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## CHAIRMAN'S ADDRESS ANNUAL GENERAL MEETING

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It gives me great pleasure to present the 2019 Annual Report for Alliance Resources Limited (ASX: AGS) and update you on our progress over the past year.

Throughout the year our efforts have been focused on the Weednanna Gold Project which we acquired as part of the balance of the Wilcherry Project Joint Venture that we did not already own, as well as an 80 person accommodation village on leasehold land in the township of Kimba, for a consideration of \$1.5 million cash. The acquisition provides Alliance with 100% ownership of the Project, which includes the high-grade Weednanna Gold Deposit.

Work completed during the year included establishing a maiden Mineral Resource Estimate for the Weednanna Gold Deposit as well as a positive independent Scoping Study that supports the construction of a 250,000 tpa gold processing plant and tailings storage facility at Weednanna. Total capital cost has been estimated at approximately \$44 million.

On 19 August 2019 (post-reporting), Alliance received an off-market takeover offer by Gandel Metals Pty Ltd, a related entity, to acquire all of the shares in Alliance at an Offer price of \$0.14 per share.

As stated in the Bidder's Statement "Gandel Metals is of the opinion that the Alliance Strategy is not the most capital efficient strategy to develop the Wilcherry Project. Further drilling and exploration activities will deplete Alliance's financial resources and Alliance likely will need to undertake more capital raises. In light of Alliance's historic share price and the low participation by existing shareholders in Alliance's most recent entitlement offer, Gandel Metals considers that Alliance will be able to develop the Wilcherry Project more efficiently as an unlisted entity."

As required by the Corporations Act, a copy of Alliance's Target's Statement was lodged with ASIC, served on Gandel Metals on 10 September 2019 and mailed to all shareholders. The Target's Statement was accompanied by an Independent Expert's Report and Financial Services Guide ("IER") which also included an Independent Technical Expert's Report. In the IER, the Independent Expert expressed the view that "In our opinion, the Offer is fair and reasonable to Shareholders". As a result of the bid Gandel Metals and its associates now hold 68.21% of the issued shares.

The independent directors recommended that shareholders accept the Offer in the absence of a superior offer.

After many years, Mr Stephen Johnston has decided to step down as Managing Director of Alliance effective 1 December 2019, but has indicated his willingness to continue as a non-executive director. I would like to take this opportunity to personally thank Steve for his outstanding commitment to Alliance and its' various projects over the last 16 plus years and wish him well for what lies ahead.

I am pleased to announce that Mr Kevin Malaxos has been appointed as the incoming Managing Director, effective 1 December 2019. Kevin is a mining engineer resident in South Australia with over 30 years' experience in the mining industry and who will drive the next phase of Alliance's Wilcherry Project, and more specifically the development phase of the Weednanna Gold Project.

I would like to thank the Board of Directors, our staff, contractors, shareholders and stakeholders for the focus, diligence and support of Alliance's efforts over the past year. I look forward to progressing the Weednanna Gold deposit towards development, albeit with a smaller shareholder base.

**Ian Gandel**  
Chairman

## **About Alliance Resources**

Further information on Alliance Resources Ltd please visit the Company's website at [www.allianceresources.com.au](http://www.allianceresources.com.au).