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**ALLIANCE RESOURCES LTD**

**ASX: AGS**

**ABN: 38 063 293 336**

**Market Cap: \$9.7 M @ \$0.093**

**Shares on issue: 104,293,923**

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**Projects:**

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

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

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

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## PRELIMINARY GOLD RESULTS *Gundockerta South Project*

Alliance Resources Ltd announces receipt of preliminary gold results from aircore drilling at the Gundockerta South Project.

The Project is located 72 km east of Kalgoorlie, Western Australia and is prospective for greenstone-hosted orogenic gold deposits.

A 66 hole aircore drilling program, totalling 3,007 metres, was completed over the northern part of the target zone at the Gundockerta South Project during early June, to test for low-level gold in regolith beneath a large (~8 km x 3.5 km) zone of sporadic gold in soil anomalism.

All holes were drilled vertically on a 160 metre by 640 metre spaced grid and the average depth of drilling was 46m.

Preliminary gold (Au) assays based on 4m composite scoop samples have been received for all holes, with 2 holes returning anomalous results, as follows:

- 4m @ 0.15 g/t Au from 0m in GSAC016
- 4m @ 0.31 g/t Au from 8m in GSAC062

GSA016 is associated with transported cover and siliceous duricrust over strongly carbonate altered mafic and GSA062 is associated with upper saprolite over deeply weathered mafic saprock.

Drillhole collar locations are shown in Figure 1. Anomalous intercepts are detailed in Table A.

Managing Director, Steve Johnston, commented: *“These results definitely warrant follow up. The drilling grid is very wide spaced and both intercepts are open in at least one direction.”*

Planned work in FY2019, includes:

- Confirming the intercepts by submitting the 1m samples for assay, and
- Next phase of aircore drilling over the southern part of the target zone and infill drilling of these anomalous results.

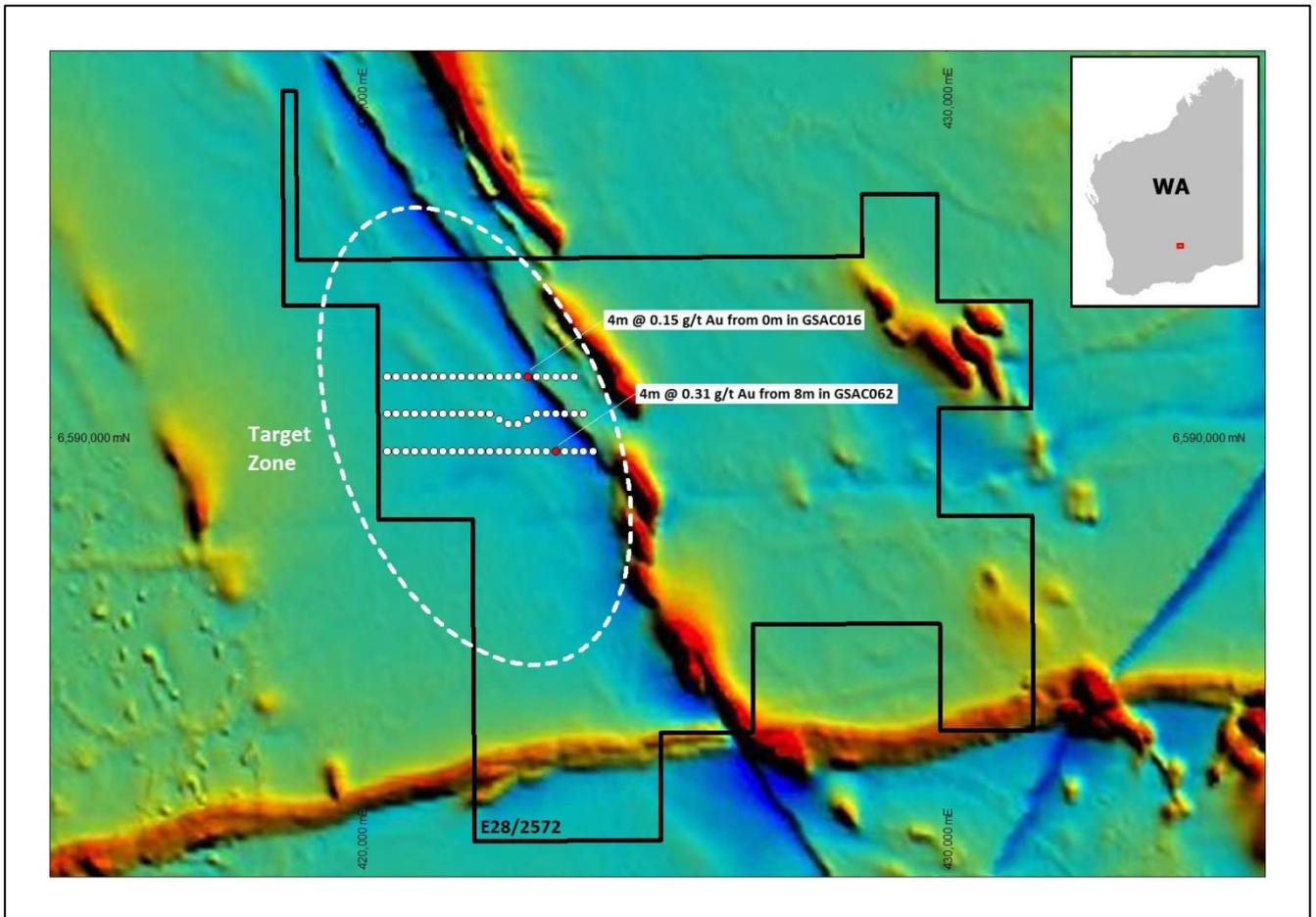


Figure 1. Gundockerta South Project showing drillhole collar locations. Background image is Total Magnetic Intensity.

Table A: Anomalous Aircore Drilling Intercepts

Hole ID	East_MGA	North_MGA	RL (m)	Azimuth	Dip	EOH	Depth From (m)	Depth To (m)	Interval (m)	Au (ppm)
GSAC016	422,842	6,591,042	340	-	- 90.0	46	0	4	4	0.15
GSAC062	423,322	6,589,758	340	-	- 90.0	87	8	12	4	0.31

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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.

## **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.

Section 1 – Sampling Techniques and Data		
Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (eg. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i>	Sample type was drill cuttings from aircore drilling.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	Industry standard practice has been applied on site to ensure sample representivity. The laboratory has applied appropriate QA-QC to sample preparation and appropriate calibration/QA-QC to analytical instruments.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where ‘industry standard’ work has been done this would be relatively simple (eg. ‘reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay’)</i>	Aircore drilling was used to obtain 1m samples down hole. Four x 1m scoop samples were taken from consecutive 1m samples and composited into a single sample and assayed for gold using a 50g charge fire assay with AAS finish.
Drilling techniques	<i>Drill type (eg. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (eg. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i>	Aircore drilling is a reverse circulation drilling technique using a 4.5” diameter drill (blade) bit. The drill holes were oriented vertically.
Drill sample recovery	<i>Method recording and assessing core and chip sample recoveries and results assessed.</i>	Samples were logged and sample recovery estimated on site by a geologist.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	The majority of drilling was dry and the sample recovery 100%. Where the water table was intersected, the relatively shallow depth of drilling (average 45.6m) allowed the injected air to keep the sample relatively dry in most cases.
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	Dry aircore samples have a low potential for sample bias.
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	Samples were logged by a geologist for lithology, minerals, colour, weathering, alteration and magnetic susceptibility.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i>	Sample logging is qualitative (e.g. colour) and quantitative (e.g. % minerals) in nature depending on the feature being logged.
	<i>The total length and percentage of the relevant intersections logged.</i>	All holes were logged from start to finish.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Not applicable.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	One metre samples were collected at the drilling rig using a bucket mounted directly below the cyclone. The majority of samples were dry.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Sample preparation and analyses was carried out by ALS in Perth as described above.
	<i>Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.</i>	Approximately 4% of the analysed samples were in the form of Company submitted standards and blanks.
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	The sampling measures described above ensured the sampling was representative of the in-situ material.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	The samples sizes are considered appropriate to the grain size of the material being sampled.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	For gold, a 50g charge fire assay for gold with AAS finish (AU-AA26). Fire assay is considered to be a total digestion technique for gold.
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibration factors applied and their deviation, etc.</i>	Not applicable.

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	<i>Nature of quality control procedures adopted (eg. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie. lack of bias) and precision have been established.</i>	Each fire (usually 84 pots) contains one blank to monitor the purity of the reagents and a minimum of two certified reference materials and three replicates to monitor accuracy and precision of results from the individual fire..
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Alternative company geologists have verified the significant results that are tabled in this report.
	<i>The use of twinned holes.</i>	Not applicable.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Each sample bag was labelled with a unique sample number. Sample numbers are used to match analyses from the laboratory to the in-house database containing sampling data.
	<i>Discuss any adjustment to assay data.</i>	Other than arithmetically averaging of repeat analyses, no adjustments have been made to analyses.
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other location used in Mineral Resource estimation.</i>	Hole collars were surveyed by handheld GPS. Expected horizontal accuracy is claimed to be <1m in handheld GPS units from 1 July 2017 due to Satellite Based Augmentation System (SBAS) test bed trial in Australia.
	<i>Specification of the grid system used.</i>	MGA94, zone 51.
	<i>Quality and adequacy of topographic control.</i>	RL's were estimated from topographic maps and is considered adequate at this stage of exploration.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	Data spacing is listed in Table A in the body of the report.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedures(s) and classifications applied.</i>	Not applicable at this stage of exploration.
	<i>Whether sample compositing has been applied.</i>	The samples are 4 x 1m scoop samples as described above.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	Not applicable at this stage of exploration.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	Not applicable at this stage of exploration.
Sample security	<i>The measures taken to ensure sample security.</i>	Samples were transported offsite each day to a secure location prior to transportation to the laboratory.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	No audits or reviews have been undertaken.

Section 2 – Reporting of Exploration Results		
Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	The Gundockerta South Project (E28/2572) is owned 100% by Alliance (SA) Pty Ltd. The Project is located approximately 72 km east of Kalgoorlie, Western Australia.
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	The tenements are in good standing with no known impediments to obtaining a licence to operate in the area.
Exploration done by other parties	<i>Acknowledgement and appraisal of exploration by other parties.</i>	The area has been explored by companies including CRA Exploration Pty Ltd, Union Oil Development Corporation, Jones Mining NL, Amax Exploration (Australia) Inc, Kennecott Explorations (Australia) Ltd, Mawson Pacific Ltd, Mt Kersey Mining NL, Spinifex Gold NL, Yilgarn Gold Ltd, Croesus Mining NL/Ramsgate Resources Ltd/North Ltd, Heron Resources Ltd, Avoca Resources Ltd/Goldfields Australasia Pty Ltd/Teck Cominco Australia Pty Ltd, Minara Resources Ltd, Aruma Resources Ltd and Pioneer Resources Ltd. All previous work has

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		been appraised by Alliance.
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	<p>E28/2572 is located within the northwest trending Kurnalpi Terrane of Cassidy et al. (2006), which is bounded by the Ockerburry Fault System to the west and the Hootanui Fault System to the east.</p> <p>The Kurnalpi Terrane comprises a series of thin, linear north-northwest trending, fault-bounded domains of dominantly mafic-felsic volcanic sequences with prominent lateral facies changes. Komatiite horizons are thin and discontinuous, and more common to the west, with the major occurrence centred on the Bulong Anticline. Locally, regions of calc-alkaline volcanic and epiclastic deposits and banded iron-formation are found. E28/2572 lies within the Bulong Domain at the southern part of the Kurnalpi Terrane.</p> <p>At a local scale, the tenement is bounded by the Avoca Fault in the east and by the Railway Fault in the west. The anomalous gold zone the target of the drilling in this announcement overlies a flexure in the interpreted position of the Railway Fault where it truncates mafic and felsic volcanic rocks against younger Penny Dam Conglomerate.</p>
Drill hole Information	<p><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i></p> <ul style="list-style-type: none"> <li>• <i>easting and northing of the drill hole collar;</i></li> <li>• <i>elevation or RL (reduced Level - elevation above sea level in metres) of the drill hole collar;</i></li> <li>• <i>dip and azimuth of the hole;</i></li> <li>• <i>down hole length and interception depth;</i></li> <li>• <i>hole length.</i></li> </ul> <p><i>If the exclusion of this information is justified on the basis that the information is not material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></p>	Refer to the Table A in the body of report for details of the anomalous aircore hole collars and intercepts.
Data aggregation methods	<i>In reporting Exploration results, weighting averaging techniques, maximum and/or minimum grade truncation (eg. cutting of high grades) and cut-off grades are usually material and should be stated.</i>	Not applicable.
	<i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregation should be shown in detail.</i>	Not applicable.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	Not applicable.
Relationship between mineralisation widths and intercept lengths	<p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p> <p><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg. 'down hole length, true width not known').</i></p>	The geometry of the mineralisation is unknown. Assay results are reported in down hole lengths as the true widths are not relevant at this stage given the samples are 4 x 1m composted scoop samples.
Diagrams	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	Refer to figure in the body of the announcement. Sectional views are not included due to the paucity of drilling.
Balanced reporting	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	The results reported in Table A represent all significant assay results greater than, or equal to, 0.15 g/t Au.
Other substantive	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations;</i>	All relevant exploration data have been reported.

Section 2 – Reporting of Exploration Results		
Criteria	JORC Code explanation	Commentary
exploration data	<i>geophysical survey results; bulk samples - size and method of treatment; metallurgical test results; bulk density; groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	
Further work	<i>The nature and scale of planned further work (eg. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	Refer to body of announcement.