

QUARTERLY REPORT

FOR THE PERIOD ENDED 31 MARCH 2019

30 April 2019

ASX Code: **AGS**

No. of pages: 15

QUARTERLY REPORT - FOR THE PERIOD ENDED 31 MARCH 2019

DETAILS OF ANNOUNCEMENT

- Quarterly Activity Report for the period ended 31 March 2019 (9 pages)
- Appendix 5B for the period ended 31 March 2019 (5 pages)

For and on behalf of the Board

Bob Tolliday
Company Secretary

Further information relating to the Company and its various mining and exploration projects can be found on the Company's website at www.allianceresources.com.au

30 April 2019

ASX Code: AGS

QUARTERLY REPORT FOR THE PERIOD ENDED 31 MARCH 2019

HIGHLIGHTS

WILCHERRY PROJECT, SOUTH AUSTRALIA

- Alliance acquired the remaining 18.59% interest in the Wilcherry Project, as well as acquisition of an 80 person accommodation village on leasehold land, for a consideration of \$1.5 million cash. Alliance now owns 100% of the Project.

Weednanna Gold Deposit Scoping Study

- Post end-of-quarter, the results of the Scoping Study for the Weednanna Gold Deposit confirm a positive and robust gold project, including the construction of a new 250,000 tpa gold processing plant and tailings storage facility for a total capital cost of approximately \$44 million (includes \$8 million open pit pre-strip).
- Drilling to extend the mineral resource and to infill the Inferred mineral resources in order to increase the ratio of Indicated to Inferred mineral resources, has already commenced.

Weednanna Gold Deposit Drilling

- The results of two further rounds of reverse circulation (RC) drilling from December 2018 and February 2019 were received, including the following >30 g/t-m (grade x thickness) gold intercepts:
 - 2m @ 46.8 g/t Au from 101m in 19WDRC017 (Shoot 4)
 - 10m @ 7.7 g/t Au from 117m in 19WDRC007 (Shoot 5E)
 - 2m @ 19.9 g/t Au from 77m in 19WDRC010 (Shoot 5E)
 - 16m @ 3.7 g/t Au from 134m in 19WDRC013 (Shoot 11)
 - 7m @ 4.5 g/t Au from 90m in 19WDRC022 (Shoot 11)
 - 2m @ 16.1 g/t Au from 126m in 18WDRC066 (Shoot 11)
 - 16m @ 3.7 g/t Au from 134m in 19WDRC013 (Shoot 11)
- The results for Shoot 11 indicate that this gold lode is connected to Shoot 9.
- Five HQ sized diamond holes were completed at Shoots 1, 2, 4, and 5 during January and February 2019 to provide core samples through ore zones for further metallurgical test work.

Weednanna 3DIP Survey

- The results of the 3DIP survey have defined 9 new target zones, including 5 shallow targets, and which are in close proximity to, or along strike from, known high grade gold shoots.

Exploration Proximal to Weednanna

- Results of re-analysis of historic iron ore drilling samples at the **Weednanna North Prospect**, 1,300m north of Weednanna, identified 11 holes have returned >2.0 g/t-m gold intercepts, including a best result of **22m @ 0.34 g/t Au from 42m in 10WNRC027, incl. 2m @ 1.12 g/t Au from 42m**.
- Results of aircore drilling at the **Weednanna East Prospect**, 500m east of Weednanna, identified 4 holes returning >100 ppb gold, including a best result of **2m @ 1.31 g/t gold from 49m in 18WDAC078**

CORPORATE

- Alliance announced a partially underwritten non-renounceable rights issue entitling shareholders to subscribe for one new share for every two shares held on the record date of 21 March 2019 at an issue price of \$0.095 per share to raise up to approximately \$4.95 million before costs (Entitlement Offer). The Entitlement Offer is partially underwritten to \$4 million by Patersons Securities Limited.
- Cash reserves of \$0.58 million at 31 March 2018. The cash reserves prior to the end of the Quarter were depleted following the payment of \$1.5 million for the remaining 18.59% interest in the Wilcherry Project, and the acquisition of an 80 person accommodation village, however the opportunity was unexpected and was “too good” for the Company to pass up. The partially underwritten non-renounceable rights issue was already underway at the end of the Quarter, providing certainty to the company as to future cash availability.

Alliance Resources Limited (ASX: AGS) (“Alliance” or “the Company”) is pleased to provide shareholders with its Quarterly Report for the three-month period ending 31 March 2019.

WILCHERRY PROJECT, SOUTH AUSTRALIA

During the reporting period, Alliance’s wholly owned subsidiary Alliance Craton Explorer Pty Ltd (ACE) acquired the balance of the Wilcherry Project Joint Venture (approximately 18.59%) from Tyranna Resources Ltd, as well as acquisition of an 80 person accommodation village on leasehold land located in the township of Kimba South Australia, for a consideration of \$1.5 million cash.

The acquisition provides Alliance with 100% ownership of the Project, which includes the high-grade Weednanna Gold Deposit. It also eliminates the administrative burden and costs associated with the joint venture, streamlining the future statutory approvals required at the time a Mining Lease Proposal is submitted in respect of Weednanna.



Alliance’s accommodation village, Kimba

Scoping Study

On 18 April 2019 (post-reporting), the Company announced that independent consultant Mining One Pty Ltd completed a Scoping Study (+/- 35% accuracy) into the potential viability of the Mineral Resources at the project to support a new 250,000 tonnes per annum (tpa) gold processing facility on site, including but not limited to:

- Open pit and underground mine designs;
- Life-of-mine schedules;
- Processing plant flow sheet design, capital and operating costs provided by BHM Process Consultants;
- Capital and operating costs for non-process infrastructure;
- Consideration of geotechnical matters relating to the proposed open pit and underground mines;
- Ground water and surface water assessments
- Preliminary design estimate for the tails storage facility;
- Preliminary design estimate for site non-process infrastructure;
- Accommodation using Alliance's Kimba village;
- Assessment of the permitting requirements to establish a gold mining and processing operation, including a review of environmental, heritage and groundwater supply work completed by Ironclad Mining Ltd and other consultants, gap analysis and identification of critical path.

The results of the Scoping Study confirm a positive and robust gold project at Weednanna which includes the construction of a new 250,000 tpa gold processing plant and tailings storage facility costing approximately \$36 million and an open pit pre-strip.

Managing Director Steve Johnston stated: *"The Directors are delighted with the results of the Scoping Study and have determined that the outcomes provide strong encouragement for Alliance to commit to the next stage of its exploration and development program. To this end the Company advises that drilling, to extend the mineral resource and to infill the Inferred mineral resources in order to increase the ratio of Indicated to Inferred mineral resources, has already commenced."*

Weednanna Gold Deposit Drilling

On 6 September 2018, Alliance announced a maiden Mineral Resource Estimate (MRE) for the Weednanna Gold Deposit of 1.097 Mt grading 5.1 g/t gold for 181,000 oz gold (0.59 Mt grading 4.6 g/t Au Indicated and 0.51 Mt grading 5.7 g/t Au Inferred).

The Company followed up with a large drilling program testing for resource extensions which commenced in December 2018 and was completed in February, carried out in two rounds of drilling. A total of 17 RC holes for 2,615m was completed in December 2018 to test for extensions of gold mineralisation in the southern area of the deposit at Shoots 4, 5, 5E, 10, and 11, with highlights including:

- Shoots 4 and 5E continue to extend to the south with intersections of 8m @ 5.3 g/t Au from 75m in 18WDRC053 (Shoot 5E) and 3m @ 12.1 g/t Au from 133m in 18WDRC054 (Shoot 4);
- The previously reported intersection in 18WDRC051 has been confirmed as contamination based on a twin hole drilled during February.

A further round of 23 RC holes for 3,102m was completed in February 2019 to test for extensions of known gold mineralisation in the southern area of the deposit at Shoots 4, 5E and 11.

The results from this drilling program continued to grow the size of the Weednanna Deposit outside of the maiden MRE area, with highlights including:

- High grade gold intersected near the southern end of Shoot 4 with intersections of 2m @ 46.8 g/t Au from 101m in 19WDRC017;
- Shoot 5E continues to be defined with intersections of 3m @ 6.7 g/t Au from 106m in 19WDRC004, 10m @ 7.7 g/t Au from 117m including 7m @ 10.0 g/t Au from 118m in 19WDRC007, and 2m @ 19.9 g/t Au from 77m in 19WDRC010; and
- The gold potential of Shoot 11 emerges with intersections of 3m @ 7.3 g/t Au from 97m in 19WDRC012 (hangingwall), 12m @ 2.5 g/t Au from 108m including 8m @ 3.0 g/t Au from 108m in 19WDRC012 and 16m @ 3.7 g/t Au from 134m including 10m @ 4.3 g/t Au from 134m in 19WDRC013.

Results are based on 1m samples for Au using 40g charge fire assay with AAS finish. The high-grade gold results have been validated by acceptable comparison with 4m composite scoop samples collected prior to 1m sampling.

Shoot 11

Shoot 11 was identified during 2018 while 3D modelling the geology of the Weednanna Deposit (refer to Alliance's ASX announcement dated 16 July 2018). This shoot is positioned near the footwall contact of the Paleo-Proterozoic calc-silicate and magnetite skarn. Shoot 11 was initially defined on two 25 metre spaced cross-sections with significant assay results including:

- 4m @ 3.6 g/t Au from 102m in 97WDRC010B
- 9m @ 2.3 g/t Au from 163m in 18WDRC016

During December 2018, Alliance completed its first targeted holes into this shoot and returned:

- 11m @ 1.3 g/t Au from 97m in 18WDRC064
- 7m @ 1.5 g/t Au from 112m in 18WDRC065
- 2m @ 16.1 g/t Au from 126m in 18WDRC066

The recent drilling program has intersected further significant gold results that extend Shoot 11 and connect it to Shoot 9, which is in the same geological position (refer to Alliance's ASX announcement dated 16 July 2018). Historic drill intersections into Shoot 9 include:

- 7m @ 1.5 g/t Au from 163m in 98WDDH004
- 3m @ 1.5 g/t Au from 58m in 98WDRC022
- 3m @ 3.2 g/t Au from 188m in 98WDRC030

The recent drill results highlights include:

- 3m @ 7.3 g/t Au from 97m in 19WDRC012 (hangingwall)
- 12m @ 2.5 g/t Au from 108m in 19WDRC012, incl. 8m @ 3.0 g/t Au from 108m
- 16m @ 3.7 g/t Au from 134m in 19WDRC013, incl. 10m @ 4.3 g/t Au from 134m
- 1m @ 19.0 g/t Au from 77m in 19WDRC022 (hangingwall)
- 7m @ 4.5 g/t Au from 90m in 19WDRC022

These latest drilling results confirm that, as evidenced at Shoot 4, significant gold can occur near the footwall contact of the Paleo-Proterozoic calc-silicate and magnetite skarn, and that lower grade gold zones can act as a

vector towards higher-grade gold mineralisation. In general, the footwall contact of the skarn is poorly tested by drilling and significant potential remains to discover further gold in this geological position. Refer Figure 1.

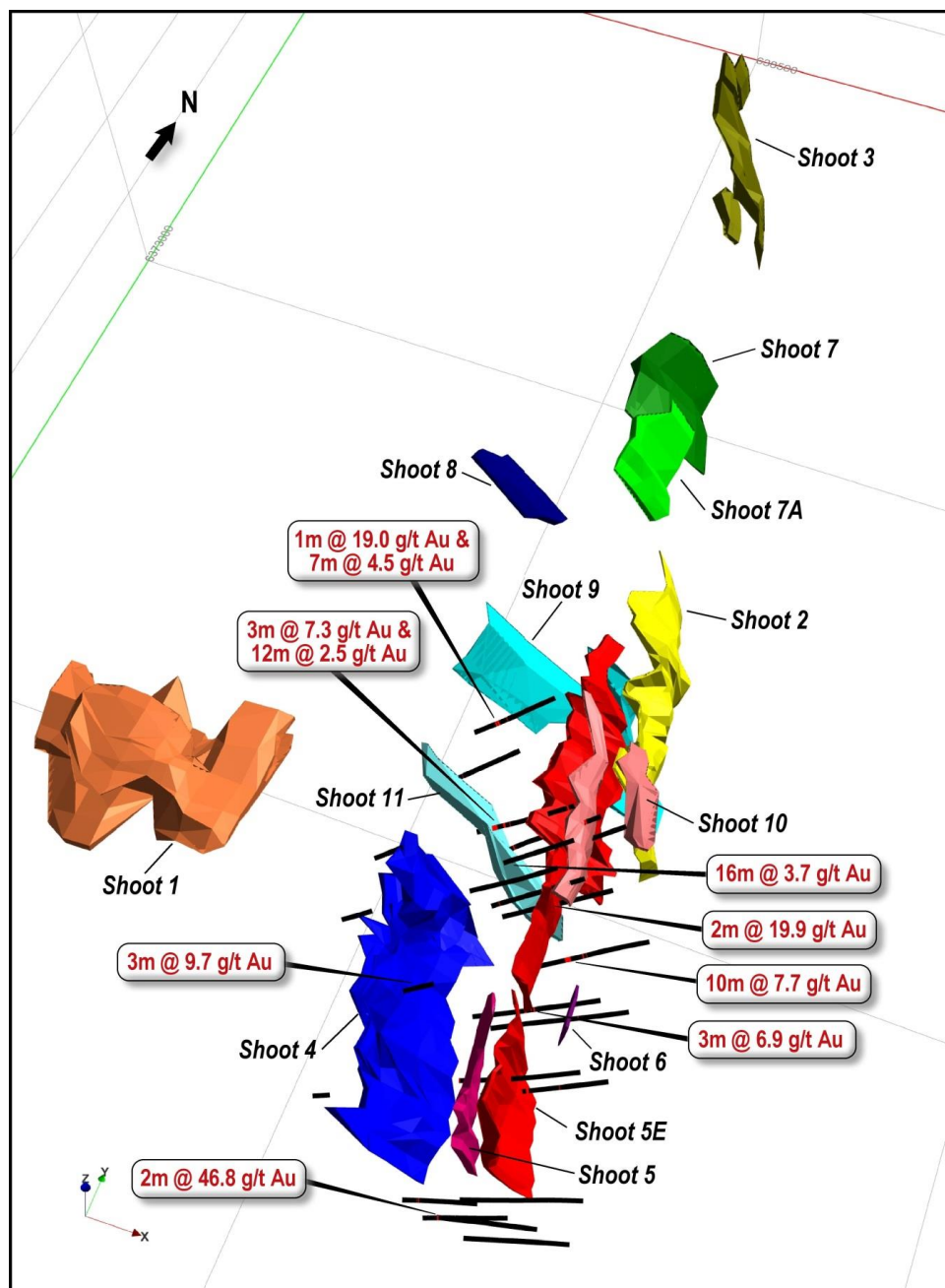


Figure 1. Weednanna gold mineralised shoots that comprise the 2018 MRE (view down to north-northwest) and RC drilling completed in Feb 2019

A further 68 RC holes for 9,995 metres have been completed at Weednanna since estimation of the 2018 MRE.

Five HQ sized diamond holes, for 588.15 metres, were completed at Shoots 1, 2, 4, and 5 during January and February 2019 to provide core samples through ore zones for metallurgical test work. These holes have been logged by a geotechnical consultant and are currently being cut for gold analysis.

Refer to Alliance’s ASX announcements dated 4 March 2019 and 2 April 2019 for further details.

Ongoing RC drilling programs are planned to continue to grow the size of the Weednanna Gold Deposit. Drilling has commenced.

Weednanna 3DIP Survey Identifies Nine New Gold Targets

The Company announced in March that it was in receipt of the report from a 3D Induced Polarisation (3DIP) surface geophysical survey which was completed over Weednanna during October 2018 by DIAS Geophysical and Gap Geophysics using the DIAS32 system, which is the leading acquisition technology in this field, to help target further areas of mineralisation.

The results of the 3DIP survey have defined nine new target zones based on where the high chargeability zones correlate with high density zones and are in close proximity to, or along strike from, known high grade gold shoots delineated via drilling.

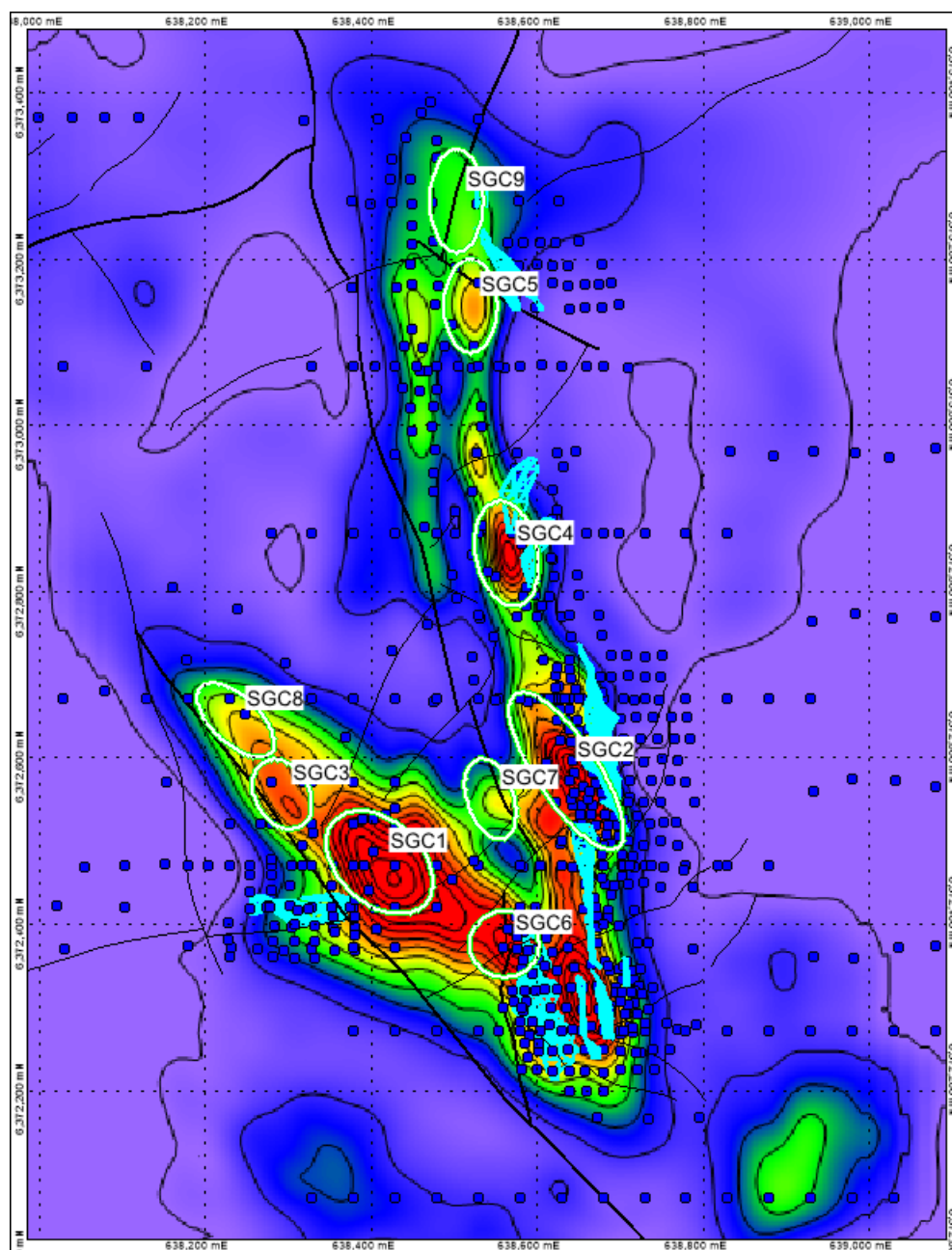


Figure 2. Target zones (ellipses) on 100 m chargeability depth slice. Light-blue regions represent high grade gold shoots and dark-blue dots represent drill collars

Figure 2 highlights the targets zones identified using the magnetic, gravity and 3DIP inversion results.

The following observations were noted:

- Gold mineralisation is closely associated with chargeability bodies that exhibit moderate to high chargeability (>~10mV/V);
- The chargeable bodies extend down to greater than 200m below the surface, and
- There is a strong correlation between high density (from the April 2018 gravity survey), high chargeability and high gold concentrations at Weednanna.

Five out of nine targets are shallow, which highlights the remaining near-surface potential to significantly grow the mineral resource. Some of the largest chargeable anomalies (e.g. SGC 1) are bounded by a NW-SE trending fault which is known to host gold but has limited drilling to date.

Refer to Alliance's ASX announcement dated 7 March 2019 for further details.

Weednanna North Gold Prospect

As previously reported, Alliance carried out re-analysis of historic iron ore drill sample pulps at the Weednanna North Prospect, located 1,300m north of the Weednanna Gold Deposit, which identified gold mineralisation.

One hundred and fifty eight (158) composite and split samples returned gold (Au) results >0.1 g/t Au, including 11 holes with >2.0 g/t-m (grade x thickness) Au intercepts:

- 17m @ 0.15 g/t Au from 60m in 08WNRC003
- 12m @ 0.27 g/t Au from 54m in 08WNRC005, incl. 1m @ 1.37 g/t Au from 58m
- 22m @ 0.15 g/t Au from 63m in 08WNRC033
- 16m @ 0.21 g/t Au from 176m in 08WNRC063
- 10m @ 0.34 g/t Au from 54m in 09WNRC005
- 8m @ 1.06 g/t Au from 58m in 10WNRC005, incl. 2m @ 2.81 g/t Au from 58m
- 2m @ 1.67 g/t Au from 68m in 10WNRC007
- 14m @ 0.50 g/t Au from 78m in 10WNRC009, incl. 2m @ 1.02 g/t Au from 78m
- 2m @ 1.20 g/t Au from 102m in 10WNRC014
- 22m @ 0.34 g/t Au from 42m in 10WNRC027, incl. 2m @ 1.12 g/t Au from 42m
- 8m @ 0.43 g/t Au from 28m in 12WNGC012

The Weednanna North Prospect was not previously targeted for gold. These results now present Weednanna North as a priority gold exploration target.

Refer to Alliance's ASX announcement dated 25 January 2019 for further details.

Weednanna East Gold Prospect

As previously reported, 85 aircore drillholes were completed for 3,101 metres in the previous quarter as a first pass test to extend known gold in regolith anomalism at Weednanna East.

This drilling program consisted of four lines of 50m x 200m spaced holes designed to test around the existing gold in soil and regolith anomalism and extend coverage to the west of existing RAB drilling at Weednanna East to cover a series of northwest striking faults.

All holes were drilled vertically to blade refusal.

One metre scoop assay results have now been received with 4 holes returned greater than 100 ppb gold with a best result of:

- 2m @ 1.31 g/t gold from 49m in 18WDAC078.

The zone of discontinuous >100ppb gold anomalism extends over 1,000m and is open in the north. The majority of gold anomalism has a northeast trend and is located towards the end of hole, near the saprolite / saprock boundary. Given the iron-poor felsic nature of these host rocks, this is where the gold in regolith anomalism is expected to concentrate.

The magnitude and distribution of gold in the regolith may be indicative of primary gold mineralisation and further drilling is warranted to better define the gold in regolith anomalies before bedrock drill testing.

Weednanna East is the first of the regional gold exploration target to be tested proximal to the Weednanna gold deposit and the Company is very encouraged by the initial aircore drilling results which indicate the prospectivity of the district.

Refer to Alliance's ASX announcement dated 29 January 2019 for further details.

CORPORATE

Alliance has available cash reserves of \$0.58 million at 31 March 2019. The cash reserves prior to the end of the Quarter were depleted following the payment of \$1.5 million for the remaining 18.59% interest in the Wilcherry Project, and the acquisition of an 80 person accommodation village, however the opportunity was unexpected and was "too good" for the Company to pass up.

On 18 March 2019, Alliance announced a partially underwritten non-renounceable rights issue entitling shareholders to subscribe for one new share for every two shares held on the record date of 21 March 2019 at an issue price of \$0.095 per share to raise up to approximately \$4.95 million before costs (Entitlement Offer). The Entitlement Offer is partially underwritten to \$4 million by Patersons Securities Limited.

Alliance holds 71,393,843 ordinary shares in Tyranna Resources Limited and 11,000,000 ordinary shares in Centennial Mining Limited (Administrators Appointed).

TENEMENTS

Tenement	Name	Location	Nature of interest	Beneficial percentage acquired or disposed of during the quarter	Beneficial percentage held at end of quarter
South Australia (Wilcherry Project)					
EL5470	Uno/Valley Dam	105 km WSW of Port Augusta	Granted	18.59%	100%
EL5875	Mount Miccollo	100 km W of Port Augusta	Granted	18.59%	100%
EL5590	Peterlumbo	140 km W of Port Augusta	Granted	18.59%	100%
EL5931	Maratchina Hill	140 km W of Port Augusta	Granted	18.59%	100%
EL5961	Pinkwillinie	140 km W of Whyalla	Granted	18.59%	100%
EL6072	Euria Dam	80 km W of Whyalla	Granted	18.59%	100%
EL6188	Wilcherry Hill	45 km N of Kimba	Granted	18.59%	100%
South Australia (Alliance 100%)					
EL6142	White Well	30 km north of Hawker	Granted	0%	100%
Western Australia (Alliance 100%)					
E15/1483	Nepean South	26 km southwest of Coolgardie	Granted	100%	0%
E15/1543	Nepean SE	26 km southwest of Coolgardie	Granted	100%	0%
P15/6072	Nepean SW	26 km southwest of Coolgardie	Granted	100%	0%
E28/2572	Gundockerta Sth	72 km east of Kalgoorlie	Granted	0%	100%
E25/569	Yindarlgooda	72 km east of Kalgoorlie	Granted	0%	100%

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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 (Alliance 100%), located within the southern part of the Gawler Craton in the northern Eyre Peninsula of South Australia.



Competent Persons

The information in this report that relates to the Exploration Results 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.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

ALLIANCE RESOURCES LIMITED

ABN

38 063 293 336

Quarter ended ("current quarter")

31 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation (see note 4)	(760)	(2,647)
(b) development		
(c) production		
(d) staff costs	(123)	(332)
(e) administration and corporate costs	(164)	(649)
1.3 Dividends received (see note 3)		
1.4 Interest received	11	57
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (GST paid/recouped)	100	306
1.9 Net cash from / (used in) operating activities	(936)	(3,265)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(774)	(774)
(b) tenements (see item 10)	(230)	(230)
(c) investments	-	-
(d) other non-current assets (Intellectual Property)	(500)	(500)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(1,504)	(1,504)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other	-	-
3.10 Net cash from / (used in) financing activities	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	3,011	5,340
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(936)	(3,265)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1,504)	(1,504)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	571	571

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	571	1,361
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (31 day notice deposits)	-	1,650
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	571	3,011

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	235
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

All transactions involving Directors and associates were on normal commercial terms. These payments represent Director fees, Director consulting fees, re-imbursments of expenses and payments in terms of a management service agreement with a Director related entity.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

NIL

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	540
9.2 Development	
9.3 Production	
9.4 Staff costs	156
9.5 Administration and corporate costs	205
9.6 Other – Capital raising costs	260
9.7 Total estimated cash outflows	1,161

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	E15/1483, WA	Relinquished	100%	0%
	P15/6072, WA	Relinquished	100%	0%
	E15-1543, WA	Relinquished	100%	0%
10.2 Interests in mining tenements and petroleum tenements acquired or increased	EL5961, SA	100% acquisition of JV	81.41%	100%
	EL6072, SA	100% acquisition of JV	81.41%	100%
	EL6188, SA	100% acquisition of JV	81.41%	100%
	EL5470, SA	100% acquisition of JV	81.41%	100%
	EL5590, SA	100% acquisition of JV	81.41%	100%
	EL5875, SA	100% acquisition of JV	81.41%	100%
	EL5931, SA	100% acquisition of JV	81.41%	100%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: Company secretary

Date: 30 April 2019

Print name: BOB TOLLIDAY

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. On 30 January 2019, a sale and purchase agreement was signed by both Trafford Resources Pty Ltd (Trafford) and Alliance Craton Explorer Pty Ltd (ACE) whereby Trafford agreed to sell the remainder of its interest in the Wilcherry Project Joint Venture (WPJV) to ACE (refer ASX announcement dated 31 January 2019). The sale and purchase agreement was completed on 13 March 2019 and as from that date, Alliance Resources Ltd (Alliance) fully recognises the Wilcherry Project assets and liabilities in the accounts of ACE and Alliance's consolidated accounts.
5. On 18 March 2019, an Offer Document was issued pursuant to section 708AA of the Corporations Act 2001 (Cth) (Corporations Act) for the offer of New Shares without disclosure to investors under Part 6D.2 of the Corporations Act. Alliance is undertaking a non-renounceable entitlement offer to Eligible Shareholders of New Shares at an issue price of \$0.095 per New Share on the basis of 1 New Share for every 2 Shares held on the Record Date. The Entitlement Offer is partially underwritten to \$4 million by Patersons Securities Limited and will raise a maximum of approximately \$4.95 million (before associated costs). Funds raised through the Entitlement Offer will be applied to drilling, metallurgical test work, feasibility study, offer costs and working capital. The Entitlement Offer closed on 26 April 2019 and the final results will be announced shortly.