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ALLIANCE RESOURCES LTD

ASX: AGS

ABN: 38 063 293 336

Market Cap: $11.5 M @ $0.11

Shares on issue: 104,293,923

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Wilcherry JV, SA (75.01%): gold and base metals

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

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

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SIGNIFICANT GRAPHITE DISCOVERY

Yeltana Prospect, Wilcherry Project JV

Diamond drilling by Alliance at the **Yeltana Prospect** returns the following significant Total Graphitic Carbon (TGC) intersections:

- **17.2m @ 5.05 % TGC from 234.1m in 18EMDH006**
- **17.1m @ 8.54 % TGC from 148m in 18EMDH007, and**
- **21.05m @ 9.28 % TGC from 171.75m in 18EMDH007**

All holes drilled to date show excellent correlation with a **highly conductive source** positioned below the existing holes.

An Exploration Target has been estimated for the Yeltana Graphite Prospect of between 24.5 million and 59 million tonnes grading between 5.5% and 10.2% total graphitic carbon. The potential quality and grade of this Exploration Target is conceptual in nature as there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Exploration Target is based on empirical drilling and geophysical data and suggests that the Yeltana Graphite Prospect could be one of the largest graphite deposits in Australia (by mineral content).

Further work is planned to advance the understanding of this mineralisation, including graphite flake size distribution to better assess the economic potential of the prospect before planning further drilling.

Alliance Resources Ltd (Alliance) is pleased to announce the results of diamond drilling from the Yeltana Graphite Prospect, which forms part of the Wilcherry Project Joint Venture between Alliance (75.01%) and Tyranna Resources Ltd (ASX Code: TYX) (24.99%).

The Yeltana Graphite Prospect is located 40 kilometres north-northwest of Kimba, on the northern Eyre Peninsula in South Australia (Figure 1). The prospect was first identified by a helicopter borne electromagnetic survey completed in early 2017 and more accurately defined by a high powered (HP) moving-loop electromagnetic (MLEM) survey completed in May and June 2017.

This survey identified a single strong bedrock anomaly that was modelled as being ~600 metres by 1,200 metres in size, high strength

(~7,000-10,000 siemens (S)), dipping ~60-70 degrees southwest, and starting between ~50 and 75 metres below surface.

In November 2017 one RC hole (17EMRC001), totalling 192 metres, was drilled to test the source of this conductor and confirmed it to be associated with a broad zone of graphite mineralisation. This hole returned **39 metres @ 8.0% TGC from 116 metres depth.** Refer to ASX announcement dated 30 November 2017. Unfortunately a down-hole electromagnetic (DHEM) survey could not be completed in the hole as it blocked immediately upon completion.

During July and August 2018 two HQ sized diamond holes (18EMDH006 and 007), totalling 555.8 metres, were drilled at the Yeltana Graphite Prospect to confirm the initial RC drill intersection, complete DHEM surveys to better model the size and geometry of the graphite conductor, and provide empirical data to support the estimation of an Exploration Target.

The diamond drill holes were also planned to provide metallurgical samples for graphite flake size analysis to better assess the economic potential of the prospect.

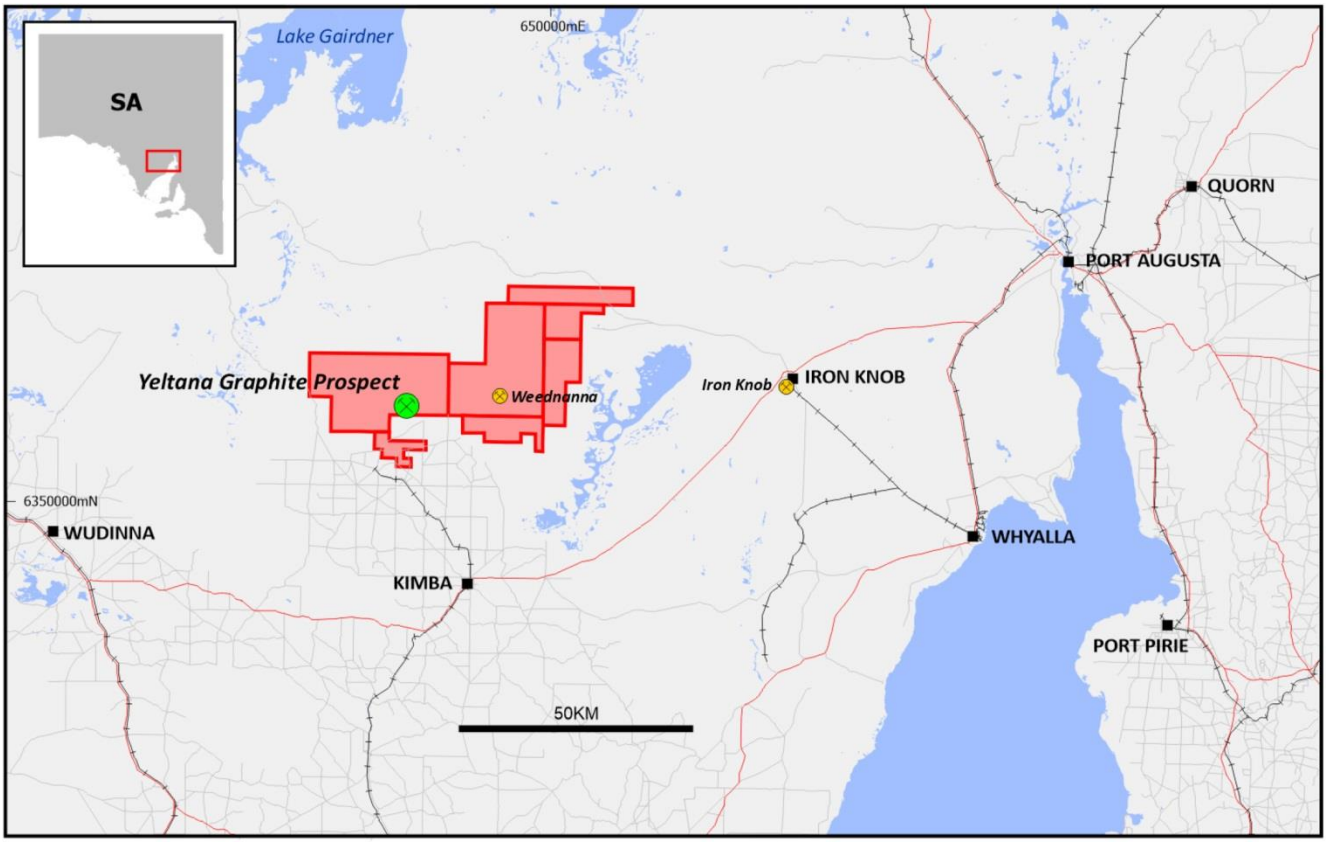

Figure 1. Location of Yeltana Graphite Prospect

Diamond Drilling

Diamond hole 18EMDH006 was drilled 220 metres to the south-southeast of RC hole 17EMRC001 (Figure 2) and designed to intersect a target zone between 175-275 metres depth. The hole was completed at 318.3 metres depth and intersected several zones of graphite mineralisation between 125.5-126.45m, 131.55-132.8m, and 234.1-251.3m depth.

Diamond hole 18EMDH007 was positioned 23 metres to the west of RC hole 17EMRC001 (Figure 2) and designed to intersect a target zone between 155-195m depth. This hole was completed at 237.5 metres depth and intersected a broad zone of graphite mineralisation between 148.6-192.8m depth.
Graphite mineralisation in both holes is hosted within pelite and bounded by chlorite-biotite schist, with occasional psammite, that is intruded by tourmaline-bearing granite/pegmatite. Bedding and mineralisation strikes northwest and dips ~60-70 degrees to the southwest.

The prospect is overlain by between 10 and 30 metres of transported cover and is weathered to between 70 and 115 metres depth.

Graphite-bearing intervals of diamond core were cut and sampled over 0.45 to 1.3 metre intervals and analysed for TGC using a LECO furnace with infrared detection.

Table 1 lists all significant graphite drill intersections averaging greater than 5.0 % TGC, with best results including:

- **17.2m @ 5.05 % TGC from 234.1m in 18EMDH006;**
- **17.1m @ 8.54 % TGC from 148m in 18EMDH007; and**
- **21.05m @ 9.28 % TGC from 171.75m in 18EMDH007.**

At the completion of each drill hole PVC was run down the hole to allow for the completion of a DHEM survey.

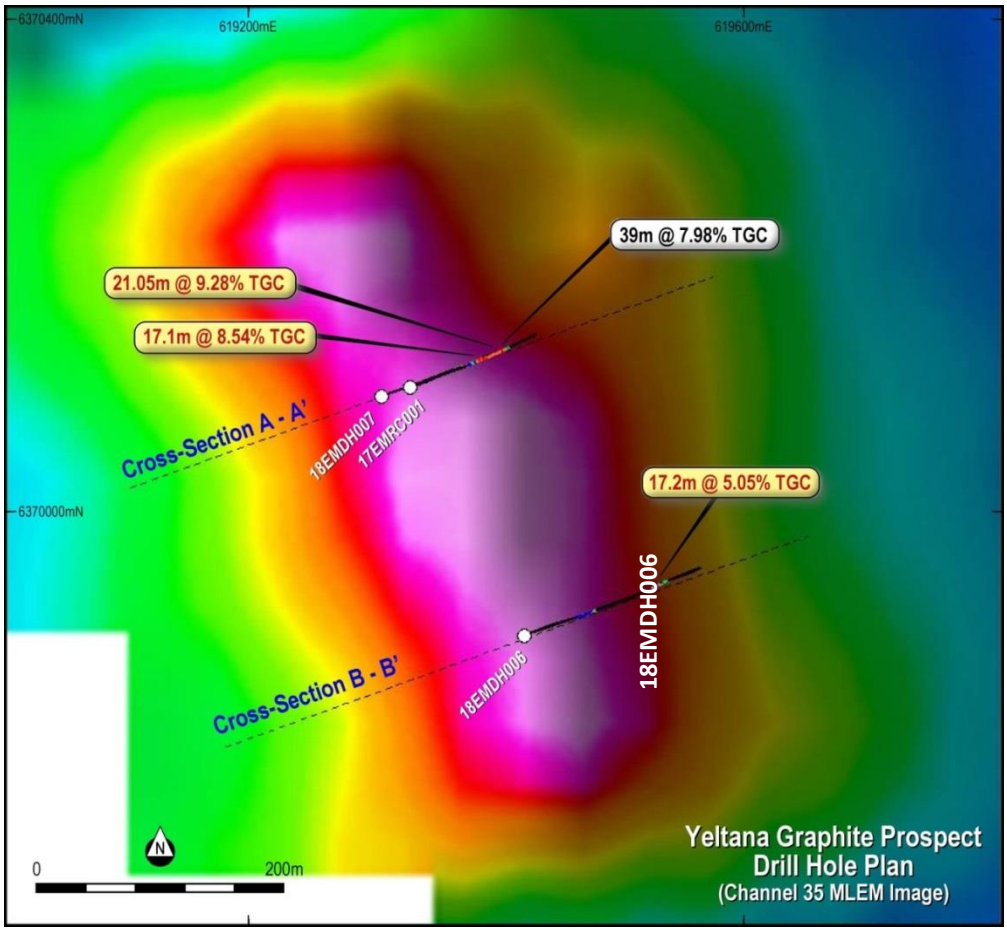

Figure 2. Drill hole location plan with trace on Channel 35 MLEM image
(refer to Figures 3 and 4 for cross-sections)

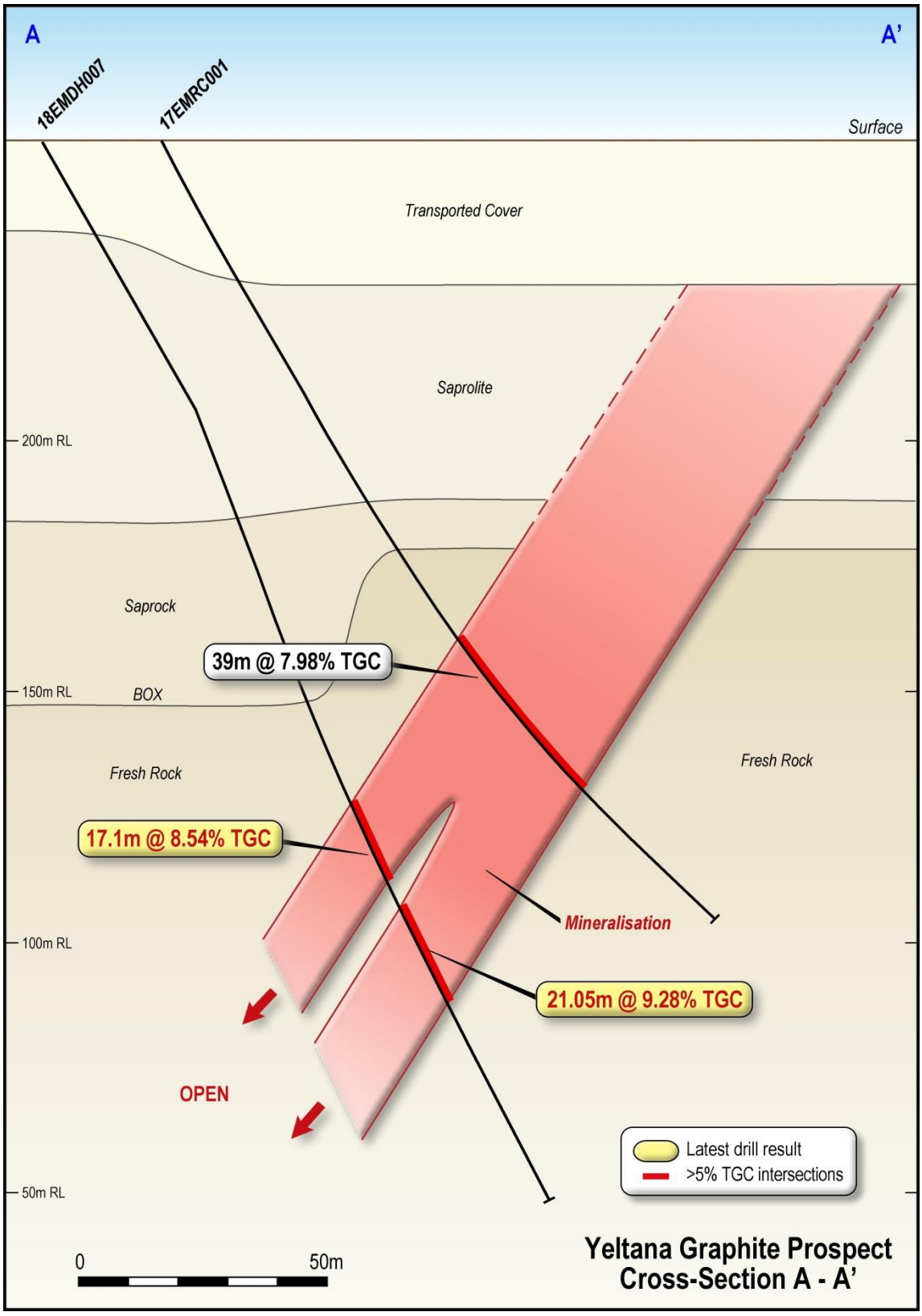

Figure 3. Cross-section A-A' (refer to Figure 2 for location)

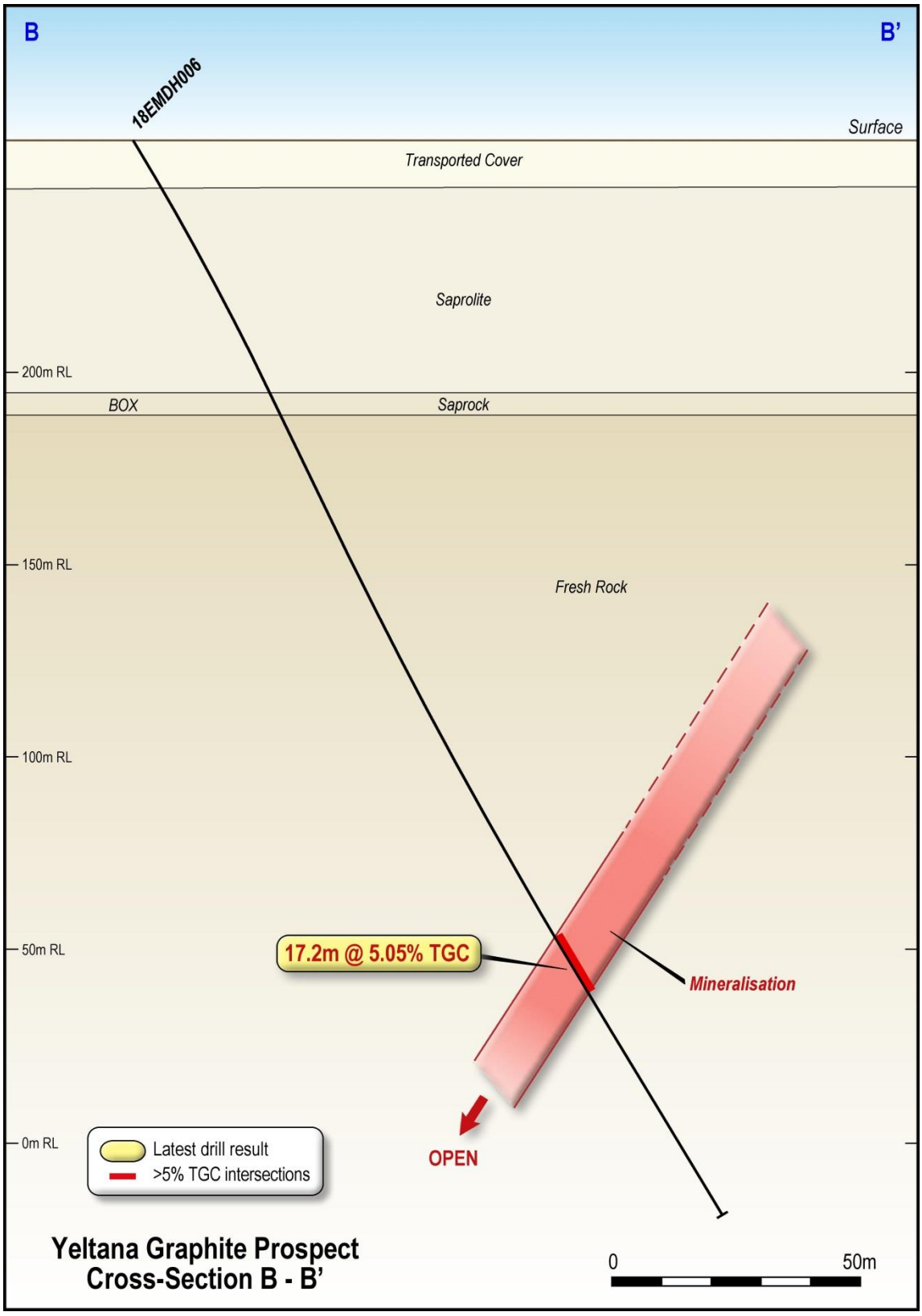

Figure 4. Cross-section B-B' (refer to Figure 2 for location)

Table 1. Yeltana Graphite Prospect: Diamond Drilling Significant Analytical Results

Hole ID	East MGA	North_MGA	RL (m)	Azimuth	Dip	EOH (m)	Depth From (m)	Depth To (m)	Interval (m)	TGC (%)
17EMRC001*	619,330	6,370,101	260	68.9	- 60.2	192	116	155	39	7.98
18EMDH006	619,423	6,369,900	260	70.0	- 60.0	318	125.5	126.45	0.95	5.75
and							131.55	132.8	1.25	7.14
and							234.1	251.3	17.20	5.05
including							234.1	235.8	1.70	15.21
including							242.6	243.9	1.30	8.03
including							246.3	251.3	5.00	7.16
18EMDH007	619,307	6,370,094	260	70.0	- 60.0	238	148.6	165.7	17.10	8.54
and							171.75	192.8	21.05	9.28
including							183.4	189.5	6.10	13.86
*Refer to Alliance ASX announcement dated 30 November 2017										

Down Hole Electromagnetic Surveys

During August 2018 high-powered systematic DHEM surveys were completed in diamond holes 18EMDH006 and 007 by GAP Geophysics Australia using a SMARTem24 instrument combined with high powered transmitters and optimised loop configurations.

Quality control and data analysis was completed by Southern Geoscience Consultants using Maxwell EM software.

The data from hole 18EMDH006 highlighted a very strong and dominant in-hole anomaly centred at ~225-250 metres down hole, with the source predominantly below the hole and clearly related to well-developed graphite and sulphides.

Modelling on this conductor was performed in conjunction with the neighboring hole (18EMDH007 discussed below) and confirms the presence of a highly conductive source with the strongest part positioned below and northwest of the hole, with source areal size conservatively estimated to be ~400 metres by 800 metres, conductance ~15,000S+, and dip/geometry ~60-70 degrees southwest to west-southwest.

The DHEM data from hole 18EMDH007 also clearly defined a very strong and dominant/complex in-hole anomaly centred at ~155-195 metres down hole, with the source dominantly below the hole and clearly related to well-developed graphite and sulphides.

Maxwell modelling of this conductor was also performed in conjunction with the neighboring hole (18EMDH006 discussed above). Modelling confirmed the presence of a highly conductive source with the strongest part positioned below the hole, with source/combined areal size conservatively estimated as being ~500 metres by 300 metres, conductance ~10,000-20,000S+, and dip/geometry ~60-70 degrees southwest to west-southwest.

The strike and dip of the conductors modelled in both diamond holes independently matches the geometry mapped between the three holes drilled at the prospect.

By integrating the results from these two DHEM surveys and combining them with the more extensive MLEM survey completed in May and June 2017 Southern Geoscience Consultants have conservatively estimated the dimensions of the Yeltana Graphite Prospect conductor as having between ~500 metres and 600m strike length and between ~750 metres and 1,000 metres depth extent.

Figure 5 illustrates the position of the modelled DHEM conductors with respect to the drill hole locations and the original MLEM conductor plate.

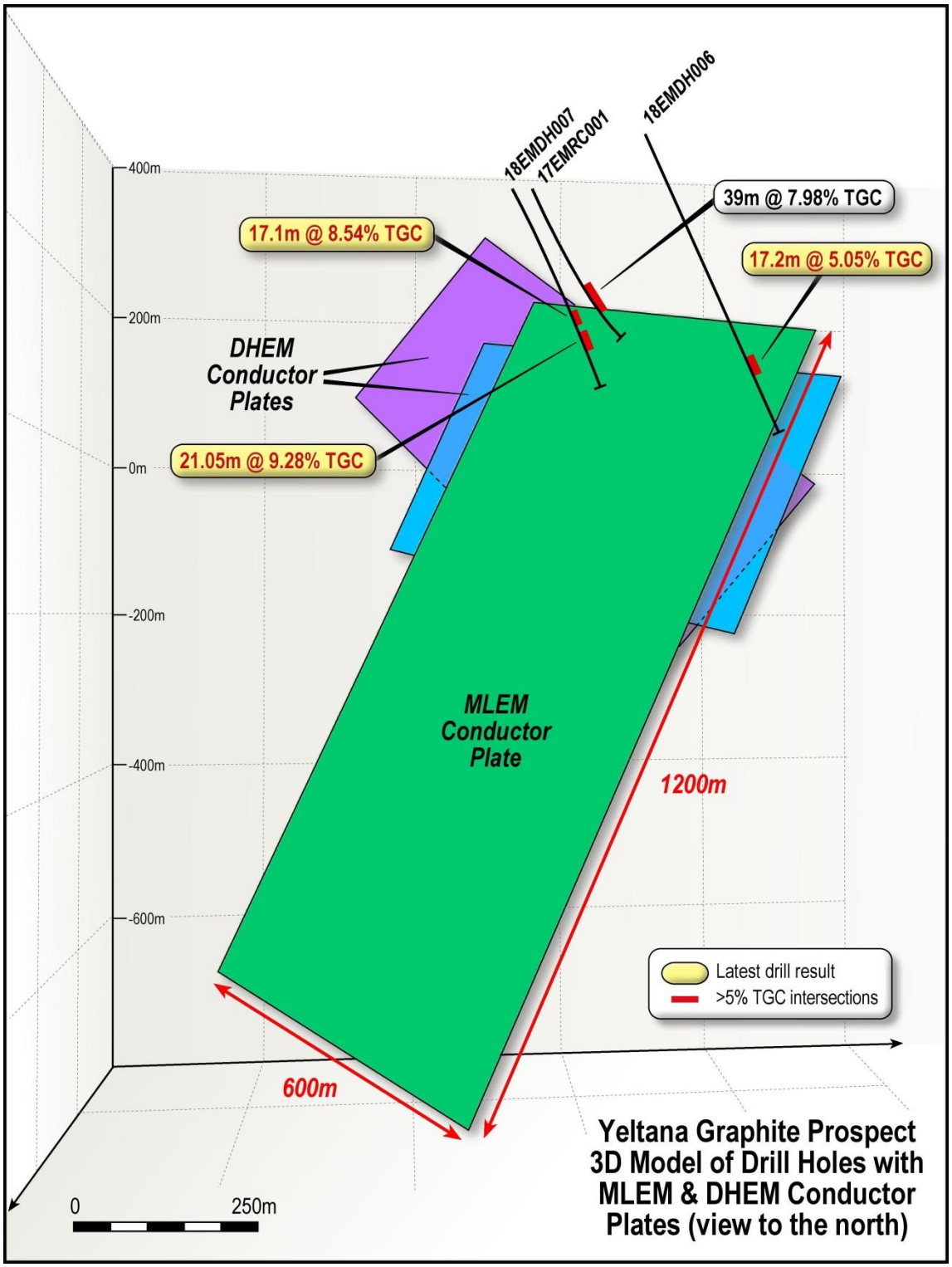

Figure 5. Yeltana Graphite Prospect: 3D Model of drill holes with MLEM and DHEM conductor plates (view to the north)

Yeltana Graphite Prospect Exploration Target

An Exploration Target has been estimated for the Yeltana Graphite Prospect of between 24.5 million and 59.0 million tonnes grading between 5.5 and 10.2 % total graphitic carbon (Table 2). The potential quality and grade of this Exploration Target is conceptual in nature as there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Yeltana Graphite Prospect Exploration Target estimate is based on the following empirical data and assumptions (refer to Tables 2 and 3).

Area: estimated based on conductor plate modelled by Southern Geoscience Consultants using data from a HP MLEM survey completed in May and June 2017 and HP DHEM surveys completed in diamond holes 18EMDH006 and 007 during August 2018 (refer to Down Hole Electromagnetic Surveys section in this report);

Width: estimated based on the average estimated true thickness of graphite intersections in holes 17EMRC001, 18EMDH006, and 18EMDH007. The Exploration Target width is estimated over a range of plus and minus 20% of the average estimated true thickness of graphite intersections (Average Estimated True Thickness = 28.4 metres – refer to Table 3);

Tonnage: estimated using the average of 57 density measurements collected by Alliance using the immersion (wet/dry) method on diamond core from the graphite mineralised intersections in holes 18EMDH006 and 18EMDH007 (Average SG = 2.88). Exploration Target tonnage has been rounded up or down to the nearest half million tonnes; and

Graphite grade: estimated based on the weighted average TGC % grade intersected in holes 17EMRC001, 18EMDH006, and 18EMDH007 (refer to Diamond Drilling section in this report and AGS ASX Announcement dated 30 November 2017). The Exploration Target graphite grade is reported over a range of plus and minus 30% of the weighted average grade of the three drill hole intersections rounded up or down to one decimal place (Weighted Average Grade = 7.84 % TGC – refer to Table 3).

Table 2. Yeltana Graphite Prospect: Exploration Target Details

	Length (m) [1]	Depth (m) [1]	Width (m) [2]	SG [3]	Tonnes	Grade (TGC%) [4]
Minimum	500	750	22.7	2.88	**24,500,000**	**5.5**
Maximum	600	1000	34.1	2.88	**59,000,000**	**10.2**

Notes to Table 2:

1. Length and Depth estimated by Southern Geoscience Consultants based on MLEM survey modelling and DHEM modelling of 18EMDH006 and 007
2. Width based on average true thickness of mineralised intervals in holes 17EMRC001, 18EMDH006 and 007 (28.4 metres - refer Table 3) plus and minus 20%
3. SG based on average of 57 immersion (wet/dry) method measurements collected by Alliance on mineralised zones in holes 18EMDH006 and 007
4. Weighted average grade of mineralised intervals in holes 17EMRC001, 18EMDH006 and 007 (7.84 % TGC - refer Table 3) plus and minus 30%

Table 3. Yeltana Graphite Prospect: Drill Results used in Exploration Target Estimate

Hole ID	From (m)	To (m)	Interval (m)	True Width (m)	TGC (%)
17EMRC001	116	155	39	37.3	7.98
18EMDH006	234.1	251.3	17.2	15.3	5.05
18EMDH007	148.6	165.7	17.1	14.5	8.54
and	171.75	192.8	21.05	18.0	9.28
Average				**28.4**	**7.84**

The Exploration Target defined at the Yeltana Graphite Prospect, while conceptual in nature, is based upon empirical geophysical and drilling data. The very strong and large MLEM conductor identified at the prospect during 2017 has been demonstrated in three drill holes and by DHEM surveys in two of those holes to be directly related to broad zones of moderate grade graphite mineralisation.

The size of this Exploration Target is nationally significant because the tonnage and grade ranges estimated indicate that the Yeltana Graphite Prospect could be one of the largest graphite deposits in Australia, by mineral content.

Future Work

Graphite is an industrial mineral that has over the past few years experienced increase in demand due to developments in battery technologies related to the emerging electric vehicle and green energy markets.

Although resource tonnes and graphitic carbon content (grade) are key metrics in assessing projects, the evaluation of graphite projects is more complex. Out of the numerous considerations, key attributes, in addition to size of deposit and grade, are the particle (flake) size distribution of the recovered graphite and purity.

Graphite purity is particularly important for the higher value end uses like lithium-ion batteries and is a key determinant in saleability of the product. It is also a key factor in the cost of production because if further processing is required to make the product saleable this could dramatically increase the operating cost.

Graphite flake size distribution is also important because the larger the flake in a given deposit, the higher the purity of the graphite product is likely to be and secondly, the larger the flake size the higher the price achieved.

Following the definition of a sizeable Exploration Target at the Yeltana Graphite Prospect, Alliance will engage graphite industry experts to help it assess the commercial viability and opportunities to develop the Yeltana Graphite Prospect. This will initially consist of preliminary metallurgical test work and if warranted, development of a systematic exploration drilling and metallurgical testing program to define an appropriate sized Mineral Resource for exploitation.

Assessment of the economic potential of the Yeltana Graphite Prospect will occur in parallel with the development of the Company's Weednanna Gold Deposit, which is located only 20 kilometres to the east.

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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 75.01%), 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 all 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 and the Exploration Target for the Yeltana Graphite Prospect 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.

The information in this announcement that relates to Geophysical Exploration Results is based on information compiled by Mr Russell Mortimer, who is employed as a Consultant to the Company through geophysical consultancy Southern Geoscience Consultants Pty Ltd. Mr Mortimer is a member of the Australian Institute of Geoscientists and a member of the Australian Society of Exploration Geophysicists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Mortimer consents to the inclusion in the report of matters based on information in the form and context in which it appears.

Appendix 1

Yeltana Graphite Deposit – JORC 2012 Tables

Reverse Circulation and Diamond Drilling

Section 1 – Sampling Techniques and Data		
Criteria	**JORC Code explanation**	**Commentary**
Sampling techniques	*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.*	Reverse circulation (RC) drill samples were collected at one metre intervals. Diamond drilling was completed using HQ sized drill core.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	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 to analytical instruments.
	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'	RC drilling was used to obtain 1m samples from which approximately 3kg was pulverised to produce a sub-sample for Total Graphitic Carbon (TGC) analysis. Diamond core was cut to 1/2 core (18EMDH006) or 1/4 core (18EMDH007) and sampled over 0.45 to 1.3 metre intervals from which ~3kg was pulverised to produce a sub-sample for TGC analysis.
Drilling techniques	*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.).*	Reverse circulation drilling in 2017 was completed using a face sampling percussion hammer with a 5¾ " bit. Diamond drilling was completed using HQ sized core.
Drill sample recovery	*Method recording and assessing core and chip sample recoveries and results assessed.*	Sample recovery and quality was logged for RC holes. Core loss in diamond holes is recorded during geological logging.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	RC drilling is undertaken using auxiliary compressors and boosters to keep the hole dry and maximise sample lift. Diamond holes were drilled using triple tube to ensure good sample recovery of poorly or semi-consolidated rock.
	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.	There is no observable relationship between sample recovery and grade.
Logging	*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.*	Diamond core and RC chip samples have been geologically logged to a level of detail to support a future Mineral Resource estimate, but have not been geotechnically logged at this point in time.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	RC chip and diamond core logging is both qualitative and quantitative in nature depending on the feature being logged and includes downhole depth, colour, oxidation state, lithology, texture, mineralogy, mineralisation, alteration and structure.
	The total length and percentage of the relevant intersections logged.	All holes were logged from start to finish.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Diamond core was cut with a diamond saw to produce 1/2 core (18EMDH006) or 1/4 core (18EMDH007) samples to obtain ~3kg for analyses.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	One metre RC samples were split using a cone splitter on the drilling rig to produce ~3kg sub-samples for submission to an analytical laboratory. All mineralised (graphitic) samples in hole 17EMRC001 were logged as dry and the majority of samples in the hole were also dry.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	The sample preparation techniques described above are appropriate to provide representative samples to a laboratory for drying, crushing, pulverising, and sub-sampling for Total Graphitic Carbon analysis using a LECO furnace with infrared spectroscopy.
	Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.	Approximately 5% of analysed samples were in the form of Company submitted standards, blanks, or duplicates.
	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.	The sampling measures described above ensured the sampling was representative of the in-situ material.

Section 1 – Sampling Techniques and Data		
Criteria	**JORC Code explanation**	**Commentary**
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The samples sizes are considered to be appropriate to the grain size of the material being sampled.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	All samples from hole 17EMRC001 were sent to ALS Minerals laboratory in Pooraka, SA for preparation and total graphitic carbon (TGC) analyses. All samples from holes 18EMDH006 and 18EMDH007 were sent Bureau Veritas laboratory in Thebarton, SA for preparation and TGC analyses. TGC Analytical Technique: A portion of the sample is dissolved in weak acid to liberate carbonate carbon. The residue is then dried at 420°C driving off organic carbon and then analysed by a Sulphur/Carbon analyser to give total graphitic or elemental carbon (TGC).
	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.	Not applicable.
	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.	Bureau Veritas Minerals Pty Ltd (BVM) and ALS Minerals (ALS) are a NATA accredited laboratories which have adopted ISO 9001 Quality Management Systems. Both company's laboratories work to documented procedures in accordance with this standard. Duplicate and standards analyses are completed in accordance with these procedures to maintain acceptable levels of accuracy and precision. Approximately 5% 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 various QC programs.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Alternative Company geologists have verified the significant results that are tabled in this report.
	The use of twinned holes.	RC hole 17EMRC001 and diamond hole 18EMD007 are spaced 23m apart on section.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	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 down hole drilling data.
	Discuss any adjustment to assay data.	No adjustments have been applied to the results.
Location of data points	*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.*	All drill hole collars are initially pegged using a hand held GPS (accuracy +/- 3m). Following completion, drill hole collars are surveyed by registered surveyors using a DGPS where expected horizontal and vertical accuracy is +/- 25cm. At the time writing the holes have only been located with a handheld GPS. 17EMRC001 has been accurately down hole surveyed using a gyroscope. 18EMDH006 and 18EMDH007 have been down hole surveyed using a single shot camera at 30 metre intervals. Survey accuracy of the single shot camera is sufficient for Mineral Resource estimation.
	Specification of the grid system used.	GDA94, MGA Zone 53.
	Quality and adequacy of topographic control.	At the time of writing accurate topographic control has not been established and is considered +/- 1m. The elevation (mRL) of all drill hole collars will be accurately surveyed by a registered surveyor using a DGPS.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Drill holes are on sections spaced 220m apart.
	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.	The data spacing and distribution is considered insufficient to establish geological and grade continuity appropriate to support the estimation of a Mineral Resource.
	Whether sample compositing has been applied.	No sample compositing has been applied.
Orientation of data in relation to geological	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	The orientation of sampling of key mineralised horizons achieves minimal sampling bias.
	If the relationship between the drilling orientation and the	The drilling orientation is within 30° of perpendicular to dip

Section 1 – Sampling Techniques and Data		
Criteria	**JORC Code explanation**	**Commentary**
structure	*orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	and strike of mineralisation and is not expected to introduce a material sampling bias.
Sample security	*The measures taken to ensure sample security.*	RC and diamond sub-samples are stored on-site prior to being transported to the laboratory for analysis. Sample pulps are returned to the Company and stored in a secure location. Diamond drilling core is stored in a secure location by the Company.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	All data collected was subject to internal review.

Moving Loop and Down-Hole Electromagnetic Surveys

Section 1 – Sampling Techniques and Data		
Criteria	**JORC Code explanation**	**Commentary**
Sampling techniques	*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.*	A moving loop electromagnetic (MLEM) survey was conducted by Gap Geophysics Australia Pty Ltd during May and June 2017. The survey utilised GAP's High Power MLEM system comprising an EMIT SMARTem24 receiver, 3-component SMART Fluxgate sensor working at a low base frequency of 0.25-1Hz (250-1000ms time base) and GAP GeoPak EMTX-200 High Current Transmitter. Surveying was completed on seven 200m spaced east-west oriented lines (103 stations for 9600m coverage) with 200m x 200m loop size (inloop mode) 120 Amps (single turn loop). Down-hole electromagnetic (DHEM) surveys were conducted by Gap Geophysics Australia Pty Ltd during August 2018 in diamond holes 18EMDH006 and 18EMDH007. The surveys were conducted with the GAP DHEM system comprising an EMIT DigiAtlantis system working at a base frequency of 0.5Hz (250-500ms time base) and Gap GeoPak HPTX transmitter. Loop size 250m x 250m, 130-180 Amps (single turn loops), multiple readings @ ~64 stacks. 18EMDH006 logged from 0-315m at 2-10m stations. 18EMDH007 logged from 0-200m at 2-10m stations. Both surveys had low noise levels in the three component data averaging <3pT in the ZXY data.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	
	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'	
Drilling techniques	*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.).*	DHEM surveys were collected from HQ diamond holes.
Drill sample recovery	*Method recording and assessing core and chip sample recoveries and results assessed.*	Not applicable – data from geophysical surveys only.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	
	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.	
Logging	*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.*	Not applicable – data from geophysical surveys only.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	
	The total length and percentage of the relevant intersections logged.	
Sub-sampling techniques and sample	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Not applicable – data from geophysical surveys only.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	

Section 1 – Sampling Techniques and Data		
Criteria	**JORC Code explanation**	**Commentary**
preparation	*For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	
	Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.	
	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.	
	Whether sample sizes are appropriate to the grain size of the material being sampled.	
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Not applicable – data from geophysical surveys only.
	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.	
	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.	
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Not applicable – data from geophysical surveys only.
	The use of twinned holes.	
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	
	Discuss any adjustment to assay data.	
Location of data points	*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.*	MLEM and DHEM loop layout is completed using a hand held GPS (accuracy +/- 3m). All drill hole collars are initially pegged using a hand held GPS. Following completion, drill hole collars are surveyed by registered surveyors using a DGPS. Expected horizontal and vertical accuracy is +/- 25cm. At the time writing the holes have only been located with a handheld GPS. 17EMRC001 has been accurately down hole surveyed using a gyroscope. 18EMDH006 and 18EMDH007 have been down hole surveyed using a single shot camera at 30 metre intervals. Survey accuracy of the single shot camera is sufficient for Mineral Resource estimation.
	Specification of the grid system used.	GDA94, MGA Zone 53.
	Quality and adequacy of topographic control.	At the time of writing accurate topographic control has not been established and is considered +/- 1m. The elevation (mRL) of all drill hole collars will be accurately surveyed by a registered surveyor using a DGPS.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Not applicable – data from geophysical surveys only.
	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.	
	Whether sample compositing has been applied.	
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	The orientation of sampling of key mineralised horizons achieves minimal sampling bias.
	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.	The MLEM lines are oriented east-west and ~45° to the strike of mineralisation. The drilling (and DHEM) orientation is within 30° of perpendicular to dip and strike of mineralisation. Both sets of survey data are not expected to introduce a material sampling bias.
Sample security	*The measures taken to ensure sample security.*	Not applicable – data from geophysical surveys only.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	Field level review of data was conducted by Gap Geophysics prior to sending data to Southern Geoscience Consultants for

Section 1 – Sampling Techniques and Data		
Criteria	**JORC Code explanation**	**Commentary**
		review and interpretation by suitably experienced geophysicists. Data quality control and analysis was completed using Maxwell EM software.
Section 2 – Reporting of Exploration Results		
Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*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.*	The Yeltana Prospect is located on EL5590 which forms part of the Wilcherry Project Joint Venture (Project) tenements, owned by Alliance Craton Explorer Pty Ltd (75.01%) and Trafford Resources Pty Ltd (24.99%). 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.
	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.	The tenements are in good standing with no known impediments to obtaining a licence to operate in the area.
Exploration done by other parties	*Acknowledgement and appraisal of exploration by other parties.*	Anomaly HP5 was first identified by a helicopter borne electromagnetic survey completed in early 2017 and more accurately defined by a high powered (HP) moving loop electromagnetic survey completed in May-June 2017, for Alliance on behalf of the Wilcherry Project Joint Venture. Graphite was first intersected at Yeltana in November 2017 when RC hole 17EMRC001 was drilled to test the source of the HP5 conductor and confirmed it to be associated with a broad zone of graphitic mineralisation.
Geology	*Deposit type, geological setting and style of mineralisation.*	Graphite mineralisation is hosted within Meso-proterozoic sediments of the Hutchinson Group as graphitic pelitic schists. Bedding and mineralisation strikes northwest and dips ~60-70° to the southwest.
Drill hole Information	*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:* • *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.* *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.*	Refer to Table 1 in this announcement.
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.*	The results are weighted averages by sample length. No high-grade cuts have been applied. All graphite intersections averaging greater than 5.0% TGC have been reported in Table 1.
	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.	Lengths of low grade results have been incorporated where the adjacent higher grade results are of sufficient tenor such that the weighted average remains above the lower cut-off grade.
	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	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *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').*	The drilling orientation is within 30° of perpendicular to the dip and perpendicular to the strike, of mineralisation. Drilling results are reported as down hole length. Table 3 reports the estimated true width of each drilling intersection.
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 figures in this announcement.

Section 2 – Reporting of Exploration Results		
Criteria	JORC Code explanation	Commentary
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.*	All Exploration Results have been reported.
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.*	Refer to Alliance Resources Ltd's ASX announcement dated 30 November 2017.
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.*	Graphite particle (flake) size distribution is planned to better assess the economic potential of the prospect before planning further drilling.