

5 April 2018

ALLIANCE RESOURCES LTD

ASX: AGS

ABN: 38 063 293 336

Market Cap: \$13M @ \$0.125

Shares on issue: 104,293,923

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Projects:

Wilcherry JV, SA (67.35%): gold and base metals

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

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

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COMMENCEMENT OF HIGH RESOLUTION GRAVITY SURVEY AT WEEDNANNA

Highlights:

- **High-resolution gravity survey commences at Weednanna to assist with mapping favourable rock corridors that host high-grade gold shoots**
- **The survey will provide a powerful targeting tool to help unlock the potential of the Weednanna gold system**

The Board of Alliance Resources Ltd (Alliance) is pleased to announce the commencement of a high-resolution gravity survey at the Weednanna gold prospect, which forms part of the Wilcherry Project Joint Venture between Alliance (67.35%) and Tyranna Resources Ltd (ASX Code: TYX) (32.65%). Wilcherry is located within the southern part of the Gawler Craton in the northern Eyre Peninsula, South Australia and comprises seven exploration licences covering 1,400 km² and is prospective for gold and base metals

A total of 2,550 stations will be surveyed, comprising 1,900 stations using a 25m grid over the central Weednanna area and 600 stations using a 50m grid elsewhere.

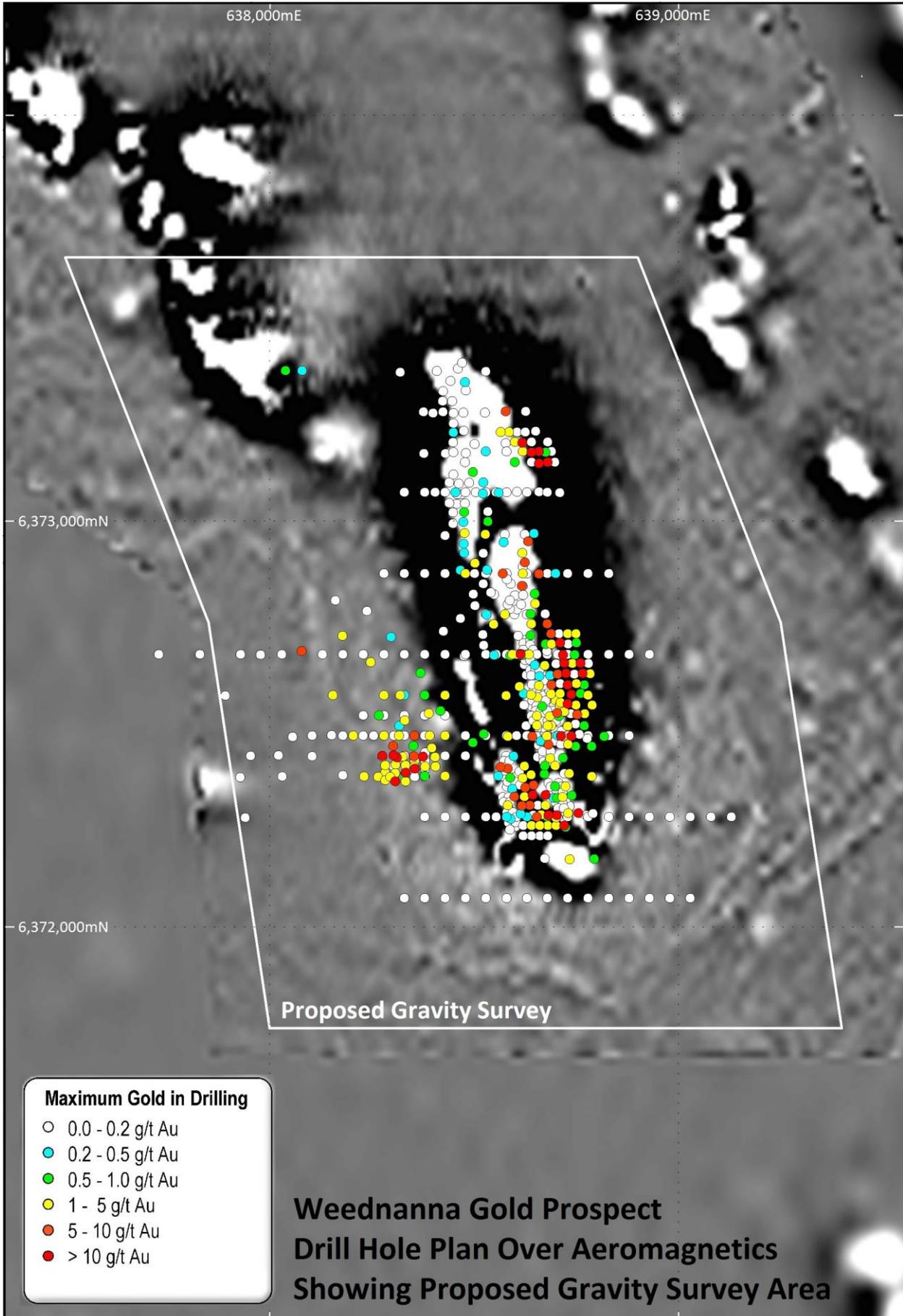
The high-resolution gravity survey at Weednanna and surrounds will assist with mapping the sub-surface geology, particularly the target corridors of calc-silicate and magnetite skarn that host high grade gold shoots. The data will complement the existing airborne magnetic, induced polarisation and drilling datasets at Weednanna and will be utilised for constrained 3D inversion modelling to assist with targeting new gold lodes. The survey is scheduled to take two weeks to complete.

Alliance Resources Managing Director, Steve Johnston explained *“Successful drill results have shown us that this deposit has high potential for economic development with what we’ve discovered so far. This close-spaced gravity survey will provide a powerful targeting tool to help unlock the further potential of the high grade Weednanna gold system.”*

Recent drilling by Alliance from Target 4 at Weednanna returned high grade gold results, including:

- 16m @ 3.2 g/t Au from 84m in 18WDRC003
- 12m @ 10.2 g/t Au from 92m in 18WDRC005, incl. 4m @ 28.1 g/t Au from 96m
- 4m @ 12.4 g/t Au from 52m in 18WDRC006

Refer to Alliance ASX announcement dated 4 April 2018.



Background

Weednanna is the most advanced gold prospect at the Wilcherry Project Joint Venture, where high grade gold shoots are associated with a calc-silicate and magnetite skarn system.

Alliance is systematically re-logging all available RC chips and diamond core from Weednanna with the objectives of identifying structural and lithological controls on the distribution of gold, constructing a 3D geological model of the prospect, and planning further exploration with a view towards defining a mineral resource.

Four drilling programs have been completed at Weednanna during 2017-18 (92 holes for 14,345m), in five areas of discrete historic high grade gold intercepts. These drilling programs have demonstrated that the high grade gold shoots are ovoid to rod-like in geometry and have continuity along strike. Close-spaced drilling is required for accurate definition.

This improved understanding of the mineralisation style at Weednanna is being used to better define the distribution of gold at this prospect.

Steve Johnston
Managing Director

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About Alliance

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

The Company's flagship project is the Wilcherry Project Joint Venture (Alliance 67.35%), located within the southern part of the Gawler Craton in the northern Eyre Peninsula of South Australia. The Project is prospective for gold, iron, tin, copper, zinc, lead and silver.

Competent Person's Statement

The information in this report that relates to the Exploration Results is based on information compiled by Mr Stephen Johnston who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Johnston is a full time employee of Alliance Resources Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Johnston consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.