 9697 9090 at any time between 8:30am and 5:00pm (AEDT), Monday to Friday.

Steve Johnston
Managing Director
T: +61 3 9697 9090
E: info@allianceresources.com.au

Peter Taylor
Investor Relations
T: 0412 036 231
E: peter@nwrcommunications.com.au

About Alliance

Alliance Resources Limited is an Australian gold and base metals exploration company with 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 in the northern Eyre Peninsula of South Australia.

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On 6 September 2018, Alliance announced a maiden Mineral Resources estimate for the Weednanna Gold Deposit (2018 MRE), as follows:

Classification	Tonnes	Grade (g/t gold)	Gold (Ounces)
Indicated	590,000	4.6	88,000
Inferred	507,000	5.7	93,000
Total	1,097,000	5.1	181,000

The reported Mineral Resource is that proportion of gold contained within \$2,000 AUD pit shells (>0.5 g/t gold) and >2.0 g/t gold underground potential.

Alliance has engaged consulting firm Mining One to manage a Scoping Study level assessment into the commercial viability of establishing a standalone mining and processing operation at the Weednanna Gold Deposit, based on the 2018 MRE. The study is anticipated to be completed during March 2019.