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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 (71.09%): gold and base metals

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

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

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FURTHER HIGH GRADE GOLD RESULT WEEDNANNA TARGET 4 4m at 11.6g/t

The remaining 4m composite results at Weednanna Target 4 have been received and returned the following significant intercept:

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

Recent high grade gold intercepts at Target 4 reinforce Weednanna as a high grade gold system and include:

- 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

Further RC drilling is planned in 2018 to define the limits of gold mineralisation at Targets 4 and 5 and to test new target areas

The Board of Alliance Resources Ltd (Alliance) is pleased to announce the final provisional results for the fourth round of reverse circulation (RC) drilling 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%).

The RC drilling program, consisting of 22 holes, completed in March, was designed to define the geometry of the Target 4 gold shoot (19 holes) and initial testing of the new Target 5 (3 holes).

Four metre composite results for the first 17 holes were announced on 4th April 2018 and these results are for the remaining 5 holes.

Intersections >1 g/t gold are detailed in Table A and drill collar plans and a cross-section may be found in Figures 1 to 3.

Of the 22 holes drilled, 15 holes reported intercepts >1 g/t Au, including 3 holes returning >50 g/t-m Au.

Managing Director, Steve Johnston, commented: *"The results from the latest round of drilling at Target 4 strengthens our view that Weednanna is a high grade gold system with potential for economic development. With this in mind, we are working towards a maiden mineral resource estimate in the current quarter and leading to a scoping study in 2H 2018."*

The results are based on 4 x 1m scoop samples composited into a single sample and assayed for gold using 50g charge fire assay with AAS finish. Results for 1m sample splits are pending and therefore, these results are provisional in nature.

Table A: Significant Intercepts >1 g/t Au

Hole ID	Target	East MGA	North_MGA	RL (m)	Azimuth	Dip	EOH	Depth From (m)	Depth To (m)	Interval (m)	Au (ppm)
18WDRC018	4	638,620	6,372,225	278	270.0	- 60.0	114	NSA			
18WDRC019	4	638,640	6,372,225	277	270.0	- 60.0	132	NSA			
18WDRC020	4	638,660	6,372,225	277	270.0	- 60.0	150	76	80	4	11.6
18WDRC021	4	638,680	6,372,225	277	270.0	- 60.0	168	NSA			
18WDRC022	4	638,620	6,372,250	278	270.0	- 60.0	114	NSA			

Recent drilling by Alliance at Weednanna Target 4 continues to return high grade gold results, including the following results >50 g/t-m (grade x thickness):

- 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

In addition, the recent drilling confirmed a new Target 5 lode with a best intercept of:

- 8m @ 2.2 g/t Au from 164m in 18WDRC016

Refer to Alliance ASX announcements dated 3 April 2017, 10 April 2017, 28 August 2017, 19 January 2018 and 4 April 2018 for details of previous Exploration Results at Weednanna.

Planned work includes:

- Further RC drilling to define the limits of gold mineralisation at Targets 4 and 5;
- Establishing a maiden mineral resource estimate in 1H 2018, and
- A staged program of metallurgical work on Weednanna Targets 1 to 4 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 the latter two work streams, if positive, will feed into a scoping study in 2H 2018.

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.

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.

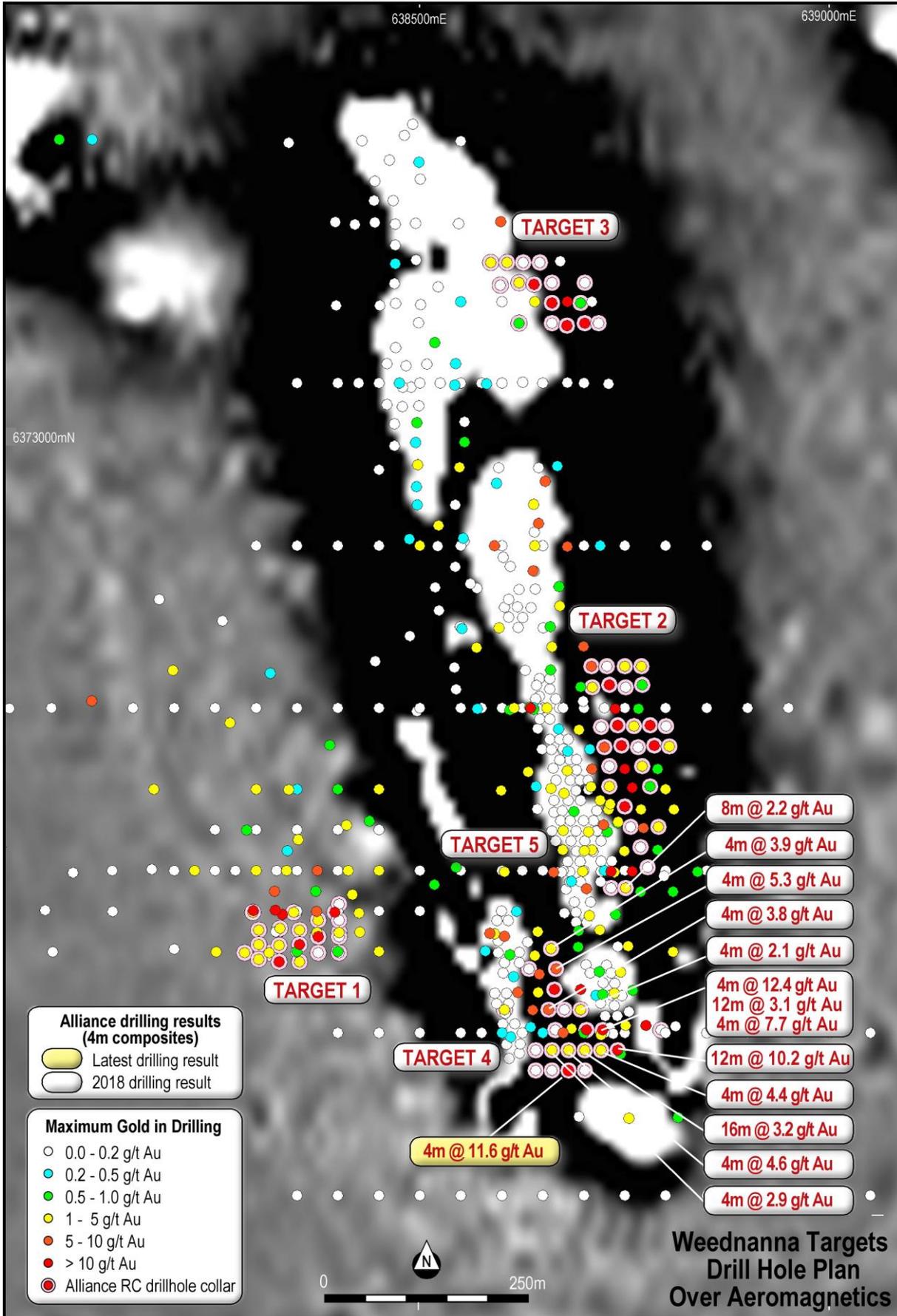


Figure 1

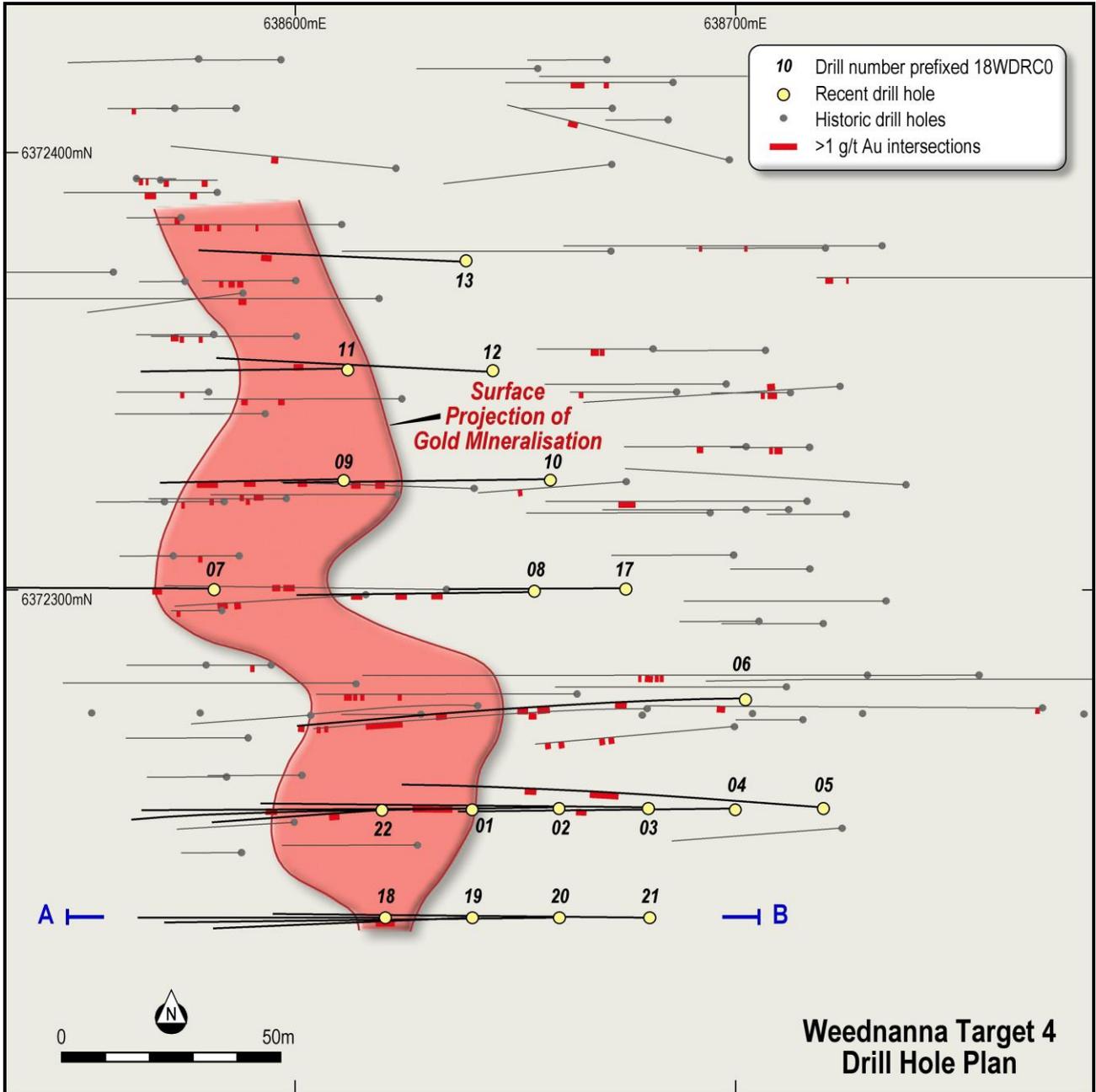


Figure 2

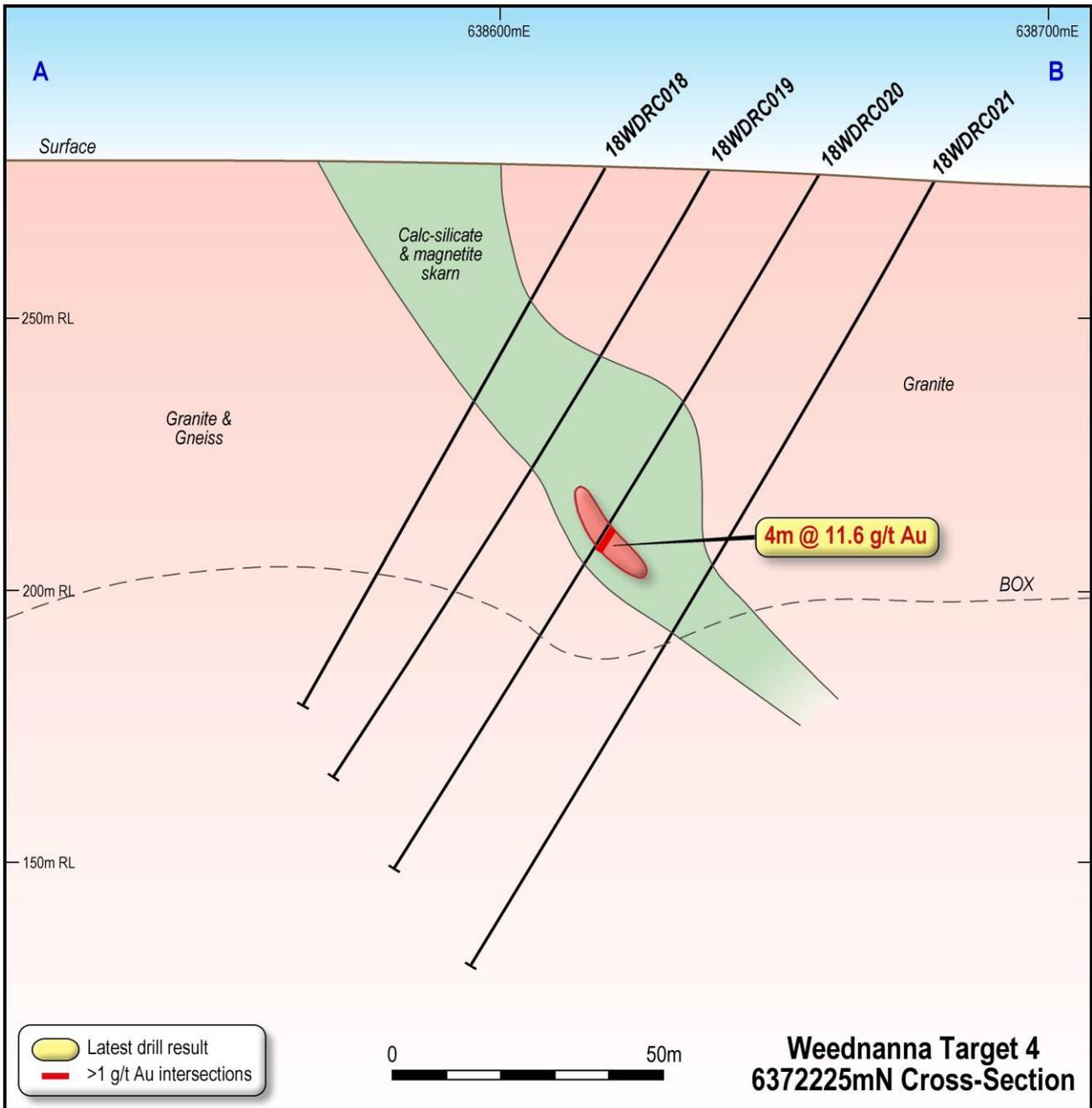


Figure 3

Steve Johnston
Managing Director

Peter Taylor
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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 reverse circulation (RC) 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 laboratories have 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>	Reverse circulation (RC) drilling was used to obtain 1m samples. Four x 1m scoop samples were taken from consecutive 1m samples and composited into a single 3kg sample, which was pulverised to produce a 50g charge for fire assay.
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>	The drilling method was RC using a 5 3/4" hammer drilled at an inclination of approximately 60°.
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>	Every effort was made to ensure RC samples remained dry to ensure the representative nature of the samples.
	<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>	Minimal sample bias is considered to have occurred during this drilling program due to the samples being dry.
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 recovery, weathering, moisture, colour, lithology, alteration, texture, mineralogy and mineralisation.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i>	Sample logging is both qualitative (e.g. colour) and quantitative (eg. % mineral present) 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 RC samples were split on the drilling rig using a cone splitter to produce approximately 3kg sub-samples for submission to the analytical laboratory. All samples were dry.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Appropriate sample preparation was carried out by ALS Minerals Laboratory in Adelaide, prior to being shipped to Perth for assaying.
	<i>Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.</i>	Approximately 6% of analysed samples were in the form of Company submitted standards, blanks or duplicates.
	<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 method described above ensured the sampling is 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 sample 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>	All samples were analysed by ALS Minerals in Perth. For gold, a 50g charge fire assay for gold (Au-AA26) 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 been established.</i>	ALS Minerals quality control (QC) protocol requires that each batch of 40 samples analysed include a reagent blank, 2 replicate determinations and 2 standard materials. Samples exhibiting anomalous values (high or low) are routinely

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		reanalysed using either the original pulp or a second split. Approximately 6% of samples submitted by Alliance for assays were in the form of standards, blanks or duplicates. Acceptable levels of accuracy and precision have been established by the two QC programs.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Two company geologists have independently verified the significant results that are listed 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 assigned at the point of sampling in the field. Sample numbers are used to match assays from the laboratory to the in-house database containing downhole drillhole data.
	<i>Discuss any adjustment to assay data.</i>	No assay data has been adjusted.
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>	At the time of this report, hole collars had not yet been surveyed. However, the hole collars will be surveyed by a registered surveyor using a Leica GS18 RTK GPS prior to receipt of the 1m assays. Expected horizontal and vertical accuracy is +/- 25cm. Down hole surveying was completed by the drilling company in the collar and at approximately 10m spaced intervals down hole using an IS Gyro and Azimuth Aligner hired from Downhole Surveys.
	<i>Specification of the grid system used.</i>	GDA94, MGA Zone 53.
	<i>Quality and adequacy of topographic control.</i>	Quality as described above. Topographic control is adequate.
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>	The data spacing and distribution is considered sufficient to establish geological and grade continuity appropriate for a Mineral Resource estimate at Weednanna Targets 1, 2, 3 and 4.
	<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>	The orientation of the sampling has been planned with a view to achieving minimal sampling bias of possible gold lodes.
	<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>	The main rock fabric at the prospect, indicated by high magnetism, strikes broadly north-south and hence drilling at Targets 2 to 5 is orientated west. Drilling at Target 1 was orientated to the north as previous drilling suggested that this mineralisation may strike broadly east-west. The results of this and previous drilling programs confirm these interpretations.
Sample security	<i>The measures taken to ensure sample security.</i>	RC sub-samples were stored on site prior to being transported to the laboratory for analyses. Sample pulps are currently stored at the laboratory and will be returned to the Company and stored in a secure location.
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 Weednanna Prospect and the regional targets form part of the Wilcherry Project Joint Venture (Project), comprising EL's 5164, 5299, 5470, 5590, 5875, 5931 and 5961, owned by Alliance (71.09%) and Tyranna Resources Ltd (28.91%). 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 and there are 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 since the 1970's by companies including Pan Continental Mining, Asarco, Murumba Minerals, Shell (later Acacia), WMC, Aquila Resources Ltd, Trafford Resources Ltd, Ironclad Mining Ltd (later Tyranna Resources Ltd).

Section 2 – Reporting of Exploration Results		
Criteria	JORC Code explanation	Commentary
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	Gold mineralisation at the Weednanna Prospect is associated with magnetite and calc-silicate skarn, which have formed from metamorphosed Hutchinson group meta-sediments (clastic marine sediments and carbonates) near the contact of a granite intrusion. The Prospect contains concentrations of gold, iron, silver, bismuth, tin, uranium, lead, and zinc.
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"> • <i>easting and northing of the drill hole collar;</i> • <i>elevation or RL (reduced Level - elevation above sea level in metres) of the drill hole collar;</i> • <i>dip and azimuth of the hole;</i> • <i>down hole length and interception depth;</i> • <i>hole length.</i> <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 Table A in the body of this report for a summary of all material information.
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>	The results are weighted averages by sample length. No high grade cuts have been applied. Results are reported for all intersections of gold greater than 1.0 g/t Au.
	<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>	Lengths of low grade results have been incorporated where the adjacent higher grade results are of sufficient tenor such that the weighted average remains close to or above the lower cut-off grades.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalents are reported.
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 still being assessed, however, the current interpretation is shown in the figures in the body of the announcement. Assay results are reported in down hole lengths as the true width is not always known.
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 figures in the body of the announcement.
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 averaging greater than 1.0 g/t Au.
Other substantive exploration data	<i>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 contaminating substances.</i>	All relevant exploration data collected so far has been reported.
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.