



19 April 2022

The Manager

Market Announcements Office

ASX Limited

## **Takeover bid for Alliance Resources Limited (ASX: AGS)**

### **Notice that first and last offers have been sent**

Under item 8 of subsection 633(1) of the Corporations Act 2001 (Cth) (**Corporations Act**), Gandel Metals Pty Ltd (**Gandel Metals**) confirms that the bidder's statement (**Bidder's Statement**) and offers, and a supplementary bidder's statement (**Supplementary Bidder's Statement**) dated 14 April 2022, in relation to its off-market bid for all the issued ordinary shares in Alliance Resources Limited (ASX: AGS) (**Alliance Resources**) were sent on 19 April 2022 as required by item 6 of subsection 633(1) of the Corporations Act 2001 (Cth).

Further, under paragraph 633(1C)(c) of the Corporations Act (as inserted by ASIC Class Order CO 13/521), Gandel Metals includes with this notice a copy of the Bidder's Statement and offer document as sent to shareholders of Alliance. A copy of the Supplementary Bidder's Statement was sent to Alliance Resources on 14 April 2022.

Yours sincerely

**Ian Gandel**

Director, Gandel Metals Pty Ltd

Encl.

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Southbank VIC 3006  
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ABN 69 493 120 953

This is an important document and requires your immediate attention. If you are in any doubt as to how to deal with it, you should consult your financial or other professional advisor.

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## **Bidder's Statement**

# **Accept the Offer**

to acquire all the ordinary shares in

**Alliance Resources Limited (Alliance)**  
(ACN 063 293 336)

BY

**Gandel Metals Pty Ltd (Gandel Metals)**  
(ACN 102 347 955)

**OFFER PRICE OF**  
**\$0.18 PER ALLIANCE SHARE**

If you have any queries about the Offer, you may call Bob Tolliday (CFO) on (03) 9697 9000 between 9:00am and 5:00pm (AEST) Monday to Friday.

# Important Information

## Key Dates

Event	Date
Date of Bidder's Statement	4 April 2022
Offer opens (date of Offer)	20 April 2022
Close of Offer*	7pm (AEST) on 6 June 2022

\* This date is indicative only and may be changed as permitted by the Corporations Act.

### Bidder's Statement and Offer

This is a Bidder's Statement dated 4 April 2022 given by Gandel Metals to Alliance and each holder of Alliance Shares under Part 6.5 of Chapter 6 of the Corporations Act. This Bidder's Statement was approved by Ian Gandel, the sole director of Gandel Metals. It includes an Offer for Alliance Shares dated 20 April 2022. The Offer extends to Alliance Shares on issue on the Register Date and any Alliance Shares issued during the Offer Period.

### ASIC and ASX

A copy of this Bidder's Statement was lodged with ASIC and ASX on 4 April 2022. None of ASX, ASIC nor any of their officers takes any responsibility for the contents of this Bidder's Statement.

### Investment decision

This is an important document. This Bidder's Statement does not take into account the individual investment objectives, financial situation or any particular needs of each Alliance Shareholder or any other person. Alliance Shareholders may wish to seek independent financial and taxation advice before making a decision as to whether to accept the Offer.

### Disclaimer

Except for historical information contained in this booklet, there may be matters discussed in this Bidder's Statement that are forward-looking statements. Such statements are only predictions and are subject to inherent risks and uncertainty. Forward-looking statements, which are based on assumptions and estimates and describe Gandel Metals' future plans, strategies and expectations, are generally identifiable by the use of the words 'anticipate', 'will', 'believe', 'estimate', 'expect', 'intend', 'seek' or similar expressions. Alliance Shareholders are cautioned not to place undue reliance on forward-looking statements. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties both general and specific that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur. Those risks and uncertainties include factors and risks specific to the industry in which Gandel Metals and Alliance operate as well as general economic conditions and prevailing exchange rates and interest rates. Actual events or results may differ materially.

All forward-looking statements attributable to Gandel Metals, or persons acting on behalf of Gandel Metals, are expressly qualified in their entirety by the cautionary statements in this Section. Except as expressly required by the Corporations Act, Gandel Metals makes no

undertaking to publicly update or revise any forward-looking statements provided in this Bidder's Statement, whether as a result of new information, future events or otherwise, or the list of risks affecting this information.

None of Gandel Metals' officers, any person named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, except to the extent required by law.

### Offers outside Australia

The distribution of this Bidder's Statement may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this Bidder's Statement should inform themselves of, and observe, those restrictions.

### Important notice to US shareholders

The Offer is made for the shares of an Australian registered company. It is important that US shareholders understand that the Offer is subject to disclosure requirements in Australia that are materially different from those in the US. You should be aware that, subject to the Corporations Act, Gandel Metals may purchase Alliance Shares otherwise than under the Offer, such as in open market or privately negotiated purchases after the end of the Offer Period.

### Defined terms

Defined terms used in this Bidder's Statement are capitalised. Definitions of these terms are set out in Section 10. Unless the contrary intention appears, the context requires otherwise or words are defined in Section 10, words and phrases in the Bidder's Statement have the same meaning and interpretation as in the Corporations Act.

### Sources of Information

Information included in this Bidder's Statement relating to Alliance and its business has been derived solely from publicly available sources published by Alliance, including Alliance's Annual Reports and Alliance's announcements to ASX and on its website.

Subject to the foregoing and to the maximum extent permitted by law, Gandel Metals and its director disclaim all liability for any information concerning Alliance included in this Bidder's Statement. Alliance Shareholders should form their own views concerning Alliance from publicly available information.

## Directory

### **Bidder**

Gandel Metals Pty Ltd  
Suite 3, 51-55 City Road  
Southbank VIC 3006  
Telephone: (03) 9697 9000

### **Legal Advisor**

Gadens Lawyers  
Level 13, 447 Collins Street  
Melbourne VIC 3000

### **Gandel Metals' Director**

Ian Jeffrey Gandel

### **Company Secretary**

Ian Jeffrey Gandel

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# Chairman's letter

4 April 2022

Dear Alliance Shareholders

I am pleased to introduce the Offer by Gandel Metals to acquire your Alliance Shares for \$0.18 cash per Alliance Share.

The Offer enables you to sell your Alliance Shares without the need to pay brokerage fees.

The Offer is conditional on:

- (a) Gandel Metals and its Associates having a relevant interest in at least 90% of the Alliance Shares on issue; and
- (b) no Prescribed Occurrences happening.

## Reasons to accept the Offer

Gandel Metals is offering all cash consideration to acquire your Alliance Shares.

The Offer values Alliance at approximately \$42,123,546.50 (based on market capitalisation under the Offer Price). This is a 133% premium to Alliance's net assets (approximately \$18,059,000) and 2.33 times Alliance's net tangible assets (\$18,059,000) at 31 December 2021.

The Offer Price is a *significant and attractive premium* compared to the recent trading price levels of Alliance Shares on ASX, namely:

- 38.46% to the issue price of new Alliance Shares under the recent Entitlement Offer that closed on 4 March 2022;
- 33.33% to the closing price of Alliance Shares on 21 February 2022, being the last trading day before the Announcement Date;
- 24.37% to the 1-month VWAP of Alliance Shares up to and including 21 February 2022; and
- 20.00% to the 3-month VWAP of Alliance Shares up to and including 21 February 2022.

The value and certainty of Gandel Metals' all-cash Offer should be compared with the risks and uncertainties of remaining an Alliance Shareholder, which can be summarised as follows:

- Irrespective of the outcome of the Offer, it is likely that Alliance's business operations will now focus on activities that will expedite the development of known resources rather than using Alliance's capital on undertaking further exploration activities. This means that Alliance's business operations will soon reach a phase where further significant equity capital will be required and, if shareholders other than Gandel Metals and its Associates do not participate in these anticipated further equity capital raisings, shareholders will likely be subject to significant dilution of their holdings;

- Irrespective of the outcome of the Offer, Gandel Metals may seek to either remove Alliance from the Official List of ASX and seek listing on the NSX, or alternatively remove Alliance from the Official List of ASX to become an unlisted entity (see Section 4.4 below).
- There is no competing offer to acquire your Alliance Shares as at the date of this Bidder's Statement; and
- The Alliance Share price may fall after the Offer.

### **Why Gandel Metals is making the Offer**

Gandel Metals made a takeover offer for Alliance Resources in August 2019. Following that takeover offer, Gandel Metals and its Associates owned approximately 68% of the ordinary shares of Alliance. Gandel Metals and its Associates have subsequently continued to acquire shares in Alliance and currently own approximately 72% of the ordinary shares in Alliance.

It is Gandel Metals' opinion that Alliance's business operations will soon reach a phase where significant equity capital will be required to commercialise its assets. Undertaking significant capital raisings whilst complying with all regulatory requirements will likely result in additional costs to Alliance (and indirectly its shareholders), such as underwriting fees. Further, if existing shareholders do not participate in the anticipated capital raisings they will likely be subject to significant dilution.

Accordingly, Gandel Metals is providing existing Alliance shareholders with an opportunity to sell their Alliance Shares under the Offer before Alliance moves into its next phase of development which is likely to be more capital intensive than its operations to date.

## **How to accept the Offer**

If you choose to accept the Offer you can either direct your Broker to accept on behalf of your CHES holding, or complete and sign the enclosed Acceptance Form and return it in the reply paid envelope so that it is received before the closing date.

The Offer is scheduled to close at 7pm (AEST) on 6 June 2022 (but it may be extended). Alternatively, you can sell your Alliance Shares on-market and receive a cash payment on a T+2 basis.

If you require additional assistance, please call Bob Tolliday (CFO Gandel Metals) on (03) 9697 9000 between 9:00am and 5:00pm (AEST) Monday to Friday.

Yours faithfully



Ian Gandel  
Chairman and sole Director  
Gandel Metals Pty Ltd

## Summary of the Offer

The information set out below is only a summary of the Offer. You should read the entire Bidder's Statement before deciding whether to accept the Offer.

<b>The Bidder</b>	Gandel Metals is the company making the Offer.
<b>The Offer</b>	Gandel Metals is offering to acquire all of your Alliance Shares.
<b>Offer Consideration</b>	You are being offered \$0.18 cash for every 1 Alliance Share you own.
<b>Closing date</b>	The Offer is scheduled to close at 7pm (AEST) on 6 June 2022 (but it may be extended).
<b>Offer Conditions</b>	<p>The Offer is subject to two conditions, being:</p> <ul style="list-style-type: none"><li>(i) at or before the end of the Offer Period, Gandel Metals and its Associates have relevant interests in at least 90% of the Alliance Shares on issue; and</li><li>(ii) between the Announcement Date and the end of the Offer Period (each inclusive), no Prescribed Occurrences happen (see Section 9.7).</li></ul> <p>Gandel Metals may choose to waive either or both of these Conditions in accordance with the Offer.</p>
<b>Settlement terms</b>	<p>If you accept the Offer, you will be paid the Offer Consideration on the later of:</p> <ul style="list-style-type: none"><li>(a) one month after the date you validly accept the Offer; or</li><li>(b) one month after the date the Offer becomes or is declared unconditional,</li></ul> <p>and in any event (assuming the Offer becomes or is declared unconditional), no later than 21 days after the end of the Offer Period.</p>
<b>How to accept the Offer</b>	<p><b>CHESS Holdings</b></p> <p>If your Alliance Shares are in a CHESS Holding, to accept the Offer you must either:</p> <ul style="list-style-type: none"><li>(a) instruct your Controlling Participant (usually your Broker) to accept the Offer on your behalf; or</li><li>(b) complete, sign and return the enclosed Acceptance Form in accordance with the instructions on it.</li></ul>



### **Issuer Sponsored Holdings**

If your Alliance Shares are in an Issuer Sponsored Holding, to accept the Offer you must complete, sign and return the Acceptance Form in accordance with the instructions on it.

Signed Acceptance Forms must be received before the end of the Offer Period by:

Link Market Services Limited  
Alliance Resources Limited Takeover  
Locked Bag A14  
Sydney South NSW 1235

A business reply-paid envelope is enclosed.

If you wish to sell your Alliance Shares on-market, please contact your Broker.

#### **No stamp duty**

You will not pay any stamp duty on accepting the Offer.

#### **What to do next**

You should read this Bidder's Statement in its entirety before making a decision as to whether or not to accept the Offer for your Alliance Shares or whether or not to sell your Alliance Shares on-market.

If you wish to accept the Offer, please see section 9 of this Bidder's Statement.

If you wish to sell your Alliance Shares on-market, please contact your Broker.

#### **Further information**

For questions about your Alliance Shares, the Offer, or how to accept the Offer please refer to the remainder of this Bidder's Statement.

## Why you should accept the Offer

### 1. The Offer Price is an attractive cash price

The all cash consideration of \$0.18 per Alliance Share is being offered to all Alliance Shareholders. The Offer Price is at a significant premium over the historic market price of Alliance Shares. More specifically, the Offer of \$0.18 per Alliance Share represents a premium of approximately:

- 38.46% to the issue price of new Alliance Shares under the recent Entitlement Offer that closed on 4 March 2022;
- 33.33% to the closing price of Alliance Shares on 21 February 2022, being the last trading day before the Announcement Date;
- 24.37% to the 1-month volume weighted average price (**VWAP**) of Alliance Shares up to and including 21 February 2022; and
- 20.00% to the 3-month VWAP of Alliance Shares up to and including 21 February 2022.

The Offer values Alliance at \$42,123,546.50 (on the basis of market capitalisation under the Offer Price). This is a 133% premium to Alliance's net assets (approximately \$18,059,000) and 2.33 times Alliance's net tangible assets (\$18,059,000) at 31 December 2021.

As such, the Offer presents a unique opportunity for you to realise a cash return for your Alliance Shares that will result in you receiving an attractive premium for those shares.

### 2. There are risks associated with continuing to hold Alliance shares

Retaining your Alliance Shareholding carries significant risk as outlined below.

#### (a) Alliance share price may fall after the close of the offer

While there are many factors influencing the market price of Alliance Shares, there is a risk that the Alliance Share price will fall after the close of the Offer.

#### (b) There is no competing Offer

As at the date of this Bidder's Statement, the Offer is the only available offer for all Alliance Shares.

#### (c) Alliance may be delisted from ASX

If, after the Offer closes, Gandel Metals' Voting Power in Alliance is less than 90%, then Gandel Metals and its Associates may accumulate Voting Power above 75% in Alliance at some stage in the future and they may use that Voting Power to either:

- remove Alliance from the Official List of ASX and seek listing on the NSX; or
- alternatively remove Alliance from the Official List of ASX to become an unlisted entity.

Gandel Metals has not yet decided whether it will pursue the delisting of Alliance. If Alliance is removed from the official list of ASX, this is likely to make it difficult for you to sell your Alliance Shares at an attractive price in the future.

(d) **Shareholders will be required to invest significant amounts of additional capital in Alliance in order to maintain their shareholding interest**

Irrespective of the outcome of the Offer, it is likely that Alliance's business operations will now focus on activities that will expedite development of known resources rather than using Alliance's capital on undertaking further exploration activities. This means that Alliance's business operations will soon reach a phase where further significant equity capital will be required and, if shareholders other than Gandel Metals and its Associates do not participate in these anticipated further equity capital raisings, shareholders will likely be subject to significant dilution of their holdings.

(e) **Alliance Shares are very thinly traded**

Alliance Shares are very thinly traded. As at 4 April 2022, approximately 72.18% of Alliance Shares were held by the two largest shareholders, being Gandel Metals and Abbotsleigh, who are associated with each other. There are approximately 820 Alliance Shareholders in total. The average daily volume of Alliance Shares traded in the previous:

- month (to the date of the Bidder Statement) was 15,477 which represents approximately 0.007% of all Alliance Shares on issue;
- 3 months (to the date of the Bidder Statement) was 37,060 which represents approximately 0.016% of all Alliance Shares on issue; and
- 6 months (to the date of the Bidder Statement) was 25,429, which represents approximately 0.011% of all Alliance Shares on issue.

This low liquidity reduces the flexibility of Alliance Shareholders to exit their investment.

Depending on the level of acceptances that Gandel Metals receives under the Offer, the market for Alliance Shares may become even less liquid following the Offer. The Offer represents an opportunity for all Alliance Shareholders to sell their Alliance Shares for cash.

## 1. Key questions

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This Section answers some key questions that you may have about the Offer and should only be read in conjunction with the entire Bidder's Statement.

### 1.1 What is the Bidder's Statement?

The Bidder's Statement sets out the terms of Gandel Metals' Offer and information relating to the Offer and the consideration you will receive.

### 1.2 What is the Offer?

Gandel Metals is offering to acquire your Alliance Shares by way of an off-market takeover offer. The cash Offer is subject to the two conditions set out in Section 1.7 of this Bidder's Statement (which may be freed or waived at the discretion of Gandel Metals).

The Offer extends to Alliance Shares on issue at the Register Date and any Alliance Shares issued during the Offer Period.

The Offer consideration is \$0.18 cash for every Alliance Share you hold.

### 1.3 What are the tax consequences if I accept the Offer?

Please consult your financial, tax or other professional adviser on the tax implications of accepting the Offer. However, a general summary of the likely Australian tax consequences is set out in Section 6 of this Bidder's Statement.

### 1.4 How do I accept the Offer?

#### (a) CHESSE Holdings

If your Alliance Shares are in a CHESSE Holding, to accept the Offer you must either:

- (i) instruct your Controlling Participant (usually your Broker) to accept the Offer on your behalf; or
- (ii) complete, sign and return the enclosed Acceptance Form in accordance with the instructions on it.

#### (b) Issuer Sponsored Holdings

If your Alliance Shares are in an Issuer Sponsored Holding, to accept the Offer you must complete, sign and return the Acceptance Form in accordance with the instructions on it.

#### (c) Participants

If you are a Participant (as defined in the ASX Settlement Rules) (typically, a stockbroker who is a participating organisation of ASX Settlement), the above does not apply. To accept the Offer you must initiate acceptance in accordance with the ASX Settlement Rules.

### 1.5 Can I sell my Alliance Shares on-market to Gandel Metals?

While the Offer remains conditional on the 90% Condition, Gandel Metals will not be offering to acquire Alliance Shares on-market during the bid period.

However, if Gandel Metals waives the 90% Condition, Gandel Metals may offer to acquire Alliance Shares on-market during the bid period and may do so at prices at or below the Offer Price, which it is permitted to do under the Corporations Act.

Alliance Shareholders who sell their Alliance Shares on the ASX will receive payment from their Broker. Settlement of trades on the ASX is on a T+2 basis (being two business days after the date of the transaction).

Alliance Shareholders who sell Alliance Shares on the ASX cannot subsequently accept the Offer in respect of their Alliance Shares sold on the ASX. In addition, Alliance Shareholders who sell Alliance Shares on the ASX may incur brokerage charges which they may not incur if they accept the Offer.

#### 1.6 **Can I accept the Offer for part of my holding?**

No, you can only accept for all of your holding. Your acceptance will be treated as being for all of your Alliance Shares plus any additional Alliance Shares registered as held by you at the date your acceptance is processed.

#### 1.7 **Are there any conditions to the Offer?**

Yes. The Offer is subject to two conditions, namely:

- (a) at or before the end of the Offer Period, Gandel Metals and its Associates have a relevant interest in at least 90% of the Alliance Shares on issue (the **90% Condition**); and
- (b) between the Announcement Date and the end of the Offer Period (each inclusive), no Prescribed Occurrences happen (the **Prescribed Occurrences Condition**).

Gandel Metals has the right to not proceed with the Offer if either or both the 90% Condition and the Prescribed Occurrences Condition are not satisfied. Either or both of these Conditions may be freed or waived by Gandel Metals.

In relation to the Prescribed Occurrences Condition, "Prescribed Occurrences" include Alliance splitting or consolidating its shares, Alliance or a Subsidiary buying-back or reducing its capital, Alliance or a Subsidiary issuing securities, Alliance or a Subsidiary disposing of the whole or a substantial part of its business or property, or the occurrence of insolvency events in respect of Alliance or a Subsidiary. This Prescribed Occurrences Condition is set out in full in Section 9.7 of this Bidder's Statement.

#### 1.8 **What happens if I accept the Offer?**

Once you accept the Offer in respect of all of your Alliance Shares, you will not be able to sell those Alliance Shares or otherwise deal with the Rights attaching to those Alliance Shares subject to your limited statutory rights to withdraw your acceptance in certain circumstances.

#### 1.9 **What happens if I do not accept the Offer?**

Subject to what is stated below, you will remain the holder of your Alliance Shares if you do not accept the Offer.

If, during or at the end of the Offer Period, Gandel Metals and its Associates satisfy the necessary thresholds under Chapter 6A of the Corporations Act to proceed to compulsory acquisition following the takeover bid, Gandel Metals presently intends to proceed to compulsorily acquire your Alliance Shares if you have not accepted the Offer (see Section 4).

Gandel Metals will become entitled to compulsorily acquire your Alliance Shares if, during or at the end of the Offer Period, Gandel Metals and its Associates have:

- (a) relevant interests in at least at 90% (by number ) of all Alliance Shares; and
- (b) acquired at least 75% (by number) of the Alliance Shares that Gandel Metals offered to acquire under the bid.

At the conclusion of the compulsory acquisition process, you will receive \$0.18 for every 1 fully paid Alliance Share which is compulsorily acquired. You will receive consideration for your Alliance Shares sooner if you accept the Offer.

Where Gandel Metals and its Associates do not satisfy the necessary thresholds to proceed to compulsory acquisition, Gandel Metals' intentions are described in Section 4.

#### **1.10 Can I withdraw my acceptance?**

Under the terms of the Offer, you cannot withdraw your acceptance unless a withdrawal right arises under the Corporations Act. Such a withdrawal right will arise if, after you accept the Offer, Gandel Metals varies the Offer in a way that postpones for more than one month the time when Gandel Metals has to pay you under the Offer.

#### **1.11 When does the Offer close?**

The Offer is currently scheduled to close 7:00pm (AEST) on 6 June 2022, unless extended or withdrawn.

#### **1.12 Can Gandel Metals extend the Offer Period?**

Yes, the Offer can be extended by Gandel Metals or otherwise in accordance with the Corporations Act. You will be sent written notice of any extension, as required by the Corporations Act.

#### **1.13 If I accept the Offer, when will I receive the cash consideration?**

If you accept this Offer, Gandel Metals will, in the usual course, pay to you the cash consideration to which you are entitled on or before the earlier of:

- (a) the day one month after the date on which you accept this Offer or, if this Offer is subject to the Condition when accepted, one month after the contract resulting from your acceptance becomes unconditional; and
- (b) the day 21 days after the end of the Offer Period, provided that the Offer has become unconditional.

Full details of when you will be paid cash consideration are set out in Section 9.6.

#### **1.14 Will I need to pay brokerage or stamp duty if I accept the Offer?**

You will not pay any stamp duty on accepting the Offer.

If your Alliance Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Gandel Metals, you will not incur any brokerage connected with you accepting the Offer. If your Alliance Shares are in a CHESS Holding or you hold your Alliance Shares through a bank, custodian or other nominee, you should ask your Controlling Participant (usually, your Broker or the bank, custodian or other nominee) whether it will charge any transaction fees or service charges connected with you accepting the Offer.

## **2. About Gandel Metals**

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### **2.1 Corporate**

Gandel Metals acts as a private trustee company for a number of trusts associated with Ian Gandel and members of his family, and which holds securities in various public and private companies for investment purposes. The Alliance Shares that it holds are held, and the Alliance Shares sought to be acquired under the Offer will be held, by Gandel Metals as trustee for a discretionary trust being the Gandel Mining Trust.

Gandel Metals is a subsidiary of Abbotsleigh Proprietary Limited (**Abbotsleigh**). Abbotsleigh itself acts as the trustee of a number of trusts associated with Ian Gandel and members of his family, including as trustee for the Abbotsleigh Superannuation Fund and the I Gandel Share Investment Trust and holds Alliance Shares in its capacity as trustee. The directors of Abbotsleigh are Ian Gandel and Linda Gandel.

Ian Gandel is the sole director of Gandel Metals. Ian is a mining entrepreneur with extensive experience in retail and retail property management including Gandel Shopping Centres, Priceline Retail Chain and the Corporate Executive Offices serviced office chain. Ian has been an investor in the mining industry since 1994, is a substantial shareholder of a number of publicly listed Australian companies.

### **2.2 Director of Gandel Metals**

Ian Jeffrey Gandel is the sole Director of Gandel Metals. Ian is also a director of Alliance.

### **2.3 Gandel Metals and key associates are current substantial holders of Alliance**

Gandel Metals, Abbotsleigh and Mr Ian Gandel each have a substantial holding in Alliance, and are associates of each other.

### **2.4 Interests in Gandel Metals securities**

As at the date of this Bidder's Statement, all securities in Gandel Metals are held by Pitcher Partner's Nominees Pty Ltd as nominee for Abbotsleigh.

## **3. About Alliance**

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### **3.1 Disclaimer**

The following description of Alliance and the financial information concerning Alliance contained in this Section has been prepared by Gandel Metals using publicly available information. To the extent permitted by law, Gandel Metals does not make any representation or warranty, express or implied, as to the currency, accuracy or completeness of such information.

The information on Alliance should not be considered comprehensive. Further information regarding Alliance may be included in the Target's Statement which, under the Corporations Act, must be provided to Alliance Shareholders and must include certain material information concerning Alliance.

The primary sources of information in this Section about Alliance used by Gandel Metals are as follows:

- (a) Annual and Interim Reports to Alliance Shareholders;
- (b) announcements issued by Alliance through ASX; and

(c) the Alliance website.

### 3.2 Overview of Alliance and its principal business activities

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

Alliance's flagship project is its wholly owned Wilcherry Project located within the southern part of the Gawler Craton, northern Eyre Peninsula, 120 km to the WNW of Whyalla and 40 km north of the township of Kimba, South Australia. Alliance's ownership of the Wilcherry Project is via its wholly owned subsidiary Alliance (Eyre) Pty Ltd.

In November 2020, Alliance announced a revised gold mineral resource estimate for the Weednanna Gold Deposit, part of the Wilcherry Project. Mining One Pty Ltd (Mining One) was engaged to update the Weednanna gold mineral resource, previously estimated in September 2018, to incorporate new drilling data acquired from 5 diamond holes and 270 RC holes, totalling 35,940 metres, drilled between September 2018 and May 2020 to increase geological confidence in the deposit.

The revised resource was estimated to a maximum depth of 220 metres below surface and totals 1,106 Million tonnes grading 4.3 grams per tonne of gold for 152,000 ounces of gold and 1.150 Million tonnes grading 59.4% iron. This resource includes a maiden near-surface Measured resource of 19,000 ounces grading 3.2 grams per tonne of gold.

The net outcome of this Mineral Resource estimate is a 21,000 ounce gain in high geological confidence Measured and Indicated Resources and a 49,500 ounce reduction in low geological confidence Inferred Resources.

The dimensions of the Mineral Resource area are 1,300 m (north-south), 600 m (east-west) and from surface to a maximum depth of 220 m. 71% of the gold resource and 65% of the iron resource are classified in the Measured and Indicated resource categories.

Significant potential exists to increase the size of the Mineral Resource with many gold shoots open in at least one direction.

There is also potential for the discovery of new gold shoots outside of the Mineral Resource area.

The results from the Scoping Study done by Mining One for Weednanna confirm a positive and robust gold project, including the construction of a new 250,000 tpa gold processing plant and tailings storage facility for a total capital cost of approximately \$44 million, including \$8 million open pit pre-strip.

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

### 3.3 Directors

As at the date of this Bidder's Statement, there are 3 directors of Alliance, being:

- (a) Ian Jeffrey Gandel (Non-Independent Non-Executive Chairman);
- (b) Kevin John Malaxos (Managing Director); and
- (c) Anthony Dean Lethlean (Independent Non-Executive Director).



### 3.4 Major Alliance Shareholders

Based on Alliance's Annual Report for 2021, Alliance's website, substantial shareholder notices and continuous disclosure notices released to the ASX, Alliance currently has the following substantial Alliance Shareholders:

Name	Number of Alliance Shares	Percentage of issued capital
Gandel Metals Pty Ltd / Abbotsleigh Pty Ltd / Ian Gandel *	168,912,782	72.18%
One Fund Services Limited (as trustee of Sandon Capital Activist Fund) **	13,858,681	5.92%

\*Gandel Metals is a subsidiary of, and therefore an Associate, of Abbotsleigh. Gandel Metals holds 100,978,331 shares and Abbotsleigh holds 67,934,451 shares.

\*\* One Managed Investment Funds Limited (as trustee of Sandon Capital Investment Limited) also holds 11,559,273 Alliance Shares representing 4.94% of the issued capital of Alliance.

### 3.5 Overview of Alliance's historical financial performance

A summary of the historical consolidated financial performance of Alliance and its controlled entities for the financial years ended 30 June 2020 and 30 June 2021, and half year ended 31 December 2021 is set out below<sup>1</sup>:

\$	30 June 2020	30 June 2021	31 Dec 2021
Revenue from continuing activities	\$ 69,000	\$ 56,000	\$ 3,000
Expenses	\$ 1,820,000	\$ 1,433,000	\$ 760,000
Loss before income tax expense from continuing operations	\$ 1,751,000	\$ 1,377,000	\$ 757,000
Loss after income tax for the FY/HY attributable to the owners of Alliance	\$ 1,751,000	\$ 1,377,000	\$ 757,000

#### Notes:

- The above information has been drawn from the audited financial statements for Alliance and associated disclosure included in Alliance's Annual Reports for the years ended 30 June 2020 and 2021 and Alliance's Interim Report for the half-year ended 31 December 2021 (inclusive).

### 3.6 Alliance statement of financial position

The consolidated statement of financial position of Alliance as at 30 June 2020, 30 June 2021 and 31 December 2021 is set out below.<sup>1</sup>

\$	30 June 2020	30 June 2021	31 Dec 2021
Total current assets	\$ 1,720,000	\$ 3,421,000	\$ 1,206,000
Total non-current assets	\$ 13,738,000	\$ 16,025,000	\$ 17,890,000
Total assets	\$ 15,458,000	\$ 19,446,000	\$ 19,096,000
Total current liabilities	\$ 457,000	\$ 498,000	\$ 880,000
Total non-current liabilities	\$ 111,000	\$ 162,000	\$ 157,000
Total liabilities	\$ 568,000	\$ 660,000	\$ 1,037,000
Net assets	\$ 14,890,000	\$ 18,786,000	\$ 18,059,000
Net Assets attributable to the owners of Alliance	\$ 14,890,000	\$ 18,786,000	\$ 18,059,000

**Notes:**

- The information above has been drawn from the audited financial statements for Alliance and its controlled entities and associated disclosure included in Alliance's Annual Reports for the financial years ended 30 June 2020 and 30 June 2021 and Alliance's Interim Report for the half-year ended 31 December 2021 (inclusive).

**3.7 Cash levels as disclosed in Appendix 5B**

Alliance reports its cash commitments to ASX on a quarterly basis. These reports, known as Appendix 5B reports, require Alliance to disclose its cash levels and known cash commitments at the end of each quarter. The table below summarises the end of quarter closing cash balances for the past four reported quarters.

\$	31 March 2021	30 Jun 2021	30 Sep 2021	31 Dec 2021
Cash at end of quarter	\$4,090,000	\$3,343,000	\$2,020,000	\$1,027,000

**3.8 ASX announcements**

Alliance is a listed disclosing entity for the purposes of section 111AL(1) of the Corporations Act and as such, is subject to regular reporting and disclosure obligations. Broadly, these obligations require Alliance to:

- prepare and lodge with ASIC both yearly and half-yearly financial statements accompanied by a directors' statement and report and an audit or review report; and
- immediately notify ASX of any information concerning Alliance of which it is, or becomes, aware and which a reasonable person would expect to have a material effect on the price or value of securities in Alliance, subject to certain limited exceptions related mainly to confidential information.

Copies of documents lodged with ASIC in relation to Alliance may be obtained from or inspected at an office of ASIC. Copies of documents lodged with ASX in relation to Alliance may be obtained from, or inspected at, an office of ASX.

Since the 2021 Annual Report and Appendix 4G lodged on 30 September 2021, Alliance has issued the following announcements to ASX:

Date	Announcement
8 October 2021	Wilcherry Project Exploration Update
21 October 2021	Change of Director's Interest Notice
22 October 2021	Notice of Annual General Meeting/Proxy Form
28 October 2021	Wilcherry Project Nickel Sulphide Target
28 October 2021	1st Quarter Activity and Cashflow Report – Sept 2021
29 October 2021	Annual Report to shareholders
25 November 2021	AGM 2021 MD's Company Presentation
25 November 2021	Results of Annual General Meeting 2021
27 January 2022	2nd Quarter Activity and Cashflow Report – Dec 2021
2 February 2022	Non-Renounceable Issue
2 February 2022	Offer Document
2 February 2022	Cleansing Notice Entitlement Offer
2 February 2022	Proposed issue of securities – AGS
2 February 2022	Letter to Optionholders – Entitlement Offer
10 February 2022	Despatch of Entitlement Offer Document
10 February 2022	Letter to Ineligible Shareholders – Despatched 10 Feb 2022
22 February 2022	Board Recognises Outgoing Director – Steve Johnston
22 February 2022	Intention re Off-Market TKO Bid and EO Close Date Extension
23 February 2022	Final Director's Interest Notice
2 March 2022	Update – proposed issue of securities – AGS
9 March 2022	Completion of Entitlement Offer
11 March 2022	Application for quotation of securities – AGS
11 March 2022	Change of Director's Interest Notice
11 March 2022	Half Yearly Report and Accounts

Date	Announcement
31 March 2022	Notification of cessation of securities – AGS

### 3.9 Alliance options

On the basis of documents lodged by Alliance with ASX, as at the date of this Bidder Statement, there are currently 8,550,000 unlisted options on issue, with varying exercise dates and vesting conditions, of which 7,000,000 were granted to Alliance's managing director and 1,550,000 granted to executives, staff and contractors.

This Bidder's Statement and Offer is **not** an offer to acquire the options. However, if any Alliance Shares are issued between the Register Date and the end of the Offer Period due to the exercise of any of the options, this Bidder's Statement and Offer extends to such Alliance Shares.

## 4. Gandel Metals' intentions

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### 4.1 General

This Section 4 sets out Gandel Metals' intentions in relation to:

- (a) the continuation of Alliance's business;
- (b) any significant changes to be made to Alliance's business, including any redeployment of Alliance's fixed assets; and
- (c) the future employment of Alliance's employees.

Gandel Metals' intentions are based on the information known and the circumstances that exist at the date of this Bidder's Statement.

Gandel Metals has reviewed information in the public domain concerning Alliance, its business and the general business environment in which it operates. Based on its review of that material, and on its current assessment of Alliance's operations, Gandel Metals' intentions in relation to Alliance are summarised below. Statements set out in this Section are statements of current intentions only which may change as new information becomes available or circumstances change.

### 4.2 Accelerated mining program

Alliance is currently controlled by Gandel Metals and its Associates.

Gandel Metals intends to now focus Alliance's business operations on activities that will expedite development of known resources in preference to using Alliance's capital on undertaking further exploration activities. Gandel Metals also intends that any future capital raisings by Alliance will be used to implement this accelerated mining program. Gandel Metals anticipates that Alliance will need to undertake larger and more significant capital raises in order to expedite development of known resources.

Gandel Metals also considers that Alliance will likely be able to lower its operating costs by either delisting from the ASX and listing on the NSX, or alternatively delisting from the ASX to become an unlisted entity. Gandel Metals may take steps to de-list the Company from ASX irrespective of whether or not the 90% Condition is satisfied.

#### 4.3 **Gandel Metals' intentions if it becomes entitled to proceed to compulsory acquisition**

This Section sets out Gandel Metals' intentions if it, together with its Associates, becomes entitled to proceed to compulsory acquisition of Alliance Shares under Chapter 6A of the Corporations Act.

- (a) Gandel Metals currently intends to proceed to compulsory acquisition of the remaining Alliance Shares if it becomes entitled to do so under the Corporations Act.
- (b) Gandel Metals will seek to remove Alliance from the Official List of ASX to become an unlisted entity.
- (c) Gandel Metals intends to replace all non-executive Alliance directors (other than Ian Gandel) with nominees of Gandel Metals. However, Gandel Metals intends to retain all existing Alliance directors as consultants.
- (d) Gandel Metals will implement the accelerated mining program referred to in Section 4.2.

#### 4.4 **Gandel Metals' intentions if it does not become entitled to proceed to compulsory acquisition**

If Gandel Metals does not become entitled to proceed to compulsory acquisition, its current intentions are as set out below.

- (a) Alliance will continue to be controlled by Gandel Metals and its Associates.
- (b) Gandel Metals will still implement the accelerated mining program referred to in Section 4.2.
- (c) Subject to the Corporations Act, Gandel Metals proposes to seek the appointment of a majority of Gandel Metals nominees to the board although it has not made any decision as to who would be nominated for appointment. Gandel Metals may also seek to add to, replace or reorganise the roles of a proportion of the members of the Alliance board of directors to reflect the proportionate ownership interest of Gandel Metals and its Associates and other Alliance Shareholders.
- (d) Gandel Metals may seek to either remove Alliance from the Official List of ASX and seek listing on the NSX, or alternatively remove Alliance from the Official List of ASX to become an unlisted entity.
- (e) Gandel Metals may, at some later time, acquire further Alliance Shares in a manner consistent with the Corporations Act.
- (f) If Gandel Metals becomes entitled at some later time to exercise general compulsory acquisition rights under Part 6A.2 of the Corporations Act, it may exercise those rights.
- (g) Gandel Metals intends to undertake the activities referred to in Section 4.5 to the extent permitted by its control of Alliance.

#### 4.5 **Intentions generally**

Except for the changes and intentions set out in this Section 4, Gandel Metals intends, based on the information presently known to it:

- (a) to continue the Alliance business; and

- (b) to implement the accelerated mining program referred to in Section 4.2; and
- (c) not to make any changes to the employment terms of Alliance's employees.

#### 4.6 **Limitations on intentions**

The intentions and statements of future conduct set out in this Section 4 must be read as being subject to:

- (a) the law (including the Corporations Act) and the Listing Rules, including in particular the requirements of the Corporations Act and the Listing Rules in relation to conflicts of interest and 'related party' transactions; and
- (b) the legal obligation of the Alliance directors at the time, including any nominees of Gandel Metals, to act in good faith and in the best interests of Alliance and for proper purposes and to have regard to the interest of all Alliance Shareholders (in which regard the role of independent directors of Alliance will also be important).

### **5. Sources of Offer consideration**

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#### 5.1 **Consideration under the Offer**

The total amount that Gandel Metals would be required to pay for Alliance Shares if Gandel Metals acquires all of the Alliance Shares on issue on the date of this Bidder's Statement in which it and its Associates do not have a Relevant Interest at the Offer Price is approximately \$11,719,245.78.

The total cash consideration payable by Gandel Metals as described in this Section 5 excludes any costs payable by Gandel Metals in relation to the Offer. The total cash consideration also excludes the cash consideration that Gandel Metals would be required to pay for Alliance Shares issued between the Register Date to the end of the Offer Period, due to the exercise of options (see Section 3.9).

#### 5.2 **Gandel Metals funding**

The Offer is not subject to a financing condition.

Gandel Metals estimates that the total transaction costs associated with the Offer (other than the Offer Price payable for all Alliance Shares) are not expected to exceed \$140,000.

Gandel Metals intends to fund the cash consideration under the Offer using a combination of available cash reserves of Gandel Metals and private funding arrangements between Gandel Metals and Abbotsleigh Proprietary Limited ACN 005 612 377 as trustee for the I Gandel Share Investment Trust and Ian Gandel . Abbotsleigh Proprietary Limited ACN 005 612 377 as trustee for the I Gandel Share Investment Trust and Ian Gandel have both agreed to advance funds to Gandel Metals to fund all monies required to complete the Offer. Abbotsleigh Proprietary Limited ACN 005 612 377 as trustee for the I Gandel Share Investment Trust and Ian Gandel hold sufficient cash and liquid assets to provide Gandel Metals the funds necessary to complete the Offer.

## **6. Tax considerations**

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### **6.1 General**

The following is a summary of the principal Australian tax consequences generally applicable to Alliance Shareholders who dispose of their Alliance Shares under the Offer for cash consideration.

The comments set out below are relevant only to those Alliance Shareholders who hold their Alliance Shares as capital assets for the purpose of investment and who do not (or would not) hold those Alliance Shares on revenue account or in connection with the conduct of a business.

These consequences will depend on the individual circumstances of Alliance Shareholders. You should make your own inquiries and seek independent professional advice on your circumstances.

The outline below does not apply to Alliance Shareholders who hold their Alliance Shares as a revenue asset, or who are banks, insurance companies, tax exempt entities, superannuation funds, or persons who acquired their Alliance Shares in the course of their employment with Alliance. Such Alliance Shareholders must obtain their own separate tax advice on the tax consequences of accepting the Offer.

The following outline is based upon Australian taxation law and practice in effect as at the date of this Bidder's Statement. It is not intended to be an authoritative or complete statement or analysis of the taxation laws applicable to the particular circumstances of every Alliance Shareholder. Alliance Shareholders should seek independent professional advice regarding the taxation consequences of disposing of Alliance Shares in the light of their own particular circumstances.

### **6.2 Australian resident Alliance Shareholders**

If you accept the Offer, your disposal of your Alliance Shares will be a capital gains tax (**CGT**) event for CGT purposes.

In general, you should realise a capital gain on your Alliance Shares if the proceeds you receive (i.e. the cash consideration received from Gandel Metals) exceeds your cost base for your Alliance Shares. The cost base of your Alliance Shares is generally your cost of acquisition or deemed cost of acquisition. Your cost base may include amounts associated with acquisition and disposal, such as brokerage or stamp duty. For some shareholders the cost base may have been reduced by previous capital returns made on 28 October 2015 and/or 30 November 2016.

In general, you should realise a capital loss on your Alliance Shares if the proceeds you receive (i.e. the cash consideration received from Gandel Metals) is less than your reduced cost base of your Alliance Shares.

You are encouraged to speak to your tax advisor to confirm the cost base of your Alliance Shares.

You must include any net capital gain you derive in your income tax return. Your net capital gain is calculated by taking your gross capital gain, subtracting your capital losses in that year or carried forward from previous years, and applying any other concessions or discounts.

An Alliance Shareholder who is an individual, complying superannuation fund or trustee of a trust may be eligible for a 'CGT Discount' if they acquired (or are deemed to have acquired) their Alliance Shares at least 12 months before the time they accept the Offer. Broadly, the discount is 50% for individuals and trusts, and 33.3% for complying superannuation funds.

The CGT Discount is not available to companies, nor does it apply to Alliance Shares owned (or deemed to be owned) for less than the relevant 12 month period.

### 6.3 Non-resident Alliance Shareholders

Alliance Shareholders who are not resident in Australia for tax purposes should also consider the tax consequences under the laws of their country of residence, Australian law, and any applicable tax treaty. In Australia, the CGT rules only apply to non-residents of Australia in relation to 'taxable Australian property'.

Your Alliance Shares will only constitute as taxable Australian property if Alliance passes the principal asset test, and you have a non-portfolio interest in Alliance.

Broadly, the principal asset test is passed if the total market value of Alliance's Australian real property is more than the market value of its other assets. This requires a detailed calculation.

You will have a non-portfolio interest in Alliance if your total Alliance Shares (and any Alliance Shares held by your associates) represents at least 10% of the total shares, voting rights, or distributions rights in Alliance.

If you, together with your associates, hold 10% or more of the total shares or voting rights in Alliance, and you are not an Australian resident for tax purposes, you should seek advice from your taxation adviser.

You should also seek advice on the tax consequences of accepting the Offer in your country of residence.

### 6.4 Stamp duty and GST

Any stamp duty payable pursuant to the Offer will be the liability of Gandel Metals and will be paid by Gandel Metals. Alliance Shareholders may be charged GST on costs (such as advisor fees) that relate to their acceptance of the Offer. Alliance Shareholders may be entitled to input tax credits for such costs, but should seek independent advice in relation to their individual circumstances.

## 7. Information on Alliance Shares

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### 7.1 Alliance capital structure

As at the date of this Bidder's Statement, there are 234,019,703 Alliance Shares on issue.

### 7.2 Alliance Share trading

In the four months prior to the date of this Bidder's Statement:

- (a) Gandel Metals acquired 11,219,815 Alliance Shares at \$0.13 per share on 11 March 2022 under the Entitlement Offer announced to ASX on 2 February 2022; and
- (b) Abbotsleigh acquired 7,548,273 Alliance Shares at \$0.13 per share on the same date under the same Entitlement Offer.

In the six months prior to the Announcement Date, the highest closing price and lowest closing price of Alliance Shares traded on ASX were as follows:

- (a) High: \$0.19
- (b) Low: \$0.125.



### 7.3 **Gandel Metals and its Associates' interests in Alliance**

At the date of this Bidder's Statement:

- (a) Gandel Metals has a relevant interest in 100,978,331 Alliance Shares because it is the registered holder of 100,978,331 Alliance Shares, and therefore has Voting Power in Alliance of 43.15%;
- (b) Abbotsleigh has a relevant interest in 168,912,782 Alliance Shares because it is the registered holder of 67,934,451 Alliance Shares and it also controls Gandel Metals, and therefore has Voting Power in Alliance of 72.18%;
- (c) Mr Ian Gandel has a relevant interest in 168,912,782 Alliance Shares because, although he is not a registered holder of any Alliance Shares, he controls Abbotsleigh, and therefore has Voting Power in Alliance of 72.18%.

## 8. **Other material information**

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### 8.1 **No collateral benefits**

Neither Gandel Metals nor any of its Associates has, during the period of four months ending on the day immediately before the date of this Bidder's Statement, given, or offered or agreed to give, a benefit to another person likely to induce the other person, or an Associate, to:

- (a) accept the Offer; or
- (b) dispose of Alliance Shares,

which benefit was not offered to all Alliance Shareholders under the Offer.

### 8.2 **No escalation agreements**

Neither Gandel Metals nor any Associate of Gandel Metals has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

### 8.3 **No dealings in Alliance Shares**

Other than as described in Section 7.2 above, in the four months prior to the date of this Bidder's Statement, neither Gandel Metals nor any of its Associates has dealt in any Alliance Shares.

### 8.4 **Material contracts**

Gandel Metals is not aware of the terms of any contracts to which Alliance or any of its controlled entities are a party that contain provisions entitling the contract counterparty to terminate the contract in the event of a change of control of Alliance.

Gandel Metals has not engaged in any discussions with any party with whom Alliance or a controlled entity of Alliance has a substantive contract for the provision of goods or services to assess the impact of a change of control of Alliance on any contract.

### 8.5 **Regulatory approvals**

There are no regulatory approvals that Gandel Metals needs to obtain before acquiring Alliance Shares before or under the Offer.

## 8.6 Consents

Gadens Lawyers (**Gadens**) has given, and before lodgement of this Bidder's Statement has not withdrawn, its written consent to be named as legal advisor to the Offer in the form and context in which it is named.

Gadens:

- (a) has not authorised or caused the issue of the Bidder's Statement;
- (b) does not make, or purport to make, any statement in this Bidder's Statement other than as specified in this Section;
- (c) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding and takes no responsibility for, any part of this Bidder's Statement other than the reference to its name and the statements (if any) included in this Bidder's Statement with the consent of that party as specified in this Section.

## 8.7 Date for determining holders of Alliance Shares

For the purposes of section 633 of the Corporations Act, Gandel Metals is making an offer in the form of this Offer to each holder of Alliance Shares registered in the register of members of Alliance at the Register Date.

The Offer also extends to Alliance Shares that come to be in the bid class during the period from the Register Date to the end of the Offer Period, due to the exercise of options.

## 8.8 Potential for waiver of Defeating Conditions

The Offer is subject to two defeating conditions – the 90% Condition and the Prescribed Occurrences Condition.

Under the terms of the Offer and the Corporations Act, one or both of those Conditions may be waived by Gandel Metals. The Conditions can be waived by giving notice to Alliance and ASX within the following time frames:

- (a) for the 90% Condition—not less than 7 days before the end of the Offer Period; or
- (b) for the Prescribed Occurrences Condition—not later than 3 business days after the end of the Offer Period.

If an event occurs which results (or would result) in the non-fulfilment of one or both of the Conditions, Gandel Metals might not make a decision as to whether it will either rely on that non-fulfilment, or instead waive the Condition, until the date for giving notice as to the status of one or both of the Conditions of the Offer under section 630(3) of the Corporations Act.

If Gandel Metals decides that it will waive one or both of the Conditions, it will give notice to Alliance and announce that decision to ASX in accordance with section 650F of the Corporations Act. If one or both of the Conditions are not fulfilled, and Gandel Metals decides to rely on the non-fulfilment, then any contract resulting from acceptance of the Offer will become void at (or, in some cases, shortly after) the end of the Offer Period, and the relevant Alliance Shares will be returned to the holder.

## 8.9 Status and effect of the Prescribed Occurrences Condition

As at the date of this Bidder's Statement, Gandel Metals is not aware of any events or circumstances which would result in the non-fulfilment of the Prescribed Occurrences Condition in Section 9.7.

#### 8.10 ASIC modifications and exemptions

ASIC has published various class orders and legislative instruments providing for modifications and exemptions that apply generally to all persons, including Gandel Metals.

#### 8.11 On-market acquisitions by Gandel Metals during bid period

None of Gandel Metals, Abbotsleigh or Mr Ian Gandel intend to acquire any Alliance Shares on market from the date of the Bidder's Statement to the end of the Offer Period.

Alliance Shareholders may sell their Alliance Shares on the ASX. Alliance Shareholders who sell their Alliance Shares on the ASX will receive payment from their Broker. Settlement of trades on the ASX is on a T+2 basis (being two business days after the date of the transaction).

Alliance Shareholders who sell Alliance Shares on the ASX cannot subsequently accept the Offer in respect of their Alliance Shares sold on the ASX. In addition, Alliance Shareholders who sell Alliance Shares on the ASX may incur brokerage charges which they may not incur if they accept the Offer.

#### 8.12 Other material information

There is no other information material to the making of a decision by an offeree (other than information for which there is no reasonable basis) whether or not to accept an Offer (being information that is known to Gandel Metals and has not previously been disclosed to the holders of Alliance Shares) other than as disclosed in this Bidder's Statement.

#### 8.13 ASIC modifications and exemptions

This Bidder's Statement includes or is accompanied by statements that are made in, or based on, statements made in documents lodged with ASIC or ASX. Under the terms of ASIC Class Order 13/521, the parties making those statements are not required to consent to, and have not consented to, the inclusion of those statements in this Bidder's Statement. A list of all such documents is set out in Section 3.8.

In accordance with your right to obtain a copy of the above documents free of charge under ASIC Class Order 13/521, please contact Gandel Metals on (03) 9697 9000.

Gandel Metals has not obtained from ASIC any modifications or exemptions from the Corporations Act in relation to the Offer.

#### 8.14 Costs and expenses

All costs and expenses of the preparation and circulation of this Bidder's Statement and the Offer, and all transfer duty payable on transfer of your Alliance Shares will be paid by Gandel Metals.

### 9. Offer Terms

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#### 9.1 Gandel Metals' Offer

- (a) Gandel Metals offers to acquire all of your Alliance Shares on the terms and conditions of this Offer. You may accept this Offer in respect of all of your Alliance Shares (but not a lesser number).
- (b) The consideration being offered by Gandel Metals is \$0.18 for every Alliance Share you own.

- (c) If you accept this Offer and Gandel Metals acquires your Alliance Shares, Gandel Metals is also entitled to any Rights in respect of your Alliance Shares.

## 9.2 Offer Period

Unless withdrawn, this Offer remains open for acceptance during the period commencing on the date of this Offer and ending at 7pm (AEST) on 6 June 2022, subject to any extension of that period in accordance with the Corporations Act.

## 9.3 Who may accept

- (a) An offer in the form of this Offer is being made to:
  - (i) each holder of Alliance Shares registered, or entitled to be registered, in the register of members of Alliance on the Register Date; and
  - (ii) each other holder of Alliance Shares who becomes so registered before the end of the Offer Period.
- (b) If at the time this Offer is made to you another person is, or at any time during the Offer Period and before this Offer is accepted becomes, the holder of, or entitled to be registered as the holder of, some or all of your Alliance Shares (transferred shares), Gandel Metals is deemed, in place of this Offer, to have made at that time a corresponding Offer on the same terms and conditions:
  - (i) to the other person, relating to the transferred shares; and
  - (ii) to you, relating to your Alliance Shares other than the transferred shares (if any).
- (c) If at any time during the Offer Period and before this Offer is accepted, you hold your Alliance Shares in two or more distinct portions (for example, you hold some as trustee, nominee or otherwise on account of another person) within the meaning of section 653B of the Corporations Act:
  - (i) this Offer is deemed to consist of a separate corresponding Offer to you in relation to each distinct portion of your Alliance Shares;
  - (ii) to accept any of those corresponding Offers, you must specify:
    - (A) by written notice accompanying your Acceptance Form; or
    - (B) if the notice relates to Alliance Shares in a CHESS Holding, in an electronic form approved by the ASX Settlement Operating Rules,  
  
that your Alliance Shares consist of distinct portions and the number of the Alliance Shares to which the acceptance relates; and
  - (iii) otherwise, section 653B of the Corporations Act applies to this Offer in respect of your Alliance Shares and any acceptance of this Offer by you.

## 9.4 How to accept this Offer

- (a) You may only accept this Offer in respect of all of your Alliance Shares.
- (b) You may only accept this Offer during the Offer Period.
- (c) If your Alliance Shares are held in a CHESS Holding, you can only accept this Offer in accordance with the ASX Settlement Operating Rules.

- (d) To accept this Offer, you should proceed as follows:
- (i) you may complete and sign the Acceptance Form in accordance with the instructions on the Acceptance Form and return it (together with any documents required by the instructions on it), so that the envelope in which they are sent is received by Gandel Metals in accordance with the Acceptance Form before the end of the Offer Period; or
  - (ii) if your Alliance Shares are held in a CHESSE Holding (as an alternative to completing the Acceptance Form) you may either:
    - (A) instruct your Controlling Participant to initiate acceptance of the Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period; or
    - (B) if you are a Broker or an ASX Settlement Participant, initiate acceptance of the Offer in accordance with the requirements of the ASX Settlement Operating Rules before the end of the Offer Period.

#### 9.5 Effect of acceptance

- (a) By accepting the Offer in accordance with Section 9.4, you will have:
- (i) accepted this Offer in respect of all of your Alliance Shares;
  - (ii) agreed to transfer all of your Alliance Shares to Gandel Metals (subject to this Offer and the contract resulting from your acceptance of it becoming unconditional);
  - (iii) represented and warranted to Gandel Metals that your Alliance Shares will at the time of acceptance of this Offer and at the time of their transfer to Gandel Metals be fully paid up and that Gandel Metals will acquire good title to and beneficial ownership of your Alliance Shares free from all Encumbrances and other adverse third party interests of any kind;
  - (iv) on the Offer or the contract resulting from your acceptance of the Offer becoming unconditional, irrevocably appointed Gandel Metals and each of its director, secretary and officers severally as your attorney to do all things which you could lawfully do in relation to your Alliance Shares or in exercise of any right derived from the holding of such Alliance Shares, including without limitation:
    - (A) attending and voting at any general meeting of Alliance;
    - (B) notifying Alliance that your address in the records of Alliance for all purposes including the dispatch of notices of meeting, annual reports and dividends should be altered to an address nominated by Gandel Metals; and
    - (C) doing all things incidental and ancillary to any of the above.

This appointment terminates on the registration of Gandel Metals as the registered holder of your Alliance Shares.

Gandel Metals must indemnify you and keep you indemnified in respect of all costs, expenses and obligations which might otherwise be incurred or undertaken as a result of the exercise by an attorney of any powers under this Section 9.5;

- (v) agreed that in exercising the powers conferred by the power of attorney under Section 9.5 the attorney may act in the interests of Gandel Metals as the intended registered holder and beneficial holder of those Alliance Shares;
  - (vi) agreed not to attend or vote in person at any general meeting of Alliance or to exercise or purport to exercise any of the powers conferred on an attorney under Section 9.5;
  - (vii) represented and warranted to Gandel Metals that the making of the Offer to you and your acceptance of this Offer is lawful under any Foreign Law which applies to you, to the making of this Offer or to your acceptance of this Offer;
  - (viii) agreed to indemnify Gandel Metals and Alliance fully in respect of any claim, demand, action, suit or proceeding made or brought against Alliance and any loss, expense, damage or liability whatsoever suffered or incurred by Gandel Metals or Alliance or both Gandel Metals and Alliance, in each case as a result of any representation or warranty made by you not being true; and
  - (ix) irrevocably authorised and directed Alliance to pay to Gandel Metals or to account to Gandel Metals for all dividends and other distributions and entitlements which are declared, paid or made or which arise or accrue after the date of this Offer in respect of the Alliance Shares which Gandel Metals acquires pursuant to this Offer, subject to your acceptance of this Offer being validly withdrawn pursuant to section 650E of the Corporations Act or the contract resulting from that acceptance becoming void, to Gandel Metals accounting to you for any such dividends, distributions and entitlements received by it.
- (b) By completing, signing and returning the Acceptance Form, you will also have:
- (i) authorised Gandel Metals and each of its director, secretary, officers, servants and agents severally to complete the Acceptance Form by correcting any errors in or omissions from the Acceptance Form as may be necessary for either or both of the following purposes:
    - (A) to make the Acceptance Form an effectual acceptance of this Offer; and
    - (B) to enable registration of the transfer to Gandel Metals of your Alliance Shares; and
  - (ii) authorised Gandel Metals and each of its director, secretary, officers, servants, and agents severally on your behalf to initiate acceptance or instruct your Controlling Participant to initiate acceptance in accordance with Rule 14.14 of the ASX Settlement Operating Rules.
- (c) Gandel Metals may at any time in its absolute discretion:
- (i) treat the receipt by it of an Acceptance Form during the Offer Period as a valid acceptance in respect of your Alliance Shares even if a requirement for acceptance has not been complied with; and
  - (ii) where you have satisfied the requirements for acceptance in respect of only some of your Alliance Shares, treat the acceptance as a valid acceptance only in respect of those Alliance Shares.

- (d) In respect of any part of an acceptance treated by Gandel Metals as valid, Gandel Metals must provide you with the relevant Cash Consideration in accordance with Section 9.6.

## 9.6 Consideration for your Alliance Shares

- (a) The obligation of Gandel Metals to pay to you the amount which you are entitled as Cash Consideration under the Offer will be satisfied by Gandel Metals either:
  - (i) dispatching or procuring the dispatch to you a cheque made payable to you by pre-paid ordinary mail or, in the case of addresses outside Australia, by pre-paid airmail, to your address as shown on the Register (or such other address as you may notify in writing to Gandel Metals); or
  - (ii) if Gandel Metals is able to arrange for payment by electronic funds transfer (EFT) by Gandel Metal's chosen bid administration service provider—arranging for payment by EFT.
- (b) Subject to Section 9.6(c) of this Offer, if the contract resulting from your acceptance of this Offer becomes unconditional, Gandel Metals will provide the cash consideration to which you are entitled on acceptance of this Offer on or before the earlier of:
  - (i) one month after the date this Offer is validly accepted by you or, if this Offer is subject to a Condition when accepted, within one month after this Offer or the contract resulting from your acceptance of this Offer becomes unconditional; and
  - (ii) 21 days after the end of the Offer Period.

Under no circumstances will interest be paid on the consideration for the accepted Shares under this Offer, regardless of any delay in making payment or any extension of this Offer.

- (c) Where the Acceptance Form requires an additional document to be given with your acceptance (such as the necessary transfer documents or a power of attorney):
  - (i) if the document is given with your acceptance, Gandel Metals will provide the consideration in accordance with paragraph (b);
  - (ii) if the document is given after your acceptance and before the end of the Offer Period and the Offer is subject to a Condition at the time Gandel Metals is given the document, Gandel Metals will provide the consideration by the end of whichever of the following periods ends earlier: (A) one month after the contract resulting from your acceptance of this Offer becomes unconditional; or (B) 21 days after the end of the Offer Period;
  - (iii) if the document is given after your acceptance and before the end of the Offer Period and the Offer is unconditional at the time Gandel Metals is given the document, Gandel Metals will provide the consideration by the end of whichever of the following periods ends earlier: (A) one month after Gandel Metals is given the document; or (B) 21 days after the end of the Offer Period; or
  - (iv) if the document is given after the end of the Offer Period, Gandel Metals will provide the consideration as follows: (A) if at the time Gandel Metals is given the document the contract resulting from your acceptance of this Offer is unconditional—within 21 days after the document is given; or (B) if at the time Gandel Metals is given the document the contract resulting from your acceptance of this Offer is subject only to the Prescribed Occurrence

Condition—within 21 days after the contract resulting from your acceptance of this Offer becomes unconditional.

- (d) If Gandel Metals becomes entitled to any Rights as a result of your acceptance of this Offer, it may require you to give Gandel Metals all documents necessary to vest those Rights in Gandel Metals or otherwise to give Gandel Metals the benefit or value of those Rights. If you do not give those documents to Gandel Metals, or if you have received the benefit of those Rights, then Gandel Metals may reduce the total amount of cash consideration to which you are otherwise entitled under this Offer by the amount (or value, as reasonably assessed by Gandel Metals) of those Rights. For the avoidance of doubt, Gandel Metals will not be entitled to deduct the value of any franking credits attaching to any dividends or capital distributions declared or paid by Alliance.
- (e) If, at the time of acceptance of this Offer, any consent, authority or clearance of the Reserve Bank of Australia and/or the Australian Taxation Office is required for you to receive any consideration under this Offer or you are resident in or a resident of a place to which, or you are a person to whom:
- (i) the *Banking (Foreign Exchange) Regulations 1959* (Cth);
  - (ii) Part 4 of the Charter of the *United Nations Act 1945* (Cth);
  - (iii) the Charter of the *United Nations (Dealing with Assets) Regulations 2008* (Cth);
  - (iv) Part 9 of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth);
  - (v) any other regulations made under Part 4 of the Charter of the *United Nations Act 1945* (Cth); or
  - (vi) any other law of Australia that would make it unlawful for Gandel Metals to provide Consideration for your Alliance Shares,

applies, then acceptance of this Offer will not create or transfer to you any right (contractual or contingent) to receive (and you will not be entitled to receive) any consideration under this Offer unless and until all requisite consents, authorities or clearances have been obtained.

## 9.7 Prescribed Occurrences Condition

- (a) This Offer and the contract that results from acceptance of this Offer are each subject to the satisfaction of the following condition (in addition to the 90% Condition):

**No Prescribed Occurrences:** none of the following events occur during the period commencing on the Announcement Date and ending on the expiry of the Offer Period (each being a separate condition):

- (i) Alliance converting all or any of the Alliance Shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- (ii) Alliance or any of its Subsidiaries resolving to reduce its share capital in any way;
- (iii) Alliance or any of its Subsidiaries entering into a buyback agreement or resolving to approve the terms of a buyback agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Alliance or any of its Subsidiaries:



- (A) issuing Alliance Shares (other than Alliance Shares issued as a result of the exercise of Alliance Options, or issued under the Entitlement Offer);
- (B) granting an option over Alliance Shares; or
- (C) agreeing to make such an issue or grant such an option;
- (v) Alliance or any of its Subsidiaries issuing, or agreeing to issue, convertible notes;
- (vi) Alliance or any of its Subsidiaries disposing or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Alliance or any of its Subsidiaries granting, or agreeing to grant, a Security Interest in the whole, or a substantial part, of its business or property;
- (viii) Alliance or any of its Subsidiaries resolving that it be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of Alliance or any of its Subsidiaries;
- (x) the making of an order by a court for the winding up of Alliance or any of its Subsidiaries;
- (xi) an administrator of Alliance or any of its Subsidiaries being appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Alliance or any of its Subsidiaries executing a deed of company arrangement; or
- (xiii) the appointment of a receiver, receiver and manager, other controller (as defined in the Corporations Act) or similar official in relation to the whole, or a substantial part, of the property of Alliance or any of its Subsidiaries.

**(Condition)**

- (b) Each paragraph of Section 9.7(a):
  - (i) is and must be construed as a separate condition; and
  - (ii) subject to the Corporations Act, operates only for the benefit of Gandel Metals and any non-fulfilment of such condition may be relied upon only by Gandel Metals which may waive (generally or in respect of a particular event) the non-fulfilment of that Condition.
- (c) The Condition does not prevent a contract to sell your Alliance Shares resulting from your acceptance of this Offer but non-fulfilment of the condition at the end of the Offer Period will have the consequences set out in this Section 9.7.
- (d) Where an event occurs that would mean at the time the event occurs the Condition to which this Offer or the contract resulting from your acceptance of this Offer is then subject would not be fulfilled, each paragraph of the Condition in this Section 9.7(a) affected by that event becomes two separate Conditions on identical terms except that:
  - (i) one of them relates solely to that event; and
  - (ii) the other specifically excludes that event.

Gandel Metals may declare the Offer free under Section 9.7(a) from any paragraph of the Condition without declaring it free from the other paragraphs and may do so at different times.

- (e) Subject to the Corporations Act, Gandel Metals may declare this Offer and any contract resulting from acceptance of this Offer free from the Condition by giving written notice to Alliance not later than three business days after the end of the Offer Period.
- (f) The date for giving the notice on the status of the Condition as required by section 630(1) of the Corporations Act is 27 May 2022 (subject to extension in accordance with the Corporations Act) if the Offer Period is extended.
- (g) Your acceptance or the contract resulting from your acceptance of this Offer is void if:
  - (i) at the end of the Offer Period the Condition in Section 9.7 is not fulfilled; and
  - (ii) Gandel Metals has not declared this Offer and any contract resulting from the acceptance of it free of the Condition in accordance with Section 9.7(e).

#### **9.8 Withdrawal of Offers**

- (a) This Offer, if not previously accepted, may be withdrawn by Gandel Metals, but only with ASIC's written consent (which consent may be given subject to any conditions which may be imposed by ASIC).
- (b) Subject to ASIC's consent (and any conditions imposed by ASIC), withdrawal of this Offer may be effected by written notice from Gandel Metals given to Alliance.
- (c) Subject to any conditions imposed by ASIC on its consent, where Gandel Metals withdraws this Offer, if not previously accepted, automatically becomes incapable of acceptance.

#### **9.9 Variation**

Gandel Metals may vary this Offer in accordance with the Corporations Act.

#### **9.10 Stamp duty**

Gandel Metals must pay all stamp duty payable on the transfer of your Alliance Shares to it if you accept this Offer.

#### **9.11 Governing law**

This Offer and any contract that results from your acceptance of this Offer is governed by the laws in force in Victoria.

### **10. Definitions and interpretation**

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#### **10.1 Definitions**

The following defined terms are used throughout this Bidder's Statement unless the context otherwise requires. These terms are used throughout this Bidder's Statement.

**\$ or c** means Australian dollars or cents.

**90% Condition** means a condition of the Offer that, at or before the end of the Offer Period, Gandel Metals and its Associates have a relevant interest in at least 90% of the Alliance Shares on issue.

**Abbotsleigh** means Abbotsleigh Proprietary Limited (ACN 005 612 377).

**Acceptance Form** means the acceptance form for the Offer accompanying this Bidder's Statement.

**Alliance or Alliance Resources** means Alliance Resources Limited (ACN 063 293 336).

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

**Alliance Shareholder** means a registered holder of Alliance Shares.

**Announcement Date** means 22 February 2022.

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

**Associate** has the same meaning given to that term in section 9 of the Corporations Act.

**ASX** means ASX Limited (ACN 008 624 691) or the market it administers being Australian Securities Exchange (as the context requires).

**ASX Settlement** means ASX Settlement Pty Limited (ACN 008 504 532).

**ASX Settlement Operating Rules** means the operating rules of the settlement facility provided by ASX Settlement.

**Bidder's Statement** means this document, being the statement made by Gandel Metals under Part 6.5 Division 2 of the Corporations Act.

**Broker** means a person who is a share broker and participant in CHESSE.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

**CGT** means capital gains tax.

**CHESSE** means the Clearing House Electronic Subregister System which provides for the electronic transfer, settlement and registration of securities in Australia.

**CHESSE Holding** means a holding of Alliance Shares on the CHESSE subregister of Alliance.

**Class Order** means a Legislative Instrument issued by ASIC to modify or clarify the operation of certain provisions of the Corporations Act, exempt a person from certain provisions of the Corporations Act, or make declarations about a person(s) who is subject to a particular provision of the Corporations Act.

**Condition** means a condition of the Offer.

**Controlled Entity** has the meaning given to that word in the Corporations Act.

**Controlling Participant** has the meaning given in the ASX Settlement Operating Rules.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Encumbrance** means:

- (a) a Security Interest;
- (b) any other interest or arrangement of any kind that in substance secures the payment of money or the performance of an obligation, or that gives a creditor priority over unsecured creditors in relation to any property (including a right to set off or withhold payment of a deposit or other money);
- (c) a right of any person to purchase, occupy or use an asset (including under an option, agreement to purchase or lease);
- (d) any other thing that prevents, restricts or delays the exercise of a right over property, the use of property or the registration of an interest in or dealing with property; or
- (e) an agreement to create anything referred to above or to allow any of them to exist.

**Entitlement Offer** means the non-renounceable pro-rata entitlement offer of new Alliance Shares at an issue price of \$0.13 per new Alliance share on the basis of one new Alliance Share for every eight Alliance shares held on the record date to raise up to a maximum of approximately \$3.38 million, announced to ASX on 2 February 2022.

**Foreign Law** means a law, however arising, or requirement of a regulatory body of a jurisdiction other than Australia.

**Gandel Metals** means Gandel Metals Pty Ltd (ACN 102 347 955).

**Governmental Agency** means any government, semi-government, administrative, fiscal, judicial or regulatory body, department, commission, authority, tribunal, agency or entity.

**GST** means goods and services tax.

**Insolvency Event** means with respect to Alliance or a subsidiary, an event referred to in section 652C(2) of the Corporations Act.

**Issuer Sponsored Holdings** means a holding of Alliance Shares on Alliance's sponsored subregister.

**Listing Rules** means the listing rules of ASX.

**NSX** means National Stock Exchange of Australia Limited (ACN 000 902 063) or the market it administers being the National Stock Exchange (as the context requires).

**Offer** means the offer as set out in this Bidder's Statement (or, if the context so requires, Section 9 of this Bidder's Statement itself) and includes a reference to that offer as varied in accordance with the Corporations Act.

**Offer Period** means the period for which the Offer remains open as set out in Section 9.

**Offer Price** means \$0.18 per Alliance Share.

**Official List** means the official list of entities that ASX has admitted and not removed.

**Official Quotation** means official quotation of a security on a market operated by ASX.

**PPSA** means *Personal Property Securities Act 2009* (Cth).

**PPS Law** means the:

- (a) PPSA and any regulation made at any time under the PPSA, including the PPS Regulations (each as amended from time to time); and

- (b) any amendment made at any time to any other legislation as a consequence of a law or regulation referred to in paragraph (a).

**PPS Regulations** means *Personal Property Securities Regulations 2010* (Cth).

**Prescribed Occurrences** means the events referred to in Section 652C(1) and (2) of the Corporations Act.

**Prescribed Occurrences Condition** means a condition of the Offer that the none of any Prescribed Occurrences happen between the Announcement Date and the end of the Offer Period (each inclusive).

**Register Date** means 9:00 am Melbourne time on 11 April 2022, being the date set by Gandel Metals under section 633(2) of the Corporations Act.

**Relevant Interest** has the meaning given in sections 608 and 609 of the Corporations Act.

**Rights** means all accretions, rights or benefits of whatever kind attaching to or arising from Alliance Shares directly or indirectly after the date of this Bidder's Statement, including, without limitation, all dividends or other distributions and all rights to receive any dividends or other distributions, or to receive or subscribe for shares, stock units, notes, bonds, options or other securities, declared or paid by Alliance or any of its Subsidiaries.

**Security** has the meaning as given in section 92 of the Corporations Act.

**Security Interest** means any:

- (a) **security interest** as defined in the PPS Law;
- (b) security for payment of money, performance of obligations or protection against default (including a mortgage, bill of sale, charge, lien, pledge, trust, power or title retention arrangement, right of set-off, assignment of income, garnishee order or monetary claim and flawed deposit arrangements);
- (c) a thing or preferential interest or arrangement of any kind giving a person priority or preference over claims of other persons or creditors with respect to any property or asset,

and includes any agreement to create any of them or allow them to exist.

**Subsidiary** has the meaning given to that term in section 9 of the Corporations Act.

**Trading Day** has the meaning given in the ASX Listing Rules.

**Voting Power** has the same meaning given to that term in section 610 of the Corporations Act.

## 10.2 Interpretation

In this Bidder's Statement, unless the context requires otherwise:

- (a) a reference to a word includes the singular and the plural of the word and vice versa;
- (b) a reference to a person in this Bidder's Statement or any other document or agreement includes its successors and permitted assigns;
- (c) a reference to a gender includes any gender;

- (d) a reference to an item in a Section, Schedule, Annexure or Appendix is a reference to an item in the section of or schedule, annexure or appendix to this Bidder's Statement and references to this Bidder's Statement include its schedules and any annexures;
- (e) if a word or phrase is defined, then other parts of speech and grammatical forms of that word or phrase have a corresponding meaning;
- (f) a term which refers to a natural person includes a company, a partnership, an association, a corporation, a body corporate, a joint venture or a Governmental Agency;
- (g) headings are included for convenience only and do not affect interpretation;
- (h) a reference to a document or agreement including this Bidder's Statement, includes a reference to that document or agreement as amended, novated, supplemented, varied or replaced from time to time;
- (i) a reference to a thing includes a part of that thing and includes but is not limited to a right;
- (j) the terms included, including and similar expressions when introducing a list of items do not exclude a reference to other items of the same class or genus;
- (k) a reference to a statute or statutory provision includes but is not limited to:
  - (i) a statute or statutory provision which amends, extends, consolidates or replaces the statute or statutory provision;
  - (ii) a statute or statutory provision which has been amended, extended, consolidated or replaced by the statute or statutory provision; and
  - (iii) subordinate legislation made under the statute or statutory provision including but not limited to an order, regulation, or instrument;
- (l) reference to \$, A\$, Australian Dollars or dollars, c or cents is a reference to the lawful tender for the time being and from time to time of the Commonwealth of Australia; and
- (m) a reference to an asset includes all property or title of any nature including but not limited to a business, a right, a revenue and a benefit, whether beneficial, legal or otherwise.

## **11. Approval of Bidder's Statement**

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This Bidder's Statement has been approved by Ian Gandel, the sole Director of Gandel Metals.

**Dated** 4 April 2022

**Signed for and on behalf of Gandel Metals Pty Ltd**



**Ian Gandel**