



18 March 2019

Dear Shareholder

**Alliance Resources Limited (ASX:AGS) - Non-renounceable rights issue to raise up to approximately \$4.95 million**

On 18 March 2019, Alliance Resources Limited ACN 063 293 336 (ASX:AGS) (**Company**) announced that it would be offering shareholders the opportunity to participate in a non-renounceable pro-rata entitlement offer to raise up to approximately \$4.95 million (before costs) (**Entitlement Offer**), on the basis of one fully paid ordinary share in the capital of the Company (**New Share**) for every two fully paid ordinary shares held at 7.00pm (AEDT) on the record date of 21 March 2019 (**Record Date**), at an issue price of \$0.095 per New Share. The Entitlement Offer is partially underwritten to \$4 million by Patersons Securities Limited (**Underwriter**).

Only shareholders with a registered address in Australia and New Zealand will be eligible to participate in the Entitlement Offer (**Eligible Shareholders**).

Assuming no options are exercised before the Record Date, up to approximately 52.1 million New Shares will be issued under the Entitlement Offer. If all of the 6.2 million existing options are exercised before the Record Date, up to approximately 55.2 million New Shares will be issued under the Entitlement Offer.

As a non-renounceable offer, rights are not tradeable on the ASX or otherwise transferable. New Shares will rank equally with the Company's existing shares.

The Entitlement Offer will be made by way of an offer document pursuant to section 708AA of the *Corporations Act 2001* (Cth) (**Offer Document**) meaning that no prospectus will be prepared. The Offer Document will be available on the Company's website at [www.allianceresources.com.au](http://www.allianceresources.com.au) and on the ASX website at [www.asx.com.au](http://www.asx.com.au) on 18 March 2019.

**Purpose of Entitlement Offer**

Successful completion of the Entitlement Offer will raise up to approximately \$4.95 million (before costs). Funds raised through the Entitlement Offer will be applied to drilling, metallurgical test work, feasibility study, offer costs and working capital.

**Indicative Timetable**

The timetable for the Entitlement Offer is as follows:

	Event	Date
1.	Notice of Entitlement Offer sent to option-holders	Monday, 18 March
2.	Lodgment of Offer Document with ASX	Monday, 18 March
3.	Notice of Entitlement Offer sent to Eligible Shareholders and Ineligible Shareholders	Tuesday, 19 March



4.	Ex Date	Wednesday, 20 March
5.	Record Date	Thursday, 21 March
6.	Offer Document and entitlement and acceptance form dispatched to Eligible Shareholders	Tuesday, 26 March
7.	Entitlement Offer Opening Date	Tuesday, 26 March
8.	Entitlement Offer Closing Date	Tuesday, 9 April
9.	New Shares quoted on a deferred settlement basis	Wednesday, 10 April
10.	Notification of shortfall	Friday, 12 April
11.	Allotment and issue of New Shares	Tuesday, 16 April

The above timetable is indicative only and all dates may be subject to change. The Company's directors reserve the right to extend the Closing Date for the Entitlement Offer at their discretion.

### Capital structure

The share capital structure of the Company on completion of the Entitlement Offer will be as follows:

	Where partially underwritten only	Where fully subscribed
Shares currently on issue	104,293,923	104,293,923
Shares issued under the Entitlement Offer (approximate)	42,105,263	52,146,962
Total Shares on completion of the Entitlement Offer (approximate)	146,399,186	156,440,885

### Offer Document

Details of the Entitlement Offer will be contained in the Offer Document. Eligible Shareholders should consider the Offer Document carefully before deciding whether to participate in the Entitlement Offer and consult with their professional advisors if they have any queries.

If you have questions in relation to any of the matters described above, please contact the Company Secretary, Mr Robert Tolliday on +61 3 9697 9090.

Yours faithfully

Stephen Johnston  
Managing Director  
Alliance Resources Limited