ASX ANNOUNCEMENT

18 March 2016 ASX Code: AGS

MONARDES PROJECT, CHILE DRILLING RESULTS

Alliance Resources Limited (Alliance) announces that it has received sample analyses from the recently completed reverse circulation (RC) drilling program at the Company's Monardes Project in Chile.

The Monardes Project is located 95km east of Copiapó within the eastern margin of the Jurassic-early Tertiary Monardes basin, adjacent to the Maricunga belt metallogenic province of Atacama Region III, northern Chile.

Ten RC holes were completed for a total of 1,212 metres, targeting copper-uranium mineralisation over a strike length of 1.8 km and down dip within the eastern anomalous unit at Monardes. Refer Table 1 and Figure 1.

Drill platform spacing ranged from 57m to 660m with two holes drilled at different inclination angles from platforms 4 and 7. Hole MRC004 was abandoned after it was diverted by a dyke and missed the target zone. The average drill depth was 121m. The regional strike of the host stratigraphy is approximately N10^{o}E and dipping 80^{o}SE (locally overturned).

Results

Whilst copper (Cu) >100ppm reported in several drill holes (eg. MRC001 17m @ 681ppm Cu from 117m; MRC008 17m @ 569ppm Cu from 52m) all significant results (>1000ppm) are as follows:

MRC001	4m @ 0.18% Cu from 119m including 1m @ 0.33% Cu from 121m
MRC005	1m @ 0.16% Cu from 51m
	2m @ 0.19% Cu from 60m
MRC007	2m @ 0.17% Cu from 39m
MRC008	1m @ 0.53% Cu from 53m
	1m @ 0.18% Cu from 67m

Uranium values were generally below 15ppm U, the highest value of 70ppm U associated with the highest Cu value in drill hole MRC008.

DHID	Pad No.	Easting	Northing	Elev. (m)	Azimuth	Dip	TDepth
MRC001	PAD1	464899	6969800	3652	105	-60	150
MRC002	PAD6	465335	6970803	3719	270	-60	156
MRC003	PAD5	465200	6970746	3696	100	-60	78
MRC004	PAD2	464998	6969811	3690	270	-50	54
MRC005	PAD2	465000	6969812	3690	235	-50	90
MRC006	PAD3	465089	6970145	3712	270	-60	132
MRC007	PAD4	465122	6970422	3736	262	-70	150
MRC008	PAD4	465124	6970424	3736	262	-80	102
MRC009	PAD7	465544	6971464	3815	90	-60	150
MRC010	PAD7	465544	6971463	3815	90	-70	150

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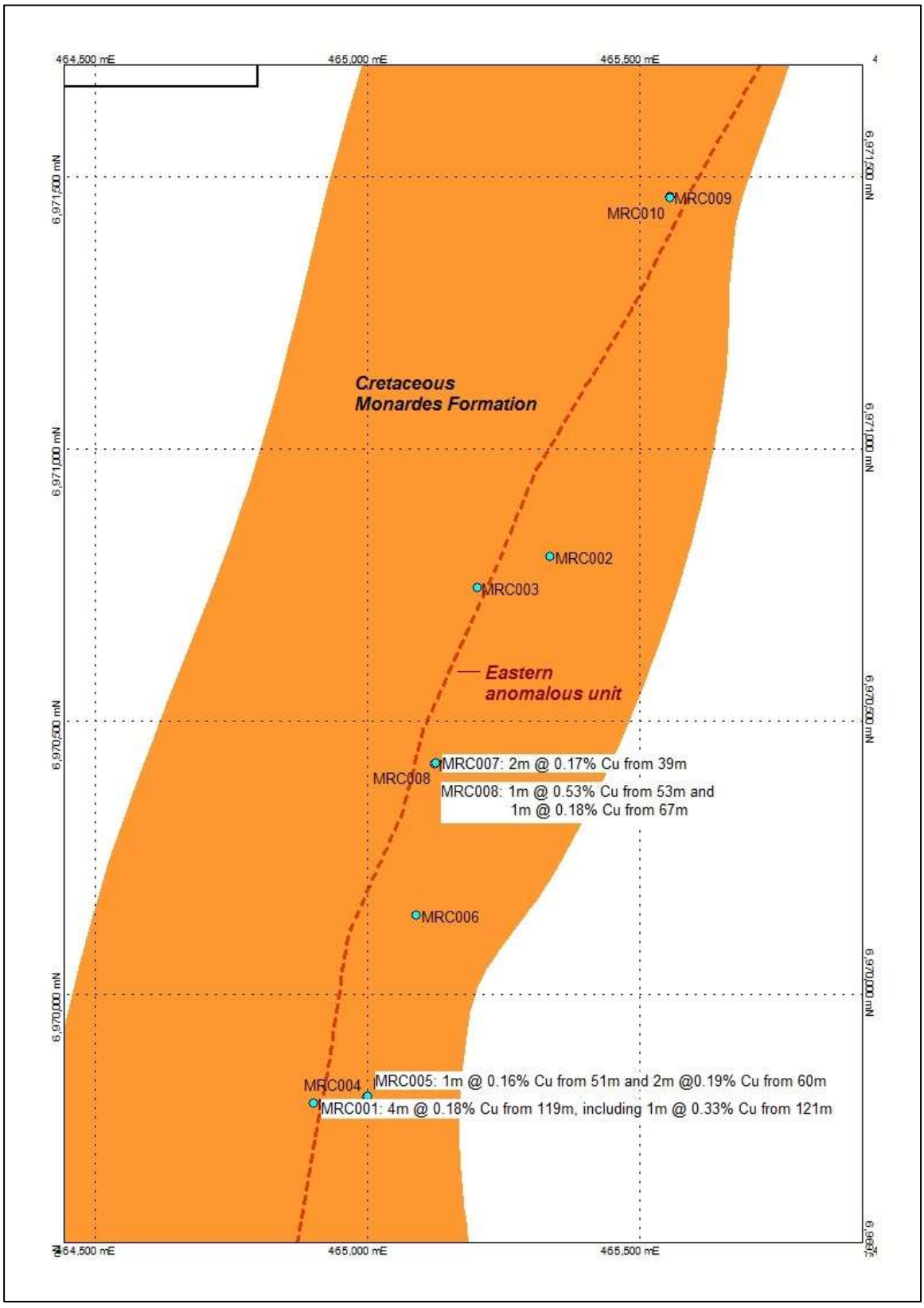

Figure 1. Plan showing the location of RC drill holes in relation to the eastern anomalous target unit of Cu-U mineralisation at surface hosted within a polymict pebble conglomerate.

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Discussion

The Company's aim to test for 'red-bed' copper +/- uranium mineralisation has been partially successful with anomalous Cu reported in 4 out of 10 holes, justifying the geological concept. However, in Alliance's view, the reported Cu grades are too low on average to warrant further work.

Alliance will now reconsider the future of the project over the coming months.

Steve Johnston
Managing Director

For further information about Alliance Resources Ltd, please visit www.allianceresources.com.au

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Andrew Bowden who is a Chartered Geologist and Fellow of the Geological Society of London, a Recognised Overseas Professional Organisation included in a list promulgated by the ASX from time to time and Mr Stephen Johnston who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Bowden and Mr Johnston are officers of Alliance Resources Ltd and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Bowden and Mr Johnston consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

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ANNEXURE: JORC Code, 2012 Edition - Table 1

Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	Nature and quality of sampling (eg. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.	Sampling as follows: (1) by collection of rock cuttings/chips from reverse circulation (RC) drilling; (2) by spectrometer logging using a RS125 handheld spectrometer, and (3) by portable XRF on samples from potentially mineralised zones. Duplicate samples taken every 20m down hole and every 1m over potentially mineralised zones. Individual drill pad spacing ranged from 57 to 660 metres (m) (average 238m) within the eastern copper (Cu) and uranium (U) anomalous unit at the Monardes Project. 10 RC holes were drilled for a total of 1212 m.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Samples were collected from the RC drill riffle splitter by plastic bag at 1m intervals. Spectrometer cps measurements were taken through the sample bag for each 1 metre sample. Samples from zones of potential mineralisation identified by lithology and cps values were further riffle split using a subsidiary splitter to produce two duplicate 2-3kg representative samples (A and B) for each 1m sample. Reject samples from splitting were re-bagged. A scooped sub-sample of approximately 100g from one of the 3kg splits was analysed on site using a portable XRF analyser. The XRF analyser was calibrated each morning and evening and further checked daily against three standards. The second duplicate sample was despatched to the ALS preparation laboratory in Copiapo prior to despatch to ALS Santiago for ME-ICP analysis.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg. 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems, Unusual commodities or mineralisation types (eg. submarine nodules) may warrant disclosure of	RC drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge prior to a 4 acid digestion and ME-ICP61 analysis for Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, Ga, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Se, Sr, Th, Ti, Tl, U, V, W, Zn and aqua regia digestion and FA-AA finish for Au. Aqua regia digestion is considered a partial digestion. If Au > 10ppm then method AU-GRA21 If Cu >1000ppm then run method Cu-OG62

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Criteria	JORC Code explanation	Commentary
	detailed information.	If U > 10,000ppm then run method U-XRF10
Drilling techniques	Drill type (eg. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (eg. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).	RC drilling was undertaken by Araya Hermanos SA of Copiapó using a Driltech D40k drill rig with a 5½" face-sampling bit.
Drill sample recovery	Method recording and assessing core and chip sample recoveries and results assessed.	Sample recoveries were estimated by a geologist and recorded in the log. Recoveries were generally >90%, except for the near-surface samples. No recovery was obtained over a 3m interval from 21m in drill hole MRC008.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	The drill splitter was cleaned before commencement, between rod changes and after completion of each hole to minimise down hole and cross hole contamination. The subsidiary splitter was cleaned before commencement and between each sample to minimise between sample contamination.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	There is no observable relationship between recovery and grade, or preferential bias, in the RC drilling.
Logging	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	Samples were logged by a geologist for downhole depth, recovery, weathering, moisture, colour, lithology, texture, mineralogy, mineralisation and alteration. The level of detail is considered appropriate for future Mineral Resource estimation, however may need to be supplemented by core sample data for geotechnical, mining and metallurgical studies.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	Sample logging is both qualitative (e.g. colour) and quantitative (eg. cps measurement) in nature depending on the feature being logged. A portion of the RC sample cuttings was sieved and washed to provide rock chips for lithological identification. Rock chips from each 1 metre sample were collected in chip trays to provide a lithological record but the chip trays were not routinely photographed.
	The total length and percentage of the relevant intersections logged.	All RC holes were logged in full.
Sub-sampling techniques and sample	If core, whether cut or sawn and whether quarter, half or all core taken.	Not applicable as samples are RC cuttings.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or	Samples were collected from the RC drill splitter by plastic bag at 1m intervals and

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preparation	dry.	further riffle split over potentially mineralised zones to produce two duplicate 2-3kg representative samples. Duplicate samples were also taken at 20m intervals down the drill hole. All samples were dry.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	All samples were sorted by sample number, dried crushed, pulverised to 200 mesh, split to produce a 30g charge prior to digestion and analyses. This is a standard industry method and is considered appropriate.
	Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.	QC procedures included the sampling procedure as described above, the use of field sample duplicates and the use of Certified Reference Materials (CRM). The samples were despatched to the ALS prep. Lab in Copiapó and from there to ALS Santiago for ICP-MS analysis. ALS labs QC included insertion of Reference Materials (standards) and blanks.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	Riffle split RC samples are considered to be representative of the in situ material collected. A sample duplicate was taken every 20 samples down the hole and for every 1 metre sample through potentially mineralised zones. One duplicate sample was analysed in the field using a portable XRF analyser, the other sample was despatched to the ALS laboratory in Copiapo for preparation prior to on despatch to ALS Santiago for ME-ICP analysis.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample sizes are considered to be appropriate to the grain size of the material being sampled.
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	The laboratory procedures, including the analytical technique using a 30g charge with a 4 acid digestion for trace elements and an aqua regia digestion for Au (partial digestion), are considered appropriate for samples where high grade mineralisation is anticipated.
	For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibration factors applied and their deviation, etc.	A portable field spectrometer RS125 was used on site to measure the counts per second (cps) for each 1 metre sample. A reading time of approximately 20 seconds was used to allow for the natural fluctuation in cps to reach a steady state. A portable XRF analyser was used to provide on-site analysis of a 100g sample from duplicate B within the potentially mineralised zone and from the duplicate B samples at 20m intervals down the drill hole. Duplicate A samples were despatched to ALS for

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Criteria	JORC Code explanation	Commentary
		preparation and analysis as described earlier.
	Nature of quality control procedures adopted (eg. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie. lack of bias) and precision have been established.	The Company's geologists inserted one field sample duplicate into the sample sequence per 20 samples. Laboratory QC included insertion of standards and blanks. It is considered that acceptable levels of accuracy have been established.
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel.	Alternative Company geologists have verified the significant results that are listed in this report. It is considered that the Company is using industry standard techniques for sampling, independent laboratories and appropriate QC procedures involving the use of CRMs, replicate samples, standards and blanks on a routine basis.
	The use of twinned holes.	Not applicable.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Primary geological and sampling data were recorded on hard copy and digitally on a field note book by the Company's geologist. These data are copied to an off-site digital database where it is validated by alternative Company geologists and merged with the analyses using establish data base protocols.
	Discuss any adjustment to assay data.	No adjustments were undertaken.
Location of data points	Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other location used in Mineral Resource estimation.	Drill hole collars were located in the horizontal by handheld GPS. Expected horizontal accuracy is +/-4m (95%). Elevation was measured by handheld GPS and compared with elevation sourced from a digital elevation model of the project area using radar altimeter data from a 2014 airborne survey. Expected vertical accuracy is +/-10m (95%)
	Specification of the grid system used.	WGS84, Zone 19S.
	Quality and adequacy of topographic control.	Quality as described above. Topographic control considered adequate for a first pass drilling campaign.
Data spacing and distribution	Data spacing for reporting of Exploration Results.	Individual drill pad spacing ranged from 57m to 660 metres (m) (average 238m). Note that two drill holes were drilled at different angles from the same sites at three drill pads.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedures(s) and classifications applied.	The data spacing and distribution is not sufficient to establish the degree of geological and grade continuity appropriate for a Mineral Resource estimation at this early stage in the exploration of this Project.
	Whether sample compositing has been	No sample compositing has been applied.

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Criteria	JORC Code explanation	Commentary
	applied.	
Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	The regional strike of the host stratigraphy is approximately N10°E and dipping 80°SE (locally overturned) to vertical. 5 of the RC holes have been drilled to the west and 5 to the east to minimise sample bias.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	It is considered that no significant sampling bias has been introduced, as the relationship between the drilling orientation and the orientation of the host stratigraphy is known.
Sample security	The measures taken to ensure sample security.	Samples were systematically numbered and recorded, bagged in labelled polyweave bags and dispatched in batches to the laboratory via Company personnel. The laboratory confirms receipt of all samples on the submission form on arrival. All assay pulps are retained and stored in a Company facility for future reference, if required.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	No audits or reviews of sampling techniques and data have been undertaken.

Section2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	The Monardes project comprises mining concessions Monardes 1-3, 5-9 1/20; Huachi 1/20 located 95km east of Copiapó, Atacama Region III, Chile. Alliance (Chile) Pty Ltd has an option to purchase 100% of the project concessions from Ghiglino Y Compania Ltda. Term 4 years from 2014 with annual payments of US$50K (Yr0 paid), US$50K (Yr1 paid), US$75K (Yr2), US$100K (Yr3) and exercise price US$2.25M (Yr4).
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The concessions are in good standing and there no known impediments to obtaining a licence to operate in the area.
Exploration done by other parties	Acknowledgement and appraisal of exploration by other parties.	Small workings for secondary Cu mineralisation by Ghiglino and Compania Ltda occur within the project area. The nearest applicable modern exploration occurs in adjacent tenements where 11 RC holes were drilled by Mantos Exploration Pty Ltd in 2013 to test stratigraphy and sediment-hosted Cu at six targets, located 4-7km north of the project tenements.
Geology	Deposit type, geological setting and style of	The main target is sediment-hosted Cu-U.

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Criteria	JORC Code explanation	Commentary
	mineralisation.	The Monardes project is located within the eastern margin of the Jurassic-early Tertiary Monardes basin, adjacent to the Maricunga belt metallogenic province of Atacama Region III, Chile. Cu-U mineralisation occurs within the matrix of a pebble-conglomerate striking N10°E and dipping 80°SE (locally overturned) and which is locally associated with a stratigraphically overlying thin laminated carbonate unit and amygdaloidal basalt. The pebble conglomerate which is in a reduced oxidation state lies within the Lower Cretaceous Monardes Formation, comprising, for the most part, an oxidised red-bed sequence of siltstones, sandstones and pebble conglomerates.
Drill hole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: • easting and northing of the drill hole collar; • elevation or RL (reduced Level - elevation above sea level in metres) of the drill hole collar; • dip and azimuth of the hole; • down hole length and interception depth; • hole length. If the exclusion of this information is justified on the basis that the information is not material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	Refer to the body of report for significant results from the RC drilling. Drill hole locations are shown in the body of the announcement as Figure 1. and relevant collar data in the table.
Data aggregation methods	In reporting Exploration results, weighting averaging techniques, maximum and/or minimum grade truncation (eg. cutting of high grades) and cut-off grades are usually material and should be stated.	All reported RC analyses >1m have been averaged using the length-weighted method. No top cuts have been applied. Cut-off grades of 100ppm Cu has been used to report Cu anomalism. For significant Cu values a cut-off grade of 1000ppm Cu was used.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregation should be shown in detail.	Not applicable.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	Not applicable. The minimum sampling interval is 1m.
Relationship between	These relationships are particularly important in	Refer to Table in body of report for geometry of

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Criteria	JORC Code explanation	Commentary
mineralisation widths and intercept lengths	the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg. 'down hole length, true width not known').	targeted host stratigraphy.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Refer to figures in the body of the announcement.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	All Cu (and U) results have been reported above a cut-off grade of 1000ppm Cu.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; bulk samples - size and method of treatment; metallurgical test results; bulk density; groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	The preliminary results of a heliborne radiometric and magnetic survey undertaken in September-October 2014 were reported on 27 October 2014.
Further work	The nature and scale of planned further work (eg. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	No further work is planned.

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