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ALLIANCE RESOURCES LTD

ASX: AGS

ABN: 38 063 293 336

Market Cap: \$12.0M @ \$0.115

Shares on issue: 104,293,923

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Projects:

Wilcherry JV, SA (79.01%): gold
and base metals

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

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

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AIRCORE DRILLING RESULTS

Weednanna East Prospect, Wilcherry Project JV

The Board of Alliance Resources Ltd (Alliance) is pleased to announce the results of aircore drilling for gold at Weednanna East and proximal to the Weednanna Gold Deposit, part of the Wilcherry Project Joint Venture between Alliance (79.01%) and Tyranna Resources Ltd (20.99%).

Eighty five (85) aircore drillholes were completed for 3,101 metres in the previous quarter as a first pass test to extend known gold in regolith anomalism at Weednanna East.

This drilling program consisted of four lines of 50m x 200m spaced holes designed to test around the existing gold in soil and regolith anomalism, and extend coverage to the west of existing RAB drilling at Weednanna East to cover a series of northwest striking faults.

All holes were drilled vertically to blade refusal.

One metre scoop assay results have now been received.

Four holes returned greater than 100 ppb gold with a best result of:

- **2m @ 1.31 g/t gold from 49m in 18WDAC078**

The zone of discontinuous >100ppb gold anomalism extends over 1,000m and is open in the north.

Refer Figure 1 and Table 1.

The majority of the gold anomalism has a northeast trend and is located towards the end of hole, near the saprolite / saprock boundary. Given the iron-poor felsic nature of these host rocks, this is where the gold in regolith anomalism is expected to concentrate.

The magnitude and distribution of gold in the regolith may be indicative of primary gold mineralisation and further drilling is warranted to better define the gold in regolith anomalies before bedrock drill testing.

Alliance Managing Director Steve Johnston said *"Weednanna East is the first regional gold exploration target to be tested proximal to the Weednanna gold deposit. We are very encouraged by these aircore drilling results which indicate to us the prospectivity of the district."*

Table 1. Weednanna East: Significant gold in 1m scoop aircore drilling results

Hole_ID	East_MGA	North_MGA	RL (m)	Azimuth	Dip	EOH	From (m)	To (m)	Interval (m)	Au (g/t)	Comments
18WDAC003	639034	6372372	266	0	-90	53	44	45	1	0.2	
							45	46	1	0.13	
							46	47	1	0.17	
							44	47	3	0.17	
18WDAC018	639279	6372583	262.1	0	-90	50	48	49	1	0.15	
							49	50	1	0.14	
							48	50	2	0.15	to EOH
18WDAC064	639127	6372973	265.7	0	-90	43	42	43	1	0.52	
							42	43	1	0.52	to EOH
18WDAC078	639836	6372966	256.5	0	-90	53	49	50	1	2.35	
							50	51	1	0.27	
							49	51	2	1.31	

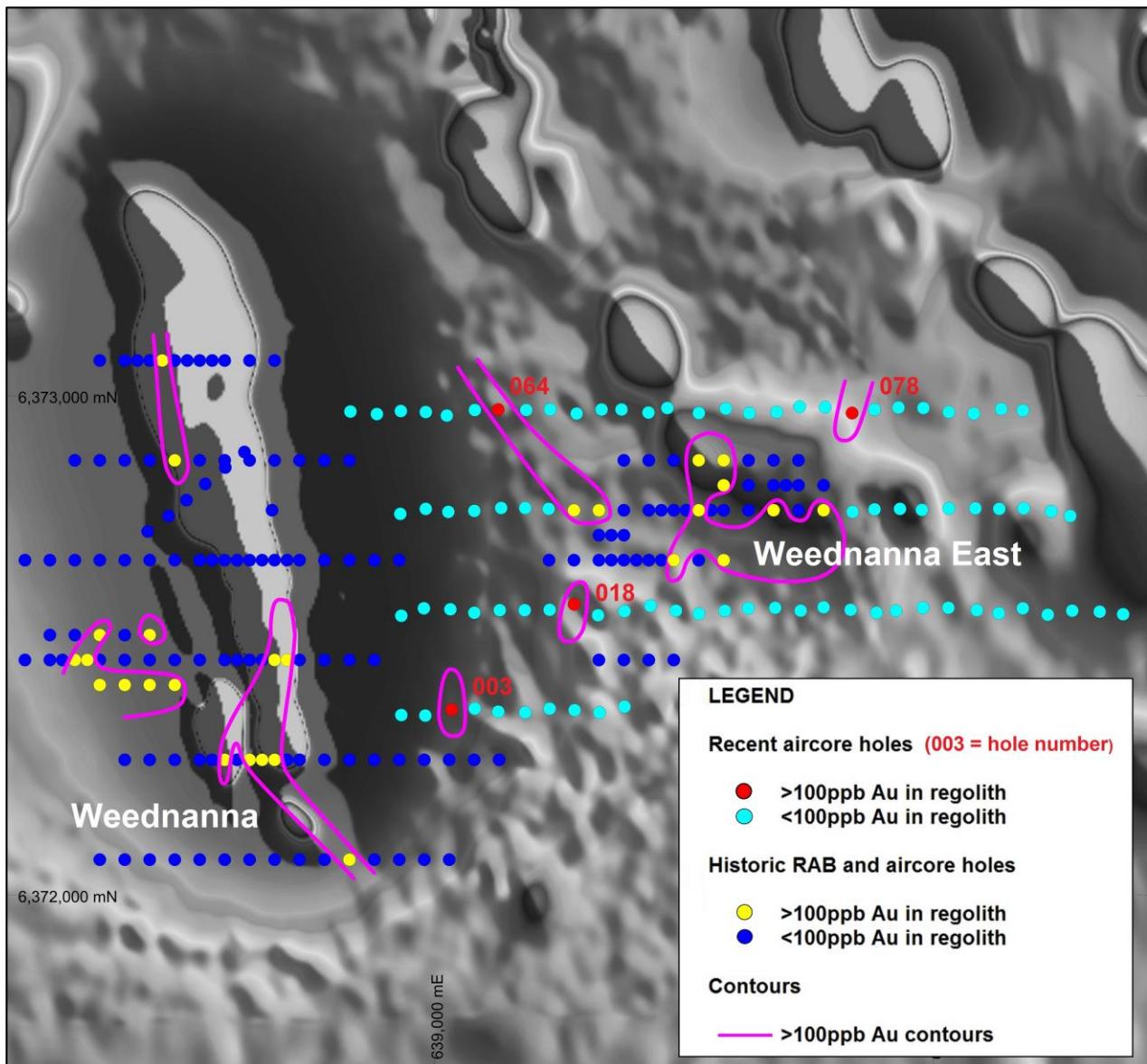


Figure 1. Weednanna East: Location of aircore holes on a magnetic image with gold in regolith anomalism defined by aircore and RAB drilling

For further information on Alliance Resources Ltd please visit the Company's website at www.allianceresources.com.au or contact:

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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 79.01%), located within the southern part of the Gawler Craton in the northern Eyre Peninsula of South Australia.

On 6 September 2018, Alliance announced a maiden Mineral Resource estimate for the Weednanna Gold Deposit, part of the Wilcherry Project, of 1.097 Mt grading 5.1 g/t gold for 181,000 oz gold.

There is significant potential to increase the size of this Mineral Resource with further drilling as the majority of gold shoots comprising this mineral resource are open in at least one direction.

Competent Persons

The information in this report that relates to the Exploration Results is based on information compiled by Mr Anthony Gray and Mr Stephen Johnston. Mr Gray is a Member of the Australian Institute of Geoscientists and is a part-time contractor to Alliance Resources Ltd. Mr Johnston is a Member of the Australasian Institute of Mining and Metallurgy and is a full-time employee of Alliance Resources Ltd. Mr Gray and Mr Johnston have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Gray and Mr Johnston consent to the inclusion in the report of the matters based on their 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 (AC) drilling of vertical holes to blade refusal.
	<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>	AC drilling was used to obtain 1m samples down hole from which 3kg was pulverised to produce a 50g charge for 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>	AC drilling is a reverse circulation drilling technique using a 4½” diameter drill (blade) bit.
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%.
	<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 AC samples have a low potential for sample bias. Metallurgical test work at the adjacent Weednanna gold deposit indicates the gold is fine-grained and well distributed across all size fractions with 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>	No applicable.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	One metre AC samples were collected at the drilling rig in plastic bags mounted directly below the cyclone. Approximately 3kg sub-samples were scoop sampled for analysis. 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 analysis was carried out by ALS in Perth and is considered appropriate.
	<i>Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.</i>	Company submitted standards and blanks were inserted during the drilling program. These totalled 4% of all samples submitted.
	<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.
Quality of assay data and laboratory tests	<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.
	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	Sample preparation consisted of drying, crushing and pulverising <3kg samples to 85-90% passing - 75µm. Gold assaying used a 50g charge with AAS finish. 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.
	<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</i>	At ALS each fire (usually 84 pots) contains one blank and a minimum of two standards and three replicates to monitor accuracy and precision of results from the individual fire.

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	<i>been established.</i>	
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 at this stage of exploration.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Each sample bag is labelled with a unique sample number assigned at the point of sampling in the field. Sample numbers are used to match analyses from the laboratory to the in-house database containing the sampling data.
	<i>Discuss any adjustment to assay data.</i>	Other than arithmetically averaging of repeat assays, no adjustments have been made to the assay data.
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 using a handheld GPS. Expected horizontal accuracy is claimed to be <1m in handheld GPS units from 1 July 2017 due to a satellite Based Augmentation System (SBAS) test bed trial in Australia.
	<i>Specification of the grid system used.</i>	MGA94, Zone 53.
	<i>Quality and adequacy of topographic control.</i>	RL's were estimated from existing topographic control in the immediate area.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	Data spacing is listed in Table 1 and illustrated in Figure 1 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>	No sample compositing has been applied.
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>	Unknown at this stage of exploration. All holes were vertical and drilled to blade refusal.
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		
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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 Weednanna East Prospect is part of the Wilcherry Project Joint Venture (Project), comprising EL's 5470, 5590, 5875, 5931, 5961, 6072 and 6188, owned by Alliance (79.01%) and Tyranna Resources Ltd (20.99%). The Project is located within the Gawler Craton in the northern Eyre Peninsula, South Australia. There is a royalty of 2% of the NSR payable to Aquila Resources Ltd.
	<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>	RAB and AC drilling has been completed at Weednanna East by Acacia Resources Ltd in 1997 and AngloGold Australia Ltd in 2000.
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	The geology at the adjacent Weednanna gold deposit is characterised by a northwest striking and moderate to steep northeast-dipping unit of Paleo-Proterozoic Hutchinson Group sediments, consisting of marl and dolomite with lesser sandstone and minor basalt, which have been metamorphosed under upper-amphibolite facies conditions and altered to produce interleaving calc-silicate and magnetite skarn with lesser gneiss and minor amphibolite. This altered meta-sedimentary package is bounded to the

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		<p>northeast and southwest by Archaean Sleaford Complex granite and gneiss. The Archaean rocks appear to truncate the meta-sediments into several discrete lobes that may be fault displaced, with the meta-sediments extending below current drilling through much of the prospect.</p> <p>A keel of northwest-striking weathered granite of uncertain age occurs near-surface within the Hutchinson Group sediments along the central part of the prospect area. Pink potassium feldspar-rich granites, potentially of the Hiltaba Granite suite, intrude the Sleaford Complex on the eastern side of the prospect area and minor later stage granites cut the meta-sedimentary package.</p> <p>Gold mineralisation occurs within both the Archaean Sleaford Complex granite and gneiss and Paleo-Proterozoic Hutchinson Group meta-sediments and is associated with the intrusion of Hiltaba Granites and skarn alteration.</p> <p>Gold was deposited in favourable structural and lithological areas during both the peak metamorphic event and as the host rocks have cooled.</p> <p>Due to the high regional metamorphic temperate during gold emplacement, shoots are relatively discrete and high-grade.</p>
Drill hole Information	<p>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:</p> <ul style="list-style-type: none"> • easting and northing of the drill hole collar; • elevation or RL (reduced Level - elevation above sea level in metres) of the drill hole collar; • dip and azimuth of the hole; • down hole length and interception depth; • hole length. <p>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.</p>	Refer to Table 1 in the body of this report for a summary of all drilling intersections containing > 0.1 g/t Au.
Data aggregation methods	<p>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.</p>	The results are weighted averages by sample length. No high-grade cuts have been applied. Results are reported for selected intervals of greater than 0.1 g/t Au. The mineralised intervals are listed in Table 1 in the body of this report.
	<p>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.</p>	Not applicable.
	<p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	Not applicable.
Relationship between mineralisation widths and intercept lengths	<p>These relationships are particularly important in the reporting of Exploration Results.</p> <p>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</p> <p>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').</p>	Assay results are down hole length because the true width is not known.
Diagrams	<p>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.</p>	Refer to figure in the body of this report.
Balanced reporting	<p>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.</p>	The results reported in Table 1 represent all > 0.1 g/t Au intersections.
Other substantive exploration data	<p>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; bulk samples - size and method of treatment; metallurgical test results; bulk density; groundwater, geotechnical and rock characteristics; potential deleterious or</p>	All relevant exploration data have been reported.

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	contaminating substances.	
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 the body of this report.