

9 April 2018

ALLIANCE RESOURCES LTD

ASX: AGS

ABN: 38 063 293 336

Market Cap: \$13M @ \$0.125

Shares on issue: 104,293,923

Principal Office:

Suite 3, 51-55 City Road
Southbank Victoria 3006
AUSTRALIA
Tel: +61 3 9697 9090
Fax: +61 3 9697 9091

Email:

info@allianceresources.com.au

Web:

www.allianceresources.com.au

Projects:

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

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

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

Share Registry:

Computershare Investor
Services
GPO Box 2975
Melbourne Victoria 3001
AUSTRALIA
Tel: 1300 850 505
Fax: +61 3 9473 2500

COMMENCEMENT OF DIAMOND DRILLING ON REGIONAL BASE METALS TARGETS *Wilcherry Project Joint Venture*

Highlights:

- **Diamond drilling for base metals has commenced on the remainder of regional moving loop electromagnetic targets**
- **Drilling to commence HP2 (North), which was previously drilled but abandoned due to broken ground and clay, yet intersected 3m @ 0.4% zinc from 159m to end of hole**

The Board of Alliance Resources Ltd (Alliance) is pleased to announce the commencement of regional diamond drilling for base metals at the Wilcherry Project, a 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.

Managing Director, Steve Johnston, explained: *“Our exploration objectives are twofold, (1) to access the economic potential of the high grade Weednanna gold prospect for development, and (2) to assess the regional potential for base metals. Should we make a base metals discovery, it has the potential to materially and positively impact the Company’s value. In support of this, previous exploration suggests the project is highly prospective for gold, iron, tin, copper, zinc, lead and silver.”*

The drilling program may take up to 12 weeks to complete on single shift, however, initial results are anticipated within 4 weeks from completion of the first hole.

During February, ground moving loop electromagnetic (MLEM) surveys were completed over the last of the heli-electromagnetic (HEM) target areas to better define those HEM conductors.

Fourteen MLEM targets were defined as follows:

- Eight targets were RC drilled for 1,256 metres during February and March (results awaited), and
- Six are planned to be drilled using a multipurpose rig capable of rotary mud precollars and triple tube diamond core tails for 1,960 metres.

In addition to the drilling above, hole 17EMRC006 at HP2 (North), drilled in late 2017, was abandoned at 162m due to broken ground and clay, yet intersected 3m @ 0.4% zinc from 159m to end of hole. Refer to Alliance ASX announcement dated 30 November 2017.

The diamond drilling will commence at MLEM target HP2 (North) in the western part of the project area to test the zinc mineralisation, then move to HP2 (South) and the remainder of the MLEM targets. Refer to Figure 1.

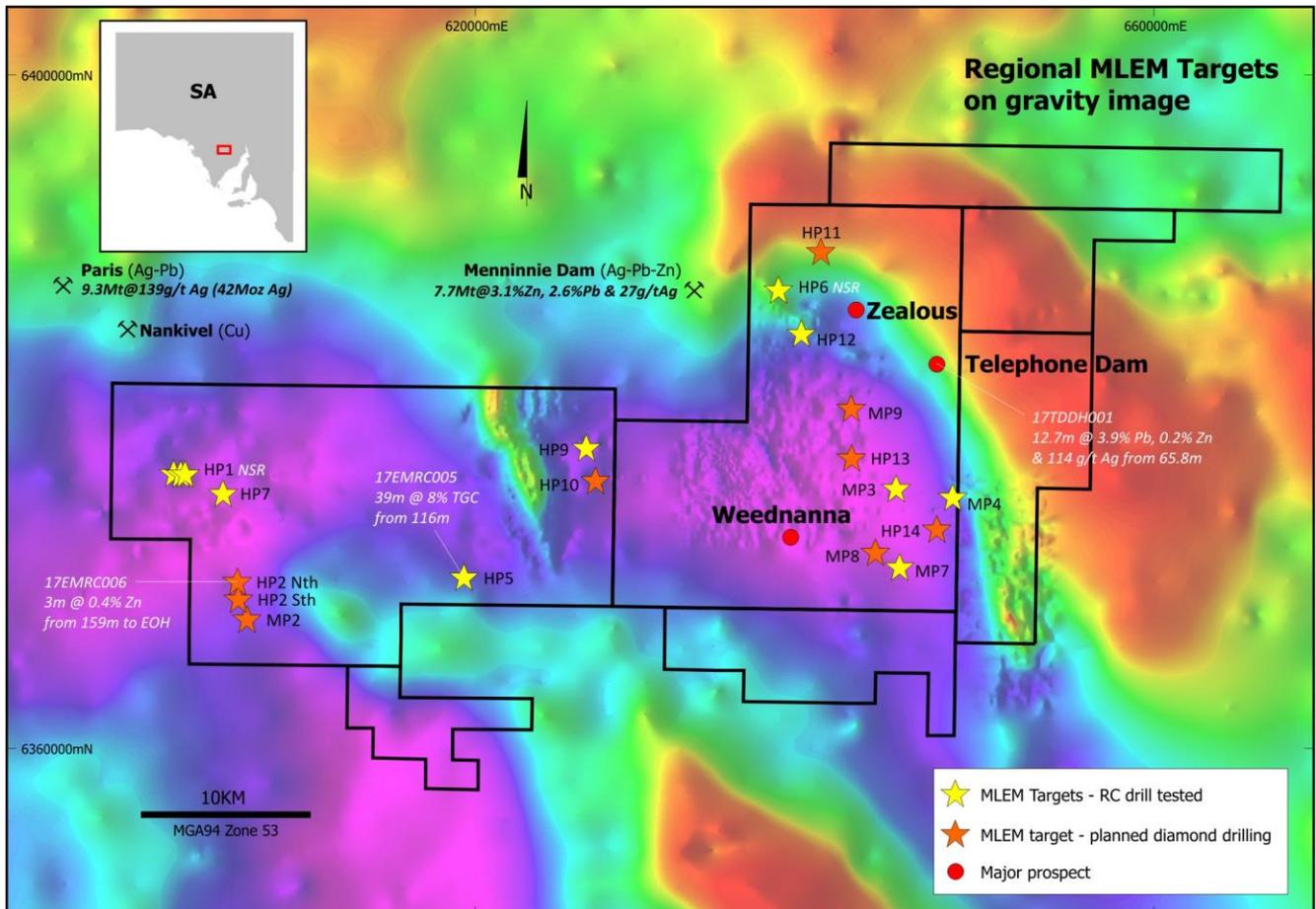


Figure 1: Regional MLEM Targets on Gravity Image

Steve Johnston
Managing Director

Peter Taylor
Investor Relations
0412 036 231
peter@nwrcommunications.com.au

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.