



# **ALLIANCE RESOURCES LIMITED**

**ABN 38 063 293 336**

**(“Alliance” or “Company”)**

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

If you are in any doubt as to how to deal with it,  
please consult your legal, financial or other professional adviser.

**NOTICE OF ANNUAL GENERAL MEETING**

**Notice is hereby given that the annual general meeting (Meeting or AGM) will be held:**

- as a virtual meeting via live webcast through Zoom
- on Wednesday, 25 November 2020 commencing at 2.00pm (AEDT).

Due to the unprecedented impact of the COVID-19 pandemic, the Company is adhering to current government directions and restrictions on physical gatherings by electing to hold the AGM as a completely virtual meeting this year. The health and safety of our Shareholders, employees, all of their families and the broader community is paramount.

The Company encourages all Shareholders to participate in the AGM virtually via live webcast through Zoom at:

<https://us02web.zoom.us/j/89150763905?from=addon>

and vote online at [web.lumiagm.com/316945349](http://web.lumiagm.com/316945349).

All Shareholders will have an equal opportunity to participate in the online AGM regardless of their physical location.

Under the Corporations (Coronavirus Economic Response) Determination (No.3) 2020, all Resolutions shall be conducted by poll.

The attached Explanatory Statement is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

**You can vote by:**

- attending virtually and voting at the Meeting; or
- appointing someone as your proxy to attend virtually and vote at the Meeting on your behalf, by completing and returning the proxy form to Alliance in the manner set out in section 6(a) of this Notice. The proxy form (and any power of attorney under which it is signed) **must be received by Alliance no later than 2.00 pm (AEDT) on 23 November 2020**. Any proxy form received after that time will not be valid for the Meeting.

**ALLIANCE RESOURCES LIMITED**  
**ABN 38 063 293 336**

**NOTICE OF ANNUAL GENERAL MEETING**

The annual general meeting of the Shareholders of Alliance Resources Limited (**Alliance or Company**) will be held:

- on **Wednesday, 25 November 2020**
- at **2.00 pm (AEDT)**
- as a **virtual meeting via Zoom at**

<https://us02web.zoom.us/j/89150763905?from=addon>

Terms and abbreviations used in this Notice and Explanatory Statement are defined in section 5 “DEFINITIONS” of the Explanatory Statement.

**1. BUSINESS**

**A. Financial statements and reports**

To table the following statements and reports and provide Shareholders with the opportunity to raise any issues or ask questions generally of the Directors concerning those financial statements or the business operations of the Company:

- (a) the Financial Report of the Company and of the controlled entities for the year ended 30 June 2020;
- (b) the Directors’ Report; and
- (c) the Auditor’s Report.

**B. Resolutions**

**Resolution 1: Adoption of Remuneration Report**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*“**THAT** the Remuneration Report for the year ended 30 June 2020 be adopted by the Company.”*

Notes:

- This Resolution is advisory only and does not bind the Company or the Directors.
- The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company’s remuneration policy.
- If 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a “spill resolution”) that another meeting be held within 90 days at which all of the Company’s Directors (other than a managing director) must go up for re-election.

**Voting Exclusion Statement**

In accordance with section 250R of the Corporations Act, a vote on Resolution 1 must not be cast by, or on behalf of, a member of the key management personnel whose remuneration details are included in the Remuneration Report, or a closely related party of such member.

However, a vote may be cast by such person if:

- (a) the person is acting as proxy and the proxy form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on Resolution 1 as described above; or
- (b) the person is the chairperson voting an undirected proxy which expressly authorises him or her to vote the proxy on a resolution connected with the remuneration of a member of the key management personnel.

### **Resolution 2: Re-election of Director - Mr Ian Gandel**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

***“THAT Mr Ian Gandel, a Director retiring by rotation in accordance with rule 58.1 of the Company’s Constitution, being eligible for re-election and having signified his candidature for the office, be re-elected as a Director of the Company.”***

Notes:

- The non-candidate Directors unanimously support the re-election of Mr Ian Gandel.
- The chairperson of the Meeting intends to vote undirected proxies in favour of Mr Gandel’s re-election.

#### **Voting Exclusion Statement**

There is no voting exclusion for Resolution 2.

### **Resolution 3: Re-election of Director - Mr Stephen Johnston**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

***“THAT Mr Stephen Johnston, in accordance with ASX Listing Rule 14.4 and rules 55.3 and 56.2 of the Company’s Constitution, being eligible for re-election and having signified his candidature for the office, be re-elected as a Director of the Company.”***

Notes:

- Mr Johnston was previously appointed as a non-executive Director by the Directors on 1 December 2019 as an addition to the existing Directors per rule 56.1 of the Company’s Constitution. On that basis, Mr Johnston will hold office until the end of this Meeting, unless re-elected pursuant to Resolution 3.
- ASX Listing Rule 14.4 provides that a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the Company.
- The non-candidate Directors unanimously support the re-election of Mr Johnston.
- The chairperson of the Meeting intends to vote undirected proxies in favour of Mr Johnston’s re-election.

#### **Voting Exclusion Statement**

There is no voting exclusion for Resolution 3.

### **Resolution 4: Approval of 10% Placement Facility**

To consider and, if thought fit, pass the following resolution as a special resolution:

***“THAT, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”***

#### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of Resolution 4 by a person (and any associates of such a person) who is expected to participate in the 10% Placement Facility or a person (and any associates of such a person) who will obtain a material benefit as a result of the proposed issue, except a benefit solely in the capacity of a holder of Shares, if Resolution 4 is passed.

However, the Company need not disregard a vote in respect of Resolution 4 if it is cast by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way;
- (b) the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary, provided the following conditions are met:

- the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

- the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### **Resolution 5: Ratification of appointment of auditor to fill vacancy**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“THAT, for the purposes of section 327B(1)(b) and 327C(2) of the Corporations Act and for all other purposes, BDO Audit Pty Ltd, having been appointed as the auditor of the Company by the Board, Shareholders ratify the appointment of BDO Audit Pty Ltd as the auditor of the Company.”*

#### **Voting Exclusion Statement**

There is no voting exclusion for Resolution 5.

## **2. VOTING ENTITLEMENT**

The Company has determined, in accordance with Regulation 7.11.37 of the *Corporations Regulations 2001*, that the Shares quoted on ASX **at 7.00pm (AEDT) on 23 November 2020** will be taken for the purpose of the Meeting to be held by the persons who held them at that time. Accordingly, those persons will be entitled to attend and vote (if not excluded) at the Meeting.

## **3. ATTENDING THE MEETING**

Due to the COVID-19 pandemic and the restrictions on social gatherings and social distancing measures implemented by the Federal and State governments, the Company will not be holding a physical AGM this year. Instead, the Company invites you to attend the Meeting online via Zoom <https://us02web.zoom.us/j/89150763905?from=addon> and voting online at [web.lumiagm.com/316945349](http://web.lumiagm.com/316945349). If you choose to participate online, you will be able to view a live webcast of the Meeting, ask the directors of the Company questions online and submit your votes in real time.

Shareholders and duly appointed proxies (or attorney or corporate representatives) can attend the Meeting online by going to:

<https://us02web.zoom.us/j/89150763905?from=addon> .

All persons attending the Meeting are asked to login via Zoom and register at least 30 minutes prior to the time the Meeting is scheduled to begin, so that their shareholding may be checked against the register of members of the Company maintained by the applicable registry, their proxy, power of attorney or appointment as corporate representative verified (as applicable) and their attendance noted.

It is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences.

Voting at the Meeting will only be available for registered Shareholders and duly appointed proxies. Non-registered Shareholders who have not been appointed as proxies may attend the Meeting via the above Zoom link, however they cannot log into the Lumi voting website.

To register a proxy, Shareholders must submit their proxy forms to one of the methods set out below in paragraph 6(a). Shareholders who wish to appoint a third party proxy to represent them at the Meeting must submit their proxy form prior to registering their proxy for attendance at the Meeting. Registering the proxy for attendance at the Meeting is an additional step once a Shareholder has submitted their proxy form. Failure to register a duly appointed proxy with Computershare will result in the proxy not receiving a username to participate in the Meeting. Proxyholders will need to call Computershare on +61 3 9415 4024 to receive their username and password.

## **4. HOW TO VOTE**

Shareholders entitled to vote at the Meeting may vote by attending the Meeting virtually, by attorney or proxy or, in the case of corporate Shareholders, by a corporate representative. A body corporate that is a Shareholder or that has been appointed as a proxy is entitled to appoint any natural person to act as its representative at the Meeting. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act.

Voting at the Meeting will only be available for registered Shareholders and duly appointed proxies.

In order to vote online, Shareholders are referred to the Online Voting Guide available on the Computershare and Alliance Resources websites. Please contact either Computershare or Alliance Resources in advance of the meeting if you are unable to access the Online Voting Guide.

## 5. VOTING BY ATTORNEY

Shareholders intending to attend the Meeting by attorney must ensure that they have, not later than 48 hours prior to the time the Meeting is to commence, provided the original or a certified copy of the power of attorney to the Company, in the same manner prescribed below for the giving of proxy forms to the Company. The appointment of an attorney does not preclude a Shareholder from attending the Meeting virtually and voting at the Meeting. In these circumstances, only the Shareholder, and not their attorney (or the attorney's proxy), is entitled to vote.

## 6. VOTING BY PROXY

(a) Shareholders wishing to vote by proxy must complete, sign and deliver the enclosed personalised proxy form or forms, in accordance with the instructions on the form, prior to 2.00pm (AEDT) on 23 November 2020 by:

- post to: GPO Box 242, Melbourne, Victoria 3001
- by mobile: scan the QR code on your proxy form and follow the prompts
- fax to: Alliance Resources Limited  
C/- Computershare Investor Services Pty Limited on  
1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia);
- online: [www.investorvote.com.au](http://www.investorvote.com.au); or
- custodians: For Intermediary Online subscribers only, please visit  
[www.intermediaryonline.com](http://www.intermediaryonline.com).

(b) Under the Corporations (Coronavirus Economic Response) Determination (No.3) 2020, all voting shall be conducted by poll. A Shareholder who is entitled to vote at the Meeting may appoint:

- (1) one proxy if the Shareholder is only entitled to one vote; or
- (2) one or two proxies if the Shareholder is entitled to more than one vote.

(c) Where the Shareholder appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not do so, each proxy may exercise one-half of the votes, and any fraction of votes will be disregarded.

(d) A proxy need not be a Shareholder of the Company. In the case of joint holders, all should sign the proxy form. In the case of corporations, proxies must be executed in accordance with the Corporations Act.

(e) To be valid, a proxy form signed under a power of attorney must be accompanied by the signed power of attorney, or a certified copy of the power of attorney.

(f) If the abstention box on the proxy form for the item of business is marked, the proxy will be directed not to vote on a poll and the relevant Shares will not be counted in calculating the required majority on a poll. If no box is marked, the proxy will not be directed as to how to vote and may vote as he or she thinks fit.

(g) If the proxy form is signed by the Shareholder but does not name the proxy or proxies in whose favour it is given, or the proxy does not attend the Meeting, the chairperson of the Meeting will act as the proxy.

If you require an additional proxy form, the Company will supply it on request to the undersigned.

**7. HOW THE CHAIR OF THE MEETING WILL VOTE UNDIRECTED PROXIES**

The chairperson of the Meeting will vote undirected proxies on, and in favour of, all the proposed Resolutions, including Resolution 1, even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel.

Please note that if you appoint the chairperson of the Meeting as your proxy, you can direct the chairperson to vote for or against or abstain from voting.

**8. VOTING BY CORPORATE REPRESENTATIVE**

Corporate Shareholders wishing to vote by corporate representative should:

- (a) obtain an appointment of corporate representative form from the share registry;
- (b) complete and sign the form in accordance with the instructions on it; and
- (c) email or provide the completed and signed form to the share registry prior to the Meeting (using the details above).

**9. QUESTIONS FROM SHAREHOLDERS**

In order to provide an equal opportunity for all Shareholders to ask questions of the Board, we ask you to submit in writing any questions to the Company or to the Company's auditor, BDO Audit Pty Ltd, in relation to the conduct of the external audit for the year ended 30 June 2020, or the content of its audit report. Please send your questions to:

Company Secretary  
Mr Robert Tolliday  
(03) 9697 9090  
[bobt@allianceresources.com.au](mailto:bobt@allianceresources.com.au)

Written questions must be received **by no later than 5.00 pm (AEDT) on 17 November 2020**.

Your questions should relate to matters that are relevant to the business of the annual general meeting, as outlined in this Notice and Explanatory Statement.

In accordance with the Corporations Act and the Company's policy, a reasonable opportunity will also be provided to Shareholders attending the Meeting to ask questions about, or make comments upon, matters in relation to the Company including the Remuneration Report.

During the course of the Meeting, the chairperson will seek to address as many shareholder questions as reasonably practicable, and where appropriate, will give a representative of the auditor the opportunity to answer written questions addressed to it. However, there may not be sufficient time to answer all questions at the Meeting. Please note that individual responses may not be sent to Shareholders.

**DATED 22 October 2020**

By order of the Board.

**Mr Robert Tolliday**  
**Company Secretary**

**ALLIANCE RESOURCES LIMITED**  
**ABN 38 063 293 336**

**EXPLANATORY STATEMENT**

**1. INTRODUCTION**

The purpose of this Explanatory Statement is to provide Shareholders with an explanation of the business of the Meeting and the Resolutions proposed to be considered at the Meeting of Alliance Resources Limited at 2.00pm on Wednesday, 25 November 2020, and to assist Shareholders in determining how they wish to vote on those Resolutions. This Explanatory Statement should be read in conjunction with the Notice and forms part of the Notice.

**2. BUSINESS OF THE MEETING - SUMMARY**

(a) To table the financial statements of the Company for the period ended 30 June 2020 and to give the Shareholders the opportunity to raise issues and ask questions generally concerning the financial statements or business operations of the Company.

(b) To consider and vote on the following Resolutions:

*Resolution 1 - to adopt the Remuneration Report*

*Resolution 2 - to re-elect Mr Ian Gandel as a Director*

*Resolution 3 - to re-elect Mr Stephen Johnston as a Director*

*Resolution 4 - approval of 10% Placement Facility*

*Resolution 5 – ratification of appointment of auditor (BDO Audit Pty Ltd) to fill vacancy*

**3. FINANCIAL STATEMENTS AND REPORTS**

The Board is required to lay before the Meeting the Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2020.

Copies of the Annual Report for the period ended 30 June 2020 are being despatched to Shareholders that have elected to receive a hard copy, and it is available to view on the Company website [www.allianceresources.com.au](http://www.allianceresources.com.au).

Shareholders can also request additional copies of the Annual Report by telephoning the Company Secretary, Mr Robert Tolliday on (+61 3) 9697 9090.

The chairperson of the Meeting will take Shareholders' questions and comments about the management of the Company.

The auditor of the Company will be available to take Shareholders' questions about the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the auditor about the content of the Auditor's Report and the conduct of the audit of the Financial Report to be considered at the Meeting may be submitted not later than five business days before the Meeting to:

The Company Secretary  
Alliance Resources Limited  
Suite 3, 51-55 City Road  
Southbank Victoria 3006



Facsimile: +61 3 9697 9091  
E-mail: [bobt@allianceresources.com.au](mailto:bobt@allianceresources.com.au)

Copies of any questions received will be made available at the Meeting. The chairperson of the Meeting will allow the auditor to answer written questions submitted to the auditor before the Meeting. If the auditor has prepared a written answer to a question, the chairperson of the Meeting may permit the auditor to table that written answer. A written answer tabled at the Meeting will be made available to Shareholders as soon as reasonably practicable after the Meeting.

Shareholders are not required to pass any resolution in relation to the financial statements and reports, other than Resolution 1 being the adoption of the Remuneration Report for the year ended 30 June 2020.

#### **4. RESOLUTIONS**

##### **4.1 Resolution 1 – Adoption of Remuneration Report for year ended 30 June 2020**

The Directors' Report in the Annual Report for the year ended 30 June 2020 contains (in a separate and clearly defined section) a Remuneration Report which sets out the remuneration policy of the Company and reports the remuneration arrangements in place for specified executives and the Directors.

The Company is required by the Corporations Act to put to the vote at the Meeting a resolution that the Remuneration Report be adopted. The Company is also required to inform Shareholders in the Notice that a resolution to this effect will be put at the Meeting.

The chairperson of the Meeting will allow a reasonable opportunity for the Shareholders present to ask questions about, or make comments on, the Remuneration Report.

It should be noted that, in accordance with section 250R(3) of the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company. However, if at least 25% of the votes cast on the Resolution are voted against adoption of the Remuneration Report at two consecutive annual general meetings, the Shareholders will be required to vote at the second of those annual general meetings on a resolution ("**spill resolution**") that another meeting will be held within 90 days at which all of the Company's Directors (other than the Managing Director) must go up for re-election. At the 2019 annual general meeting, less than 25% of votes were cast against adoption of the remuneration report for the year ended 30 June 2019.

Noting that each Director has a personal interest in his own remuneration from the Company as set out in the Remuneration Report, the Directors unanimously recommend that you vote in favour of Resolution 1.

##### **4.2 Resolution 2 - Re-election of Mr Ian Gandel as a Director**

Rule 58.1 of the Constitution provides that at every annual general meeting one third of the Directors or, if their number is not a multiple of three, then the number nearest to but not more than one third of the Directors, must retire. The Directors retire by rotation, with the Director who has been the longest in office since being elected, or re-elected, being the Director who must retire. If two or more Directors were elected on the same day, they are required to agree among themselves or determine by drawing lots which of them must retire. Under rule 58.4, a retiring Director is eligible for re-election as a Director at the annual general meeting at which he retires.

Mr Ian Gandel has been a Director of the Company since 15 October 2003. He is a non-independent, non-executive Director and currently chairperson of the Company. Details of his experience and qualifications are set out under the "Information on directors" heading in the Directors' Report included in the Annual Report.

Mr Gandel will retire in accordance with the requirements of the Constitution at the close of the Meeting. As he is entitled to, and is eligible for, re-election, he seeks re-election as a Director.

The Directors (other than Mr Gandel) recommend that you vote in favour of this Resolution. Mr Gandel makes no recommendation to Shareholders.

#### 4.3 **Resolution 3 - Re-election of Mr Stephen Johnston as a Director**

Mr Stephen Johnston has been a Director of the Company since 19 October 2011. He was originally appointed director in his capacity as Managing Director (MD) and following his resignation as MD on 30 November 2019, he was appointed a non-executive director by the Directors on 1 December 2019 per rule 56.1 of the Constitution. He is a non-independent Director. Details of his experience and qualifications are set out under the "Information on directors" heading in the Directors' Report included in the Annual Report.

Rule 56.2 of the Constitution provides that a Director appointed under rule 56.1 of the Constitution will hold office until the end of the next annual general meeting of the Company, at which the Director may be re-elected, but he will not be taken into account in determining the number of Directors who must retire by rotation at the meeting in accordance with rule 58.

Rule 55.3 of the Constitution provides that the Company may appoint a person as a Director by resolution passed in general meeting of Shareholders.

Mr Johnston is eligible for and seeks re-election as a Director.

The Directors (other than Mr Johnston) recommend that you vote in favour of this Resolution. Mr Johnston makes no recommendation to Shareholders.

#### 4.4 **Resolution 4 – Approval of 10% Placement Facility**

##### (a) Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of their issued capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less (excluding restricted securities and securities quoted on a deferred settlement basis). The Company is an eligible entity on the basis that its market capitalisation as at 16 October 2020 was \$39,226,017 (being 178,300,080 Shares on issue x \$0.22 Share price).

The Company is now seeking Shareholder approval, by way of a special resolution, to have the ability to issue Equity Securities under the 10% Placement Facility. If Resolution 4 is approved, the Company will be allowed to issue Equity Securities of up to 25% (up to 10% pursuant to ASX Listing Rule 7.1A and up to 15% pursuant to ASX Listing Rule 7.1) of the Company's issued share capital. If Resolution 4 is not approved, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in ASX Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in ASX Listing Rule 7.1.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section 4.4(b)(iii) below).

The Company continues actively investigating the acquisition of new resources, assets and investments, as well as development of existing projects. The Company may use the 10% Placement Facility to acquire new resources, assets or investments, as well as development of existing projects.

(b) Description of Listing Rule 7.1A

(i) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting. Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (virtually, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

(ii) Equity Securities

Any Equity Securities under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

(iii) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

**A** is the number of shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without Shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

(iv) Interaction between Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1. The effect of Resolution 4 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 178,300,080 Shares and therefore has a capacity to issue:

- (A) 26,745,012 Equity Securities under Listing Rule 7.1; and
- (B) subject to the Shareholder approval being obtained under Resolution 4, 17,830,008 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section 4.4(b)(iii) above).

(v) Disclosure obligations upon issue of any Equity Securities

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(c) Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

(i) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

(A) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or

(B) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (**10% Placement Period**).

(ii) Minimum Issue Price

The Equity Securities will be issued under ASX Listing Rule 7.1A at an issue price of not less than 75% of the VWAP for the Company's Equity Securities in the same class calculated over the 15 Trading Days immediately before:

(A) the date on which the price at which the Equity Securities are to be issued is agreed; or

(B) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (A) above, the date on which the Equity Securities are issued.

(iii) The Company may seek to issue the Equity Securities for the following purposes:

(A) non-cash consideration for services, equipment, products or the acquisition of new resources and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or

(B) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.

(iv) If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:

- (A) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (B) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of the consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice. The table also shows:

- (i) two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro-rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

		Dilution			
		\$0.11 50% decrease in Issue Price	\$0.22 Issue Price	\$0.44 100% increase in Issue Price	
<b>Variable 'A' in Listing Rule 7.1A.2</b>	<b>Current variable A</b>	<b>10% Voting Dilution</b>	17,830,008 Shares	17,830,008 Shares	17,830,008 Shares
	178,300,080	<b>Funds raised</b>	\$1,961,300	\$3,922,601	\$7,845,203
	<b>50% increase in current variable A</b>	<b>10% Voting Dilution</b>	26,745,012 Shares	26,745,012 Shares	26,745,012 Shares
	267,450,120	<b>Funds raised</b>	\$2,941,951	\$5,883,902	\$11,767,805
	<b>100% increase in current variable A</b>	<b>10% Voting Dilution</b>	35,660,016 Shares	35,660,016 Shares	35,660,016 Shares
	356,600,160	<b>Funds raised</b>	\$3,922,601	\$7,845,203	\$15,690,407

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No options (including any options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of Equity Securities.

- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
  - (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
  - (v) The table shows only the effect of issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
  - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes options, it is assumed that those options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
  - (vii) The issue price is \$0.22, being the closing price of the Shares on the ASX on 16 October 2020.
- (v) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 4 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (vi) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (A) the methods or raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
  - (B) the effect of the issue of the Equity Securities on the control of the Company;
  - (C) the financial situation and solvency of the Company; and
  - (D) advice from corporate, financial and broking advisors (if available).
- The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.
- If the Company is successful in acquiring new resources, assets or investments, it is possible that the allottees under the 10% Placement Facility may include vendors of the new resources, assets or investments.
- (vii) The Company has previously obtained Shareholder approval under Listing Rule 7.1A. In the 12 months preceding the date of this Notice, the Company has not issued any Equity Securities under Listing Rule 7.1 and 7.1A.
- (viii) As required by ASX Listing Rule 7.3A.6, set out in the table below are details of all Equity Securities issued in the 12 months preceding the date of issue of this Notice.

<b>Non-Renounceable Entitlement Offer - Alliance Resources Limited</b>	
Date of issue	4 June 2020
Number issued	24,261,748
Class	Fully paid ordinary
Price	8.0 cents per share
Total cash received	\$1,940,940
Purpose	Approximately \$1.3 million of the cash received has been expended as follows:

	<ul style="list-style-type: none"> <li>• Drilling</li> <li>• Metallurgical test work</li> <li>• Feasibility Study</li> <li>• Working capital</li> </ul> <p>The intended use for the remaining balance of approximately \$0.64 million is also expected to be on the above stated items.</p>
Summary of terms	<p>The Company offered to all eligible Shareholders the right to subscribe for 1 new share for every 6 shares held at 7.00pm AEDT on 14 May 2020 at an issue price of 8.0 cents per new share.</p> <p>The offer was at:</p> <p>(A) 11.1% discount to Alliance's closing price of 9.0 cents on 7 May 2020; and</p> <p>(B) 18.6% discount to Alliance's share price of 9.83 cents calculated based on a 30 day VWAP ending 4 May 2020, being the last trading day before the offer document was lodged with the ASX.</p>
Basis on which allottees were determined	Issued to the applicants under the non-renounceable entitlement offer, and shortfall applicants.

- (ix) During the 12 months prior to the date of this Notice, the Company issued a total of:
- (A) 24,261,748 fully paid ordinary shares, which represent 15.75% of the Equity Securities on issue at the commencement of the 12 month period preceding the date of this Notice and which were issued under ASX Listing Rule 7.2 exceptions (1), (3) and (9) regarding Equity Securities that are issued on a pro rata basis to existing holders of ordinary shares.
- (x) A voting exclusion statement is included in the Notice. As at the date of the Notice, the above issue of Equity Securities has been completed. The Company has not approached any particular existing Shareholder or security holder or an identifiable class or existing security holder to participate in any other issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in this Notice.
- (d) Directors' recommendations

The Directors believe that Resolution 4 is in the best interests of the Company and unanimously recommend to Shareholders that they vote in favour of Resolution 4.

#### 4.5 Resolution 5 – Ratification of appointment of auditor to fill vacancy

(a) Background

As announced on 17 December 2019, the Company notified a change in auditor, whereby BDO Audit Pty Ltd was appointed as the auditor of the Company. The Company's previous auditor, BDO East Coast Partnership, had applied for, and received ASIC consent to resign as the auditor of the Company in accordance with section 329(5) of the Corporations Act. This change of auditor arose as a result of BDO East Coast Partnership restructuring its audit practice whereby all audits will now be conducted by BDO Audit Pty Ltd.

In accordance with section 327B(1)(b) and 327C(2) of the Corporations Act, the Company seeks to ratify the appointment of BDO Audit Pty Ltd as the auditor of the Company.

BDO Audit Pty Ltd has given its written consent to act as the Company's auditor, subject to Shareholder approval.

If Resolution 5 is passed, the appointment of BDO Audit Pty Ltd as the Company's auditor will take effect from 17 December 2019.

(b) Directors' recommendations

The Directors believe that Resolution 5 is in the best interests of the Company and unanimously recommend to Shareholders that they vote in favour of Resolution 5.

## 5. DEFINITIONS

In this Notice and the Explanatory Statement:

**\$** means Australian dollars.

**10% Placement Facility** has the meaning given in section 4.4(a).

**10% Placement Period** has the meaning given in section 4.4(c)(i).

**AEDT** means Australian Eastern Daylight Time.

**Annual Report** means the Directors' Report, the Financial Report and the Auditor's Report in respect of the financial year ended 30 June 2020.

**ASIC** means Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691.

**Auditor's Report** means the auditor's report on the Financial Report.

**Board** means the board of Directors.

**Chair** or **Chairperson** means the chair of the Meeting.

**Company** or **Alliance** means Alliance Resources Limited ACN 063 293 336.

**Constitution** means the constitution of the Company as at the commencement of the Meeting.

**Corporations Act** means the *Corporations Act 2001* (Cth), as amended.

**Director** means a director of the Company.

**Directors' Report** means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**Equity Securities** has the same meaning as in the Listing Rules.

**Explanatory Statement** means the explanatory statement attached to the Notice.

**Financial Report** means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**Listing Rules** means the ASX listing rules as updated from time to time.

**Meeting** or **Annual General Meeting** or **AGM** means the annual general meeting of Shareholders to be held as set out in the Notice.

**Notice** or **Notice of Meeting** means this notice of Meeting.



**On-line Voting Guide** means the guide containing instructions on how to vote in the Meeting which is available on both Computershare's and the Company's website.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

**Resolution** means a resolution proposed to be considered and, if thought fit, to be passed at the Meeting.

**Section** means a section of the Explanatory Statement.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**Trading Days** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**VWAP** means the volume weighted average price.

In this Notice and the Explanatory Statement words importing the singular include the plural and vice versa.

## 6. QUERIES

If you have any other queries about the Meeting, the Resolutions to be put to the Meeting or the proposals being considered, please contact:

Company Secretary  
Mr Robert Tolliday  
(03) 9697 9090  
[bobt@allianceresources.com.au](mailto:bobt@allianceresources.com.au)