

30 May 2017

ALLIANCE RESOURCES LTD

ASX Code: AGS

ABN: 38 063 293 336

Market Cap: \$9.4 M @ \$0.09

Shares on issue: 104,293,923

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Projects:

Wilcherry JV, SA (51%): gold
and base metals

Nepean South, WA (100%):
nickel-gold

Gundockerta Sth, WA (100%):
nickel-gold

Bogan Gate West, NSW (100%):
gold-base metals

Garema, NSW (100%): gold

Share Registry:

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GROUND MLEM SURVEYS COMMENCE

WILCHERRY PROJECT JOINT VENTURE

The Directors of Alliance Resources Ltd (Alliance) are pleased to announce that ground moving loop electromagnetic (**MLEM**) surveys have commenced to follow up further heli-electromagnetic (**HEM**) conductors at the Wilcherry Project, a Joint Venture between Alliance (51%) and Tyranna Resources Ltd (ASX: TYX) (49%).

A high powered MLEM survey programme has commenced at the first of four targets by Gap Geophysics Australia Pty Ltd to follow-up further first order regional HEM survey conductors identified during the December 2016 survey and which may be prospective for accumulations of massive sulphides.

A total of 22 traverse lines are planned for 34 line km of surveying (353 stations).

Figure 1 provides a location plan for the MLEM survey targets 1, 2, 5 and 6.

The aims of the survey are:

- Follow-up HEM anomalism and confirm the presence of significant bedrock conductors at the target areas; and
- Optimise drill targets in order to test bedrock conductors for economic concentrations of metals.

Preliminary interpretation by Southern Geoscience Consultants has identified 4 first order targets (in addition to Zealous and Telephone Dam), based on how discrete the anomalies appear, strength of the HEM signatures, and clear association or correlation with structure observed in aeromagnetic data.

It should be noted that the HEM survey data is collected at 25Hz base frequency and as such, anomalies defined at late channels can range between weak bedrock conductors to strong bedrock conductors. The strength of the conductors can only be resolved with ground EM follow-up.

Refer to Alliance's ASX announcements dated 21 December 2016 for details of the regional HEM survey and 7 April 2017 for details of the MLEM surveys at the Zealous and Telephone Dam prospects.

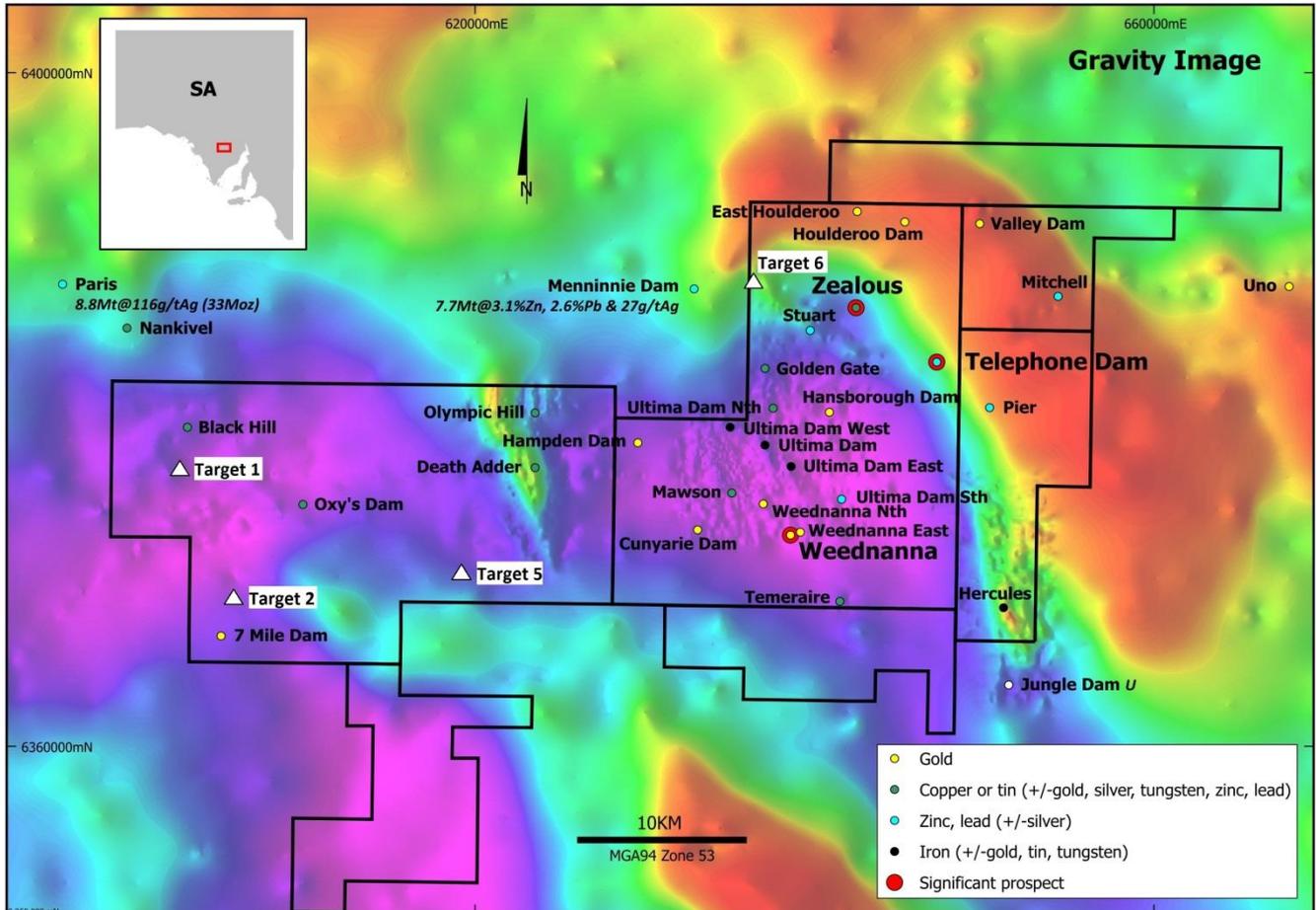


Figure 1 - Wilcherry Project plan showing locations of ground MLEM survey targets on background gravity image.

Steve Johnston
Managing Director

About Alliance

Alliance Resources Ltd (Alliance) is an Australian gold and base metals exploration company with projects in South Australia, Western Australia and New South Wales.

In 2016, Alliance Craton Explorer Pty Ltd (ACE) (a wholly owned subsidiary of Alliance) acquired 51% of the Wilcherry Project in the mineral rich Gawler Craton, South Australia for \$2 million and has entered into a joint venture with Trafford Resources Pty Ltd, a wholly owned subsidiary of Tyranna Resources Ltd (49%). ACE is manager of the joint venture, which controls 1,200 km² of tenements which are prospective for gold and base metals. Priority prospects include: Weednanna (gold), Zealous (tin) and Telephone Dam (zinc-lead-silver).

Alliance also owns 100% of the Nepean South and Gundockerta South projects (gold and nickel) in Western Australia and 100% of the Bogan Gate West and Garema projects (gold and/or base metals) in New South Wales.

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