

**11 January 2018**

**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 (61.36%):** gold and base metals

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

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

**Share Registry:**

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## COMMENCEMENT OF DRILLING

### *Nepean South Project*

The Directors of Alliance Resources Ltd (Alliance) are pleased to announce the commencement of aircore drilling at the Nepean South Project for gold.

The Project is located 26 km southwest of Coolgardie, Western Australia and is prospective for both komatiitic-hosted nickel sulphide deposits and greenstone-hosted orogenic gold deposits.

A 90 hole aircore drilling program, totalling ~3,600 metres, will be completed at the Nepean South Project during January (Figure 1). This first phase of aircore drilling is designed to test for low-level gold in regolith (weathered Archaean rock) anomalism beneath gold in soil sampling anomalism that can be used to vector towards a primary gold deposit. Drilling will be completed using a 160 metre by 320 metre spaced grid.

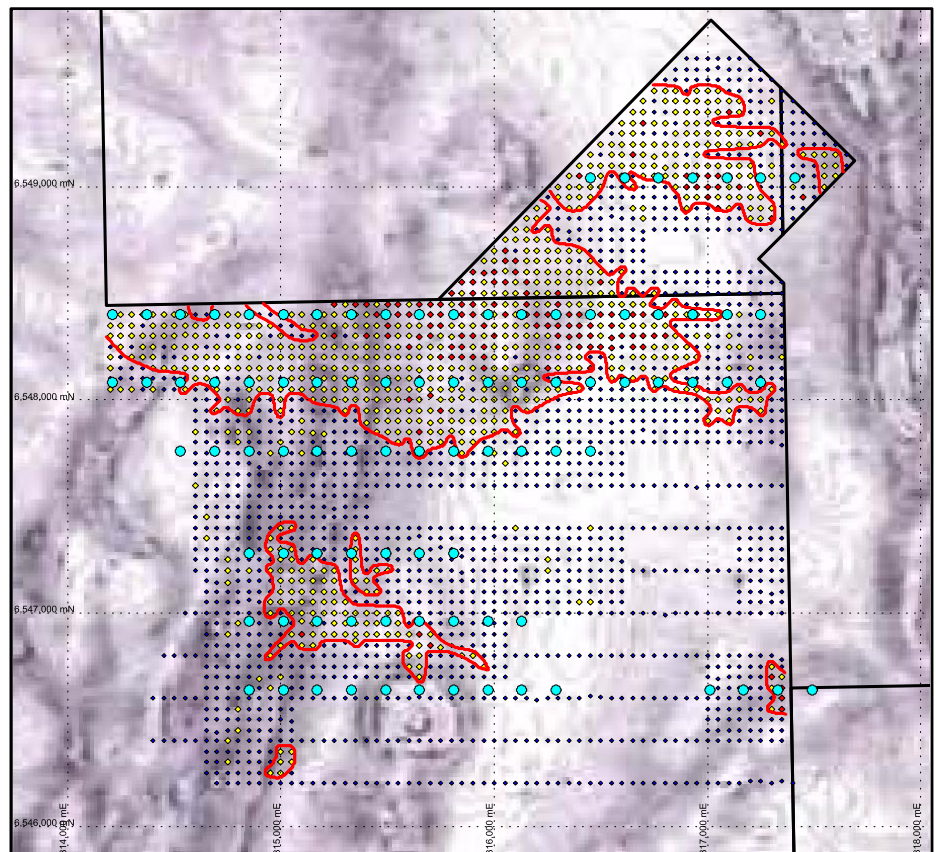


Figure 1. Nepean South Project: Planned Phase 1 aircore drilling on an aeromagnetic image with gold results

**Legend -**

*Light blue dots: planned Phase 1 aircore drill holes*

**Gold in Auger Soil Sampling**

*Blue diamonds: 0 – 7.5 ppb Au*

*Yellow diamonds: 7.5 – 15 ppb Au (anomalous)*

*Red diamonds: > 15 ppb Au (highly anomalous)*

*Red line: > 7.5 ppb Au contour*

Refer to Alliance's ASX announcement dated 25 October 2017 for details of the gold in soil anomalies.

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

**Peter Taylor**  
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## **About Alliance**

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

## **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.