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ALLIANCE RESOURCES LTD

ASX: AGS

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Market Cap: \$8.8 M @ \$0.084

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Projects:

Wilcherry JV, SA (61.36%): 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

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FINAL SOIL RESULTS CONFIRM LARGE GOLD ANOMALIES

NEPEAN SOUTH PROJECT, WESTERN AUSTRALIA

- **Final auger soil sampling complete and has defined two coherent gold anomalies greater than 7.5ppb Au and totalling 2.1 km² in area**
- **Aircore drilling is planned for January 2018 to test these gold anomalies**

The Directors of Alliance Resources Limited (Alliance) are pleased to announce the results of the final phase of auger soil sampling at the Nepean South nickel-gold project (Project) in Western Australia's Eastern Goldfields that has confirmed the location of two large gold anomalies which will be further tested with an aircore drilling program.

The Project is located 26 km southwest of Coolgardie and is prospective for both komatiitic-hosted nickel sulphide deposits and greenstone-hosted orogenic gold deposits. These greenstone belts are consistently known markers for gold mineralisation in the Eastern Goldfields.

The results for the final phase of infill auger soil sampling in the northeastern part of the project area have been received and have confirmed the gold anomalism previously indicated by wider-spaced sampling.

The results from all phases of soil sampling have defined two coherent anomalies greater than 7.5 ppb gold (Au) and totalling 2.1 km² in area, as follows:

- (1) A northern gold anomaly totalling 1.87 km² in area, and
- (2) A southern gold anomaly totalling 0.23 km² in area.

The northern anomaly consists of two anomalous zones; a northeastern zone and a southwestern zone, both of which are constrained by the tenement boundaries to the west and north, respectively.

Refer Figure 1 and Table A.

An aircore drilling program is planned for January 2018 to test these gold anomalies.

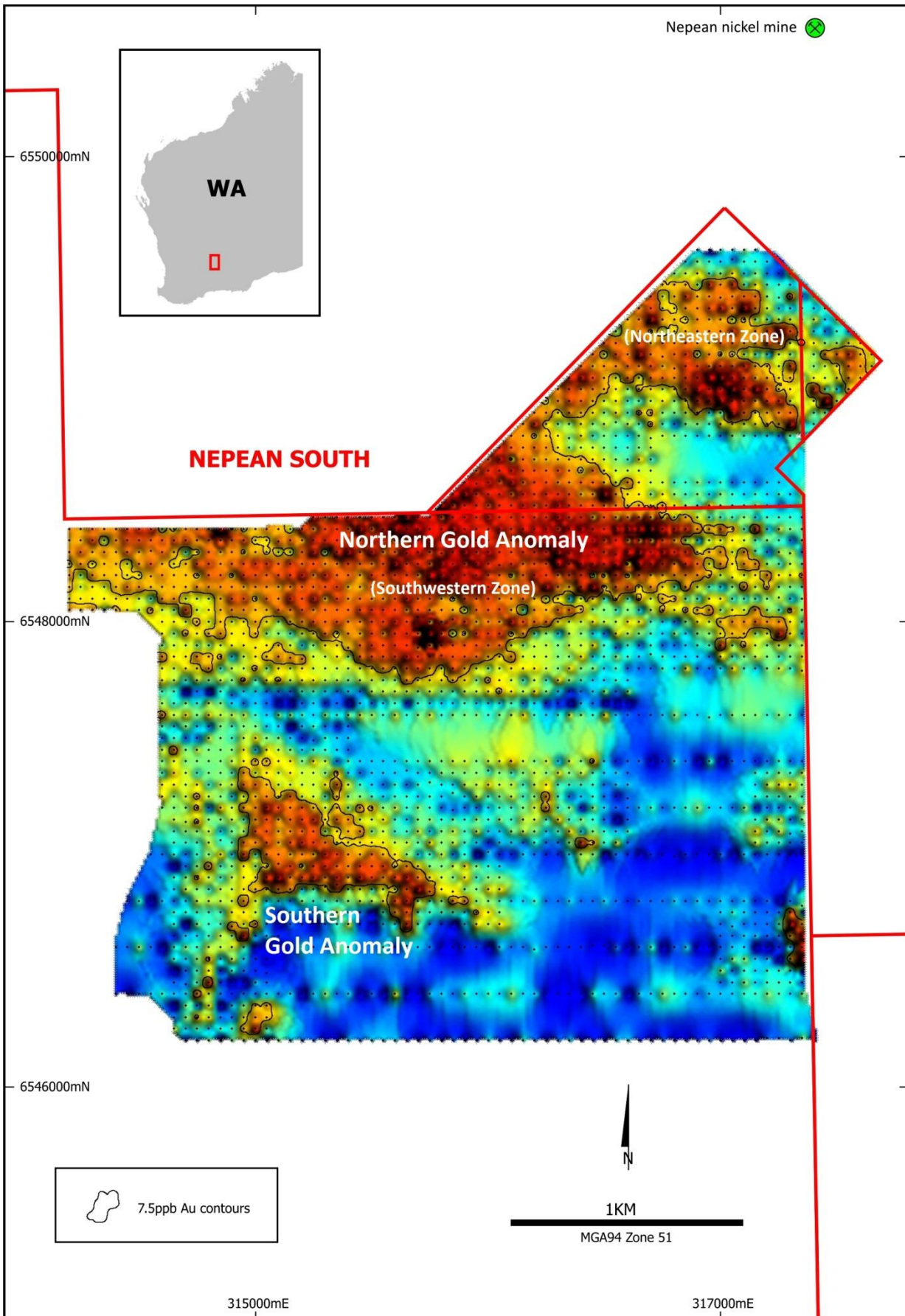


Figure 1. Nepean South Project: Gold in auger soil results

Table A – Auger soil gold results ≥ 7.5 ppb

Sample_ID	North_MGA	East_MGA	Depth_(m)	Au_(ppb)	Sample_ID	North_MGA	East_MGA	Depth_(m)	Au_(ppb)
NS002081	6548450	315250	1	15.5	NS002187	6548650	315950	1	11
NS002082	6548450	315300	1	9	NS002188	6548650	316000	1	14
NS002083	6548450	315350	1	15	NS002189	6548650	316050	1	15
NS002084	6548450	315400	1	16	NS002190	6548650	316100	1	16
NS002085	6548450	315450	1	10	NS002191	6548650	316150	1	11
NS002086	6548450	315500	1	16	NS002192	6548650	316200	1	11
NS002087	6548450	315550	1	15	NS002193	6548650	316250	1	10
NS002088	6548450	315600	1	13	NS002194	6548650	316300	1	11
NS002089	6548450	315650	1	36.5	NS002195	6548650	316350	1	9
NS002090	6548450	315700	1	17	NS002197	6548650	316450	1	10
NS002091	6548450	315750	1	16	NS002203	6548700	316000	1	11
NS002092	6548450	315800	1	10	NS002204	6548700	316050	1	16.5
NS002093	6548450	315850	1	17	NS002206	6548700	316150	1	10
NS002094	6548450	315900	1	18	NS002207	6548700	316200	1	8
NS002095	6548450	315950	1	14	NS002208	6548700	316250	1	8
NS002096	6548450	316000	1	17	NS002209	6548700	316300	1	8
NS002097	6548450	316050	1	14	NS002210	6548700	316350	1	8
NS002098	6548450	316100	1	13	NS002211	6548700	316400	1	8
NS002099	6548450	316150	1.2	15	NS002218	6548750	316050	1	14
NS002100	6548450	316200	1	13	NS002219	6548750	316100	1	10
NS002101	6548450	316250	1	14	NS002220	6548750	316150	1	9
NS002102	6548450	316300	1	19	NS002221	6548750	316200	1	10
NS002103	6548450	316350	1	13	NS002222	6548750	316250	1	9
NS002104	6548450	316400	1	14	NS002232	6548850	316150	1	9
NS002105	6548450	316450	1	8	NS002233	6548850	316200	1	12.5
NS002106	6548450	316500	1	11	NS002243	6548850	316700	1	8
NS002107	6548450	316550	1	8	NS002253	6548850	317200	1	8
NS002108	6548450	316600	1	9	NS002254	6548850	317250	0.5	8
NS002109	6548450	316650	1	9	NS002255	6548850	317300	0.5	16
NS002110	6548450	316700	1	8	NS002258	6548900	316200	1	9
NS002113	6548450	316850	1	8	NS002259	6548900	316250	1	9
NS002124	6548500	315800	1	31	NS002261	6548900	316350	1	9
NS002125	6548500	315850	1	12	NS002262	6548900	316400	1	8
NS002126	6548500	315900	1	15	NS002267	6548900	316650	1	8
NS002127	6548500	315950	1	14	NS002268	6548900	316700	1	8
NS002128	6548500	316000	1.5	11	NS002272	6548900	316900	1	8
NS002129	6548500	316050	1	14	NS002275	6548900	317050	1	16
NS002130	6548500	316100	1	14	NS002276	6548900	317100	1	10
NS002131	6548500	316150	1	16	NS002278	6548900	317200	0.5	8
NS002132	6548500	316200	1	11	NS002279	6548900	317250	0.5	9
NS002133	6548500	316250	1	13	NS002280	6548900	317300	0.5	10
NS002134	6548500	316300	1	18	NS002285	6548950	316300	1	9
NS002135	6548500	316350	1	12	NS002286	6548950	316350	1	11
NS002136	6548500	316400	1	11	NS002287	6548950	316400	1	10
NS002137	6548500	316450	1.5	11	NS002288	6548950	316450	1	8
NS002138	6548500	316500	1.2	9	NS002297	6548950	316900	1	12
NS002139	6548500	316550	1	9	NS002298	6548950	316950	1	14
NS002141	6548500	316650	1	8	NS002299	6548950	317000	0.5	20
NS002143	6548500	316750	1	8	NS002300	6548950	317050	1	14
NS002156	6548550	315850	1	21	NS002301	6548950	317100	1	12
NS002157	6548550	315900	1	25.5	NS002302	6548950	317150	1	8
NS002158	6548550	315950	1	13	NS002303	6548950	317200	0.5	12
NS002159	6548550	316000	1	15	NS002304	6548950	317250	0.5	13
NS002160	6548550	316050	1	15	NS002308	6548950	317450	1	19
NS002161	6548550	316100	1	10	NS002310	6549050	316350	1	14
NS002162	6548550	316150	1	15	NS002311	6549050	316400	1	16
NS002163	6548550	316200	1	12	NS002312	6549050	316450	1	11
NS002164	6548550	316250	1	14	NS002313	6549050	316500	1	8
NS002165	6548550	316300	1	13	NS002315	6549050	316600	1	10
NS002166	6548550	316350	1	11	NS002317	6549050	316700	1	10
NS002167	6548550	316400	1	8	NS002318	6549050	316750	1	10
NS002168	6548550	316450	1	8	NS002319	6549050	316800	1	9
NS002169	6548550	316500	1	25	NS002320	6549050	316850	1	12
NS002170	6548550	316550	1	8	NS002321	6549050	316900	1	15

Table A – Auger soil gold results >=7.5ppb (continued)

Sample_ID	North_MGA	East_MGA	Depth_(m)	Au_(ppb)	Sample_ID	North_MGA	East_MGA	Depth_(m)	Au_(ppb)
NS002322	6549050	316950	1	24	NS002431	6549350	316850	1	9
NS002323	6549050	317000	1	33.5	NS002432	6549350	316900	1	9
NS002324	6549050	317050	1	16	NS002433	6549350	316950	1	11
NS002325	6549050	317100	1	11	NS002434	6549350	317000	1	13
NS002326	6549050	317150	1	8	NS002435	6549350	317050	1	9
NS002327	6549050	317200	1	8	NS002436	6549350	317100	1	18.5
NS002329	6549050	317300	1	8	NS002437	6549350	317150	1	9
NS002334	6549050	317550	1	9	NS002444	6549450	316750	1	8
NS002335	6549050	317600	0.5	8	NS002445	6549450	316800	1	8
NS002336	6549100	316400	1	10	NS002446	6549450	316850	1	8
NS002337	6549100	316450	1	8	NS002448	6549450	316950	1	12
NS002338	6549100	316500	1	9	NS002449	6549450	317000	1	9
NS002339	6549100	316550	1	9	NS002450	6549450	317050	1	12
NS002340	6549100	316600	1	10					
NS002341	6549100	316650	1	9					
NS002342	6549100	316700	1	11					
NS002343	6549100	316750	1	8					
NS002344	6549090	316800	1	9					
NS002345	6549100	316850	1	12					
NS002346	6549100	316900	1	11					
NS002347	6549100	316950	1	9					
NS002348	6549100	317000	1	11					
NS002349	6549100	317050	1	10					
NS002350	6549100	317100	1	13.5					
NS002351	6549100	317150	1	8					
NS002352	6549100	317200	1	8					
NS002354	6549100	317300	1	11					
NS002359	6549100	317550	1	10					
NS002360	6549100	317600	1.2	9					
NS002362	6549150	316450	1	10					
NS002364	6549150	316550	1.2	11					
NS002365	6549150	316600	1	9					
NS002366	6549150	316650	1	17					
NS002367	6549150	316700	1	9					
NS002368	6549140	316750	1	9					
NS002369	6549150	316800	1	10					
NS002370	6549150	316850	1	12					
NS002372	6549150	316950	1	9					
NS002382	6549150	317450	1	9					
NS002383	6549150	317500	1	10					
NS002384	6549150	317550	1	12					
NS002385	6549150	317600	0.5	8					
NS002388	6549250	316600	1	8					
NS002389	6549250	316650	1	9					
NS002393	6549250	316850	1	8					
NS002394	6549250	316900	1	9					
NS002395	6549250	316950	1	9					
NS002396	6549250	317000	1	9					
NS002397	6549250	317050	1	12					
NS002398	6549250	317100	0.5	8					
NS002399	6549250	317150	1	9					
NS002400	6549250	317200	1	11					
NS002401	6549250	317250	1	18					
NS002402	6549250	317300	1	11					
NS002408	6549300	316600	1	8					
NS002409	6549300	316650	1	9					
NS002410	6549300	316700	1	18					
NS002411	6549300	316750	1	8					
NS002412	6549300	316800	1	8					
NS002414	6549300	316900	1	9					
NS002415	6549300	316950	1	8					
NS002416	6549300	317000	0.5	8					
NS002427	6549350	316650	1	9					
NS002428	6549350	316700	1	11					

For further information about Alliance Resources Ltd, please visit www.allianceresources.com.au

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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.

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 soil samples from auger 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>	Auger drilling was used to obtain a ~200g sample from the end of auger hole (between 0.3m and 2m depth) which was pulverised to produce a 10g charge prior to aqua regia digestion with ICP-MS 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>	Open hole auger drilling.
Drill sample recovery	<i>Method recording and assessing core and chip sample recoveries and results assessed.</i>	~200g sample collected from end of hole in calcrete horizon (if present)
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	Sample recovery 100% due to method of sampling (auger drilling). Calcrete horizon preferentially sampled.
	<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>	Low potential for sample bias due to method of geochemical sampling (auger drilling).
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>	The sample medium and carbonate abundance was noted for all samples collected.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i>	Sample logging is qualitative (e.g. regolith type and carbonate intensity).
	<i>The total length and percentage of the relevant intersections logged.</i>	All soil samples were logged for regolith type and carbonate intensity.
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>	A sample scoop was used to collect a ~200g sample of auger drill spoil from the end of hole.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Sample preparation and analyses was carried out by MinAnalytical in Perth. All samples were dried, crushed, pulverised and split to produce a charge of 10g for analyses.
	<i>Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.</i>	The calcrete horizon was preferentially sampled. Acid was used to test for presence of carbonate. The sample medium and carbonate abundance was noted for all samples.
	<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>	All samples were collected as ~200g samples at the end of each hole. No duplicate samples were submitted to the laboratory.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	The sample sizes are considered to be 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>	The analytical technique (AR10MS) uses 3 acid (partial) digestion followed by ICP-MS for Ag, As, Au, Bi, Cu, Ni, Pb, Sb, Te, W and Zn. The technique is considered appropriate for the sample type.
	<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.

Section 1 – Sampling Techniques and Data		
Criteria	JORC Code explanation	Commentary
	<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>	Sample duplicates and sample standards were inserted into the sample sequence every 26 samples by the laboratory. Sample blanks were inserted into the sample sequence every 52 samples by the laboratory. The analyses of the duplicates indicate acceptable levels of accuracy have been established.
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>	Auger 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>	Topographic control is considered 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>	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>	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 Nepean South Project (E15/1483, P15/6072 and E15/1543) are owned 100% by Alliance (SA) Pty Ltd (Alliance). The Project is centred 40 km southwest of Coolgardie, 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 Metals Exploration Ltd (1968-1985), Triton Resources Ltd (1994-2000), Resolute Ltd (1995-1999), Hannans Reward Ltd (2005-2008), Mincor Resources Ltd (2006-2013) and HD Mining and Investment Pty Ltd (2012-2014). All previous work has been appraised by Alliance.
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	The Nepean South project captures the interpreted southern extension of the ultramafic sequence hosting the Nepean

Section 2 – Reporting of Exploration Results		
Criteria	JORC Code explanation	Commentary
		Nickel Mine (historic production: 1.1 Mt @ 3.0% Ni for 32,200 t Ni) (not part of Alliance’s tenements). The project is considered prospective for both komatiitic-hosted nickel sulphide mineralisation and greenstone-hosted orogenic gold mineralisation.
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 the Table A in the body of report for all significant gold results from the auger soil drilling to which this report relates.
Data aggregation methods	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.	Repeat results were arithmetically averaged for the purpose of reporting. Only results ≥ 7.5 ppb Au are reported in Table A.
	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.	Not applicable.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalents are reported.
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>	Not applicable as results are soil geochemical results.
Diagrams	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.	Refer to figure in the body of the announcement.
Balanced reporting	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.	Only results ≥ 7.5 ppb Au are reported in Table A. The location of all samples (including those < 7.5 ppb Au) is illustrated in Figure 1.
Other substantive exploration data	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.	All relevant exploration data collected so far have been reported.
Further work	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.	Refer to main body of report.