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## Highly-promising Weednanna sprouts high-grade shoots for Alliance

*Plus, this column's instincts about emerging mineral sands miner Strandline are shaping up as spot on and Stavelly gets to the pointy end of its hunt for a copper-gold porphyry in Victoria*

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Former uranium producer Alliance Resources (AGS) is making a good first of being a gold explorer.

So much so that just 30 months after the start of embarking on its new life as an explorer for the yellow metal, it is likely to publish a maiden resource later this year for its flagship project, the Wilcherry project, 40km north of Kimba in South Australia's Gawler Craton.

Planning for a smallish but high-grade development (something around 25,000-30,000oz annually would not surprise) will follow the maiden resource estimate, meaning Alliance looks set to re-establish its producer credentials in a hurry.

Alliance was once the proud owner of a 25% stake in the Four Mile uranium mine in SA.

But it never got on with the 75% owner and manager, the privately held US defence contractor General Atomics, and traded its stake for \$74m in 2015. Given uranium prices have been smashed in the time being, it was a good call.

So too was Alliance's decision to return \$58.3 million of the proceeds to shareholders, leaving it with more than enough to fund its new direction, as well as take up some strategic investments.

Wilcherry was the main push and has come up trumps. It is a joint venture with Tyranna Resources (TYX) and is structured so that Alliance can earn an 80% interest (it's currently at 61.36%).

The Wilcherry project has been explored for various commodities since the 1970s. Most recently it was explored for magnetite, even though plenty of high-grade gold hits were recorded by past explorers.

Initial work by Alliance has been focused on the Weednanna project where \$2m was spent on exploration last year. Another \$3m is earmarked for this year, mainly for resource definition drilling of four high grade shoots, strung along strike like pearls on a string.

For simplicity purposes, Alliance has dubbed them Target 1, 2, 3, and the newest of the bunch, Target 4. Drilling at the latter returned 15m at 18.2g/tonne gold from 107m, confirming it as a new shoot which is open down plunge, another pearl if you like.

Like the other shoots, the width of the high-grade mineralisation impressed. More discrete high-grade targets remain to be tested within the 1.3km mineralised magnetic skarn and in the granite to the west.

After a share consolidation post the uranium exit, Alliance has (only) 104m shares on issue. So while its shares have been moving up in response to the Weednanna results, its current market cap of \$12m is hardly challenging.

High-grade gold shows don't need to be big to be sweet, particularly for a company of Alliance's size.

Remaining funds held back from the uranium exit mean it is comfortably funded for the next push to make Weednanna a development project rather than an exploration play and to push things along at its West Australian projects.

At Nepean South, 26km south-west of Coolgardie and within spitting distance of the old Nepean nickel mine, an aircore drilling program has just been completed below a gold-in-soil anomaly as a vectoring tool towards a possible primary gold deposit. Results should be back in a month and could be worth watching.

### STRANDLINE RESOURCES

Investors have got behind the mineral sands demand and price recovery story in a big way in the past couple of months, with industry leader Iluka up a handy 48% on its 2017 low.