

**22 May 2017**

**ALLIANCE RESOURCES LTD**

**ASX:** AGS

**ABN:** 38 063 293 336

**Market Cap:** \$9.4 M @ \$0.09

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

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**Projects:**

**Wilcherry JV, SA (51%):** gold and base metals

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

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

**Bogan Gate, NSW (100%):** gold-base metals

**Garema, NSW (100%):** gold

**Share Registry:**

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## COMMENCEMENT OF DRILLING

### *Zealous Prospect*

The Directors of Alliance Resources Ltd (Alliance), as manager of the Wilcherry Project Joint Venture between Alliance (51%) and Tyranna Resources Ltd (ASX: TYX) (49%), are pleased to announce the commencement of reverse circulation (RC) drilling at the Zealous base metals prospect.

Zealous is a 1<sup>st</sup> order conductive target identified by a helicopter-borne electromagnetic (HEM) survey during December 2016 and confirmed by a high-powered moving loop electromagnetic (MLEM) survey completed in March 2017.

Five RC holes, totalling 1,500 metres, are proposed to initially test the two conductors that make up the target. Three holes are planned to test the Zealous Main Conductor and 2 holes at the Zealous NW Conductor. Refer to Figure 1.

The first (southwestern most) hole, currently at 180m, has encountered deep regolith consisting mainly of kaolinite and very fine sand, which is causing slow RC drilling. The holes will be monitored over the next few days to see whether diamond tails are required to complete the holes.

Drilling at Zealous between 2012 and 2014 intersected significant tin (Sn) grades, including:

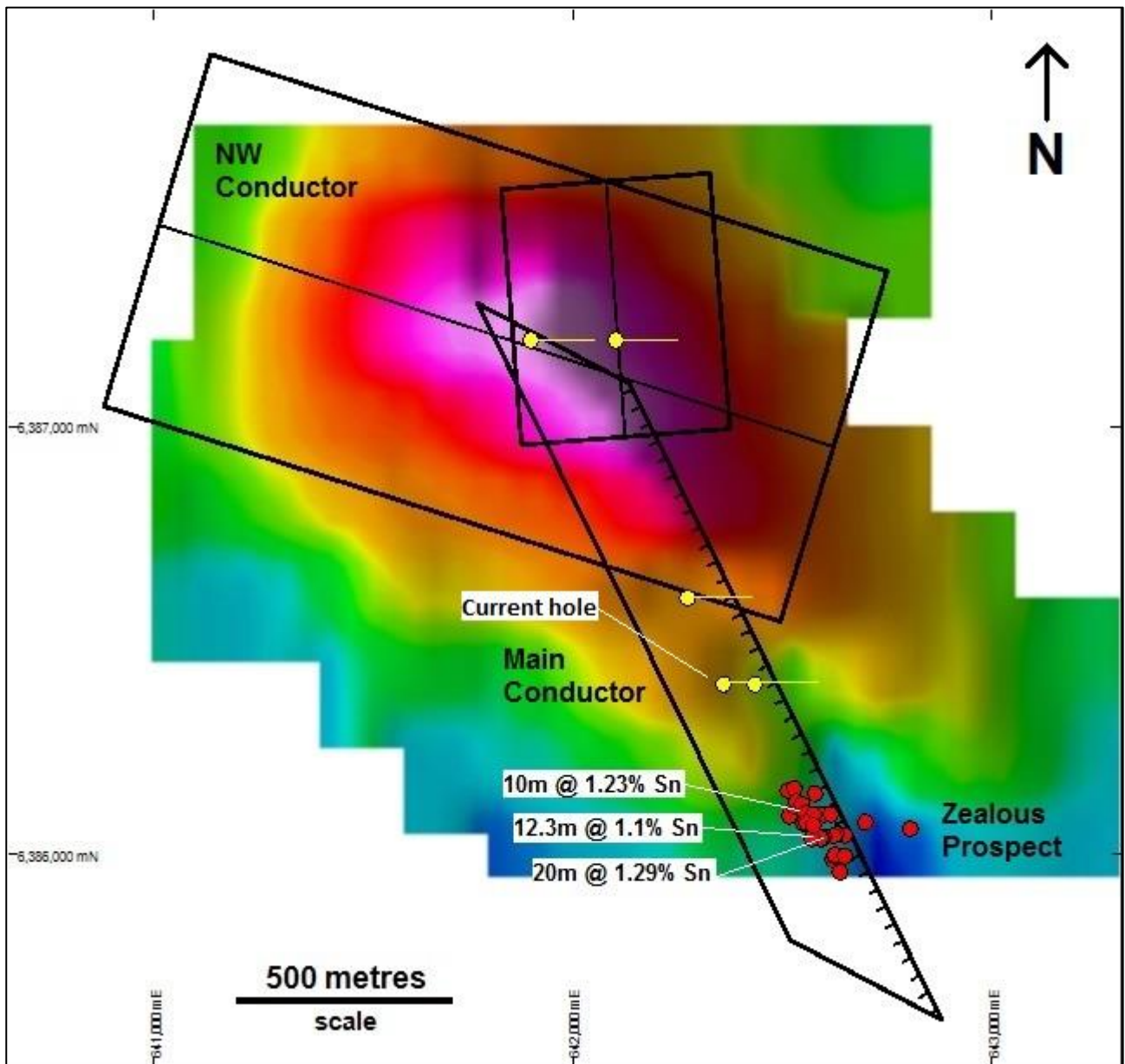
- 20.0m @ 1.29% Sn from 42m in 12ZLRC007
- 12.3m @ 1.10% Sn from 119m in 13ZLDH001
- 10.0m @ 1.23% Sn from 128m in 13ZLRC001

#### Background

The MLEM survey data acquired at the Zealous Prospect in March confirmed the presence of large, weak bedrock conductors consistent with the HEM anomalism. Two dominant and overlapping bedrock anomalies have been defined by the survey and modelled as follows:

- **Main Conductor:** NW-SE striking conductor, ~1500m x 1250m in size, weak-moderate strength (~150-250 siemens), sub-vertical dip and depth to top of ~100-200m. This conductor plunges to the southeast beneath the historic drilling discussed above and has not been drill tested; and
- **NW Conductor:** WNW-ESE striking, ~1500m x 750m in size, low conductance (~50-75 siemens), near flat lying and depth to top <50m. No drilling has been completed in this target area.

It is interpreted that the conductors potentially have some width/thickness to them and more complex geometry than simply a thin plate model approximation with constant dip (as produced by software that models MLEM conductors). If this is the case, then the conductive units could be intersected above the current modelled positions.



**Figure 1: Zealous Channel 25 MLEM Survey image with modelled conductor plates (black), historic drilling (red) and planned drilling (yellow)**

For further details and Competent Person's Statement refer to Alliance's ASX announcements dated 23 September 2016, 16 November 2016, 8 March 2017 and 7 April 2017.

Following completion of the drilling at Zealous, 3 RC holes for 850 metres are planned to test MLEM conductors at the Telephone Dam zinc-lead-silver prospect, followed by 27 RC holes for 4,600 metres at the Weednanna gold prospect.



**Drilling first hole at Zealous prospect**

**Steve Johnston**  
**Managing Director**

### **About Alliance**

Alliance Resources Ltd (Alliance) is an Australian gold and base metals exploration company with projects in South Australia, Western Australia and New South Wales.

In 2016, Alliance Craton Explorer Pty Ltd (ACE) (a wholly owned subsidiary of Alliance) acquired 51% of the Wilcherry Project in the mineral rich Gawler Craton, South Australia for \$2 million and has entered into a joint venture with Trafford Resources Pty Ltd, a wholly owned subsidiary of Tyranna Resources Ltd (49%). ACE is manager of the joint venture, which controls 1,200 km<sup>2</sup> of tenements which are prospective for gold and base metals. Priority prospects include: Weednanna (gold), Zealous (tin) and Telephone Dam (zinc-lead-silver).

Alliance also owns 100% of the Nepean South and Gundockerta South projects (gold and nickel) in Western Australia and 100% of the Bogan Gate West and Garema projects (gold and/or base metals) in New South Wales.

For further information about Alliance Resources Ltd, please visit [www.allianceresources.com.au](http://www.allianceresources.com.au)