

26 April 2018

ALLIANCE RESOURCES LTD

ASX: AGS

ABN: 38 063 293 336

Market Cap: \$11.5M @ \$0.11

Shares on issue: 104,293,923

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Projects:

Wilcherry JV, SA (71.09%): gold and base metals

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

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

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COMPLETION OF HIGH RESOLUTION GRAVITY SURVEY AT WEEDNANNA

Highlights:

- **High-resolution gravity survey at Weednanna Gold Prospect complete**
- **Preliminary imaging indicates NW-SE trending structures, including a prominent structure on which Target 1 is located**
- **Combined with the existing geophysical datasets, the gravity data 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 completion of a high-resolution gravity survey at the Weednanna gold prospect, which forms part of the Wilcherry Project Joint Venture between Alliance (71.09%) and Tyranna Resources Ltd (ASX Code: TYX) (28.91%).

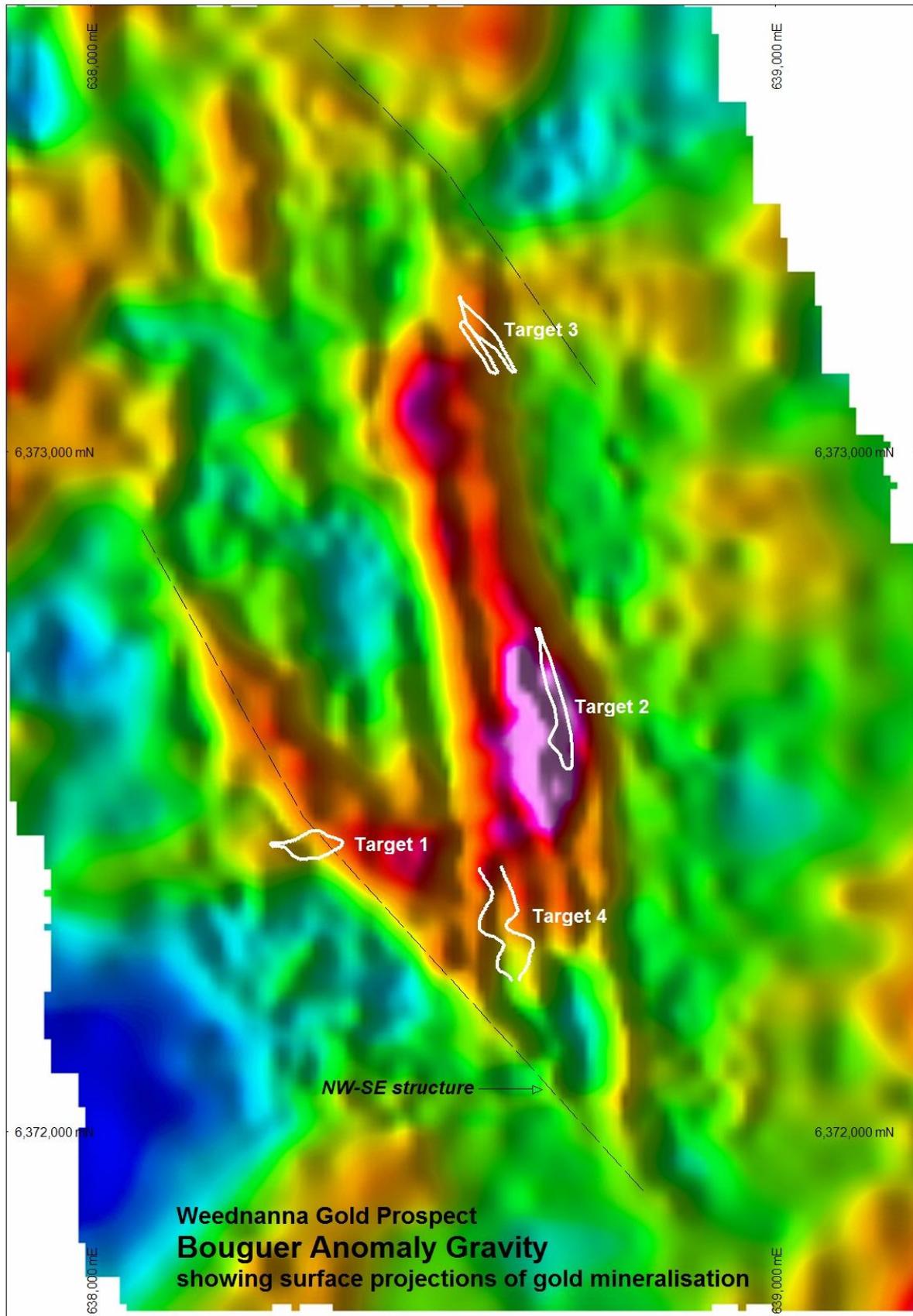
Wilcherry is located within the southern part of the Gawler Craton in the northern Eyre Peninsula, South Australia and comprises seven exploration licences covering 1,400 km² and is prospective for gold and base metals.

A total of 2,548 stations were surveyed, comprising 1,915 stations using a 25m grid over the central Weednanna area and 633 stations using a 50m grid elsewhere.

The high-resolution gravity survey has revealed several structures, including a dominant NW-SE trending set in addition to mapping the north trending calc-silicate and magnetite lithologies. The Target 1 gold shoot is located along the most prominent of these NW-SE trending structures, which continues to the south of Target 4. This structure has a strike length of at least 1,000 metres and apart from Target 1, is poorly drill tested over the majority of its length.

The gravity data 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 geophysical datasets at Weednanna and will be utilised for constrained 3D inversion modelling to assist with targeting new gold lodes.

Managing Director, Steve Johnston commented *"The results of the close-spaced gravity survey have exceeded our expectations and combined with the existing detailed magnetic data will be 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

4m @ 11.6 g/t Au from 76m in 18WDRC020

Refer to ASX announcements dated 4 April 2018 and 23 April 2018 for details of the Exploration Results.

Steve Johnston
Managing Director

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About Alliance

Alliance Resources Ltd 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 71.09%), located within the southern part of the Gawler Craton in the northern Eyre Peninsula of South Australia.

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.

Planned work includes establishing a maiden mineral resource estimate in 1H 2018, together with a staged program of metallurgical work on Weednanna gold mineralisation with the aim of optimising gold recovery and culminating in process design criteria and capital and operating costs for the processing base case.

The outcomes of both work streams, if positive, will feed into a scoping study in 2H 2018.

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.