

7 May 2019

ASX: AGS



The Emerging Wilcherry Gold Camp A Growing High Grade, Shallow Gold System



Cautionary & Competent Persons Statements

Cautionary and Forward Looking Statements

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Competent Person's Statement

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.

ADVANCED GOLD PROJECT

PROGRESSING WEEDNANNA TOWARDS PRODUCTION

ASX: AGS



- **High Grade, Shallow Gold System**
- **181,000 oz gold resource @ 5.1 g/t gold** (49% Indicated Resources)
- **Scoping Study positive and supports a new 250,000 tpa gold plant on site**
- Further drilling underway to increase mineral resources to support a PFS or FS
- **Significant exploration upside** to increase the size of the Mineral Resource and near-regional potential for new gold discoveries (**Wilcherry Gold Camp**)

Corporate Overview

Capital Structure and Shareholders

CAPITAL STRUCTURE

Shares on Issue	146.9 M
Mkt Cap @ \$0.094	\$13.8 M
Cash @ 3 May 2019	\$ 4.0 M
Listed Investments	\$ 0.4 M
Enterprise Value	\$ 9.4 M
Options	6.2 M

MAJOR HOLDERS

Abbotsleigh	33.7 %
Sandon Capital	11.1 %
Phoenix Portfolios	7.9 %
Top 20 holders	64.8 %

BOARD & EXECUTIVE MANAGEMENT

Ian Gandel

Chairman

Mining entrepreneur with 25+ years in the exploration and mining industry.
Non-Executive Chairman, Alkane Resources Ltd

Tony Lethlean

Director

25+ years in underground mining, stockbroking and project finance, including CIBC World Markets.
Non-Executive Director, Alkane Resources Ltd

Steve Johnston

Managing Director

38 years in exploration, mining, project management & corporate administration. Previous roles include Exco, Croesus, Metana and Metals Ex

Bob Tolliday

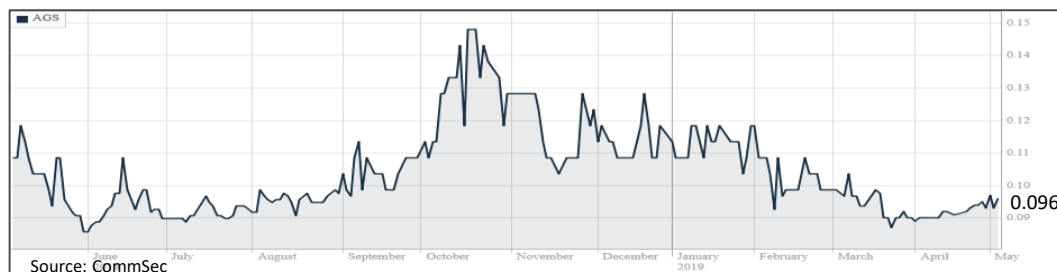
CFO & Co. Secretary

Chartered Accountant with 30+ years in accounting, audit, corporate finance, including with KPMG and Pitcher Partners

Anthony Gray

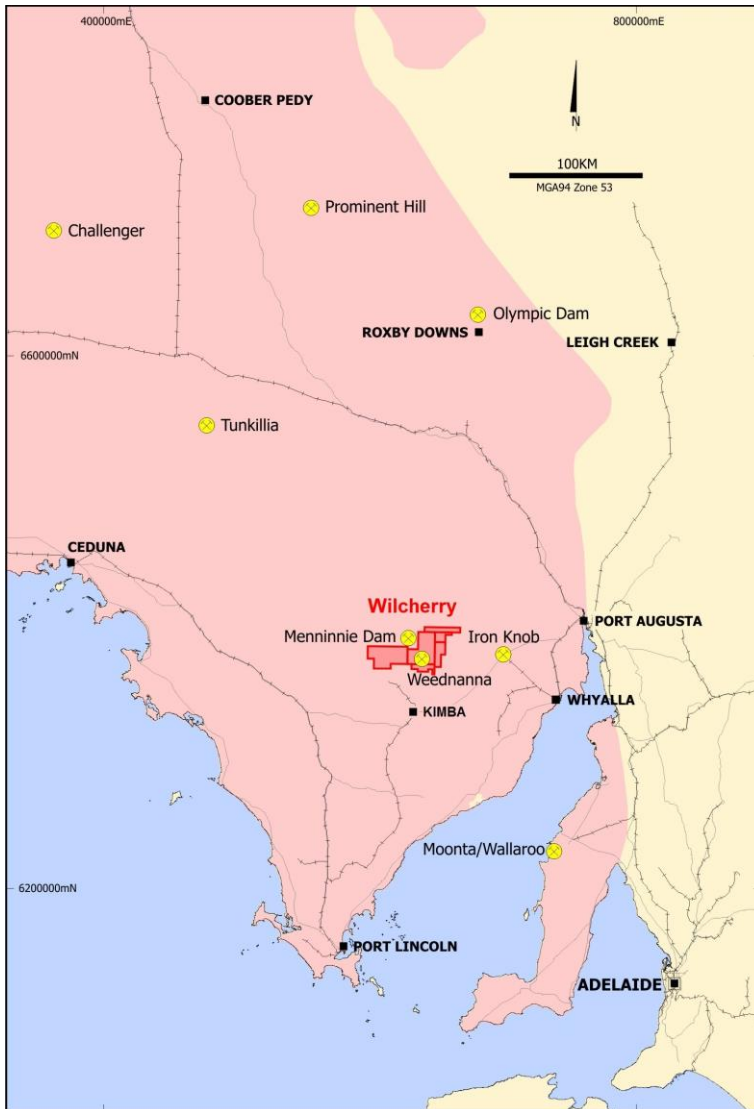
Exploration Manager

20+ years in exploration and mining geology.
Previous roles with WMC, Barra Resources, Breakaway Resources and Octagonal Resources



Wilcherry Project

Location



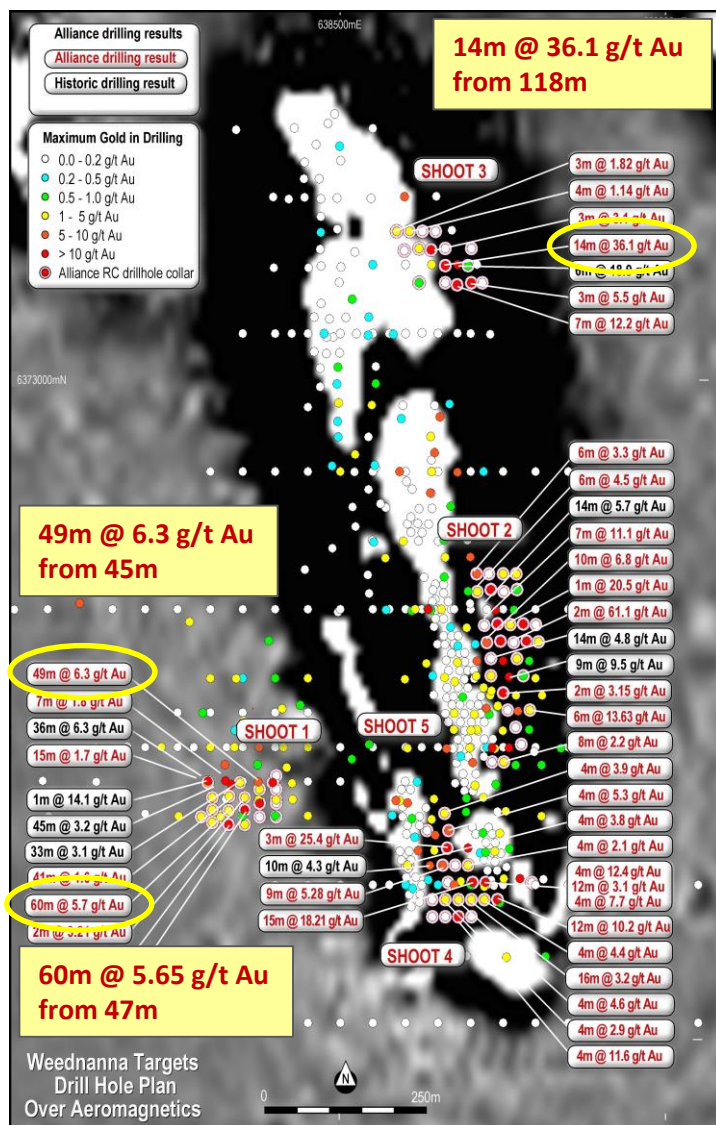
- Located in the Gawler Craton, northern Eyre Peninsula, 40 km north of township of Kimba
- Alliance (100%)
- Alliance owns an 80 person accommodation village on leasehold land in Kimba which will house plant construction workforce



Kimba accommodation village

Weednanna Gold Deposit

Skarn gold deposit



➤ Weednanna is a gold and magnetite (iron) deposit

- Gold discovered by Acacia in 1997
- Weednanna and adjacent iron deposits were subject of mining studies by Ironclad, 2012-2014
- Alliance is focussed on exploring and developing gold

➤ Bonanza High Grade Gold Shoots:

- 49m @ 6.3 g/t Au (Shoot 1)
- 60m @ 5.7 g/t Au (Shoot 1)
- 14m @ 5.7 g/t Au (Shoot 2)
- 14m @ 36.1 g/t Au (Shoot 3)
- 15m @ 18.2 g/t Au (Shoot 4)
- 20m @ 12.4 g/t Au (Shoot 5)

➤ Majority of shoots open and potential for new shoots

➤ Metallurgical recovery >90% for Shoots 1, 2, 3, and 4

Sources: ASX announcements dated 3 April 2017, 10 April 2017, 28 August 2017, 30 November 2017, 17 January 2018, 4 April 2018, 16 July 2018 and 29 November 2018

Weednanna Gold Deposit

Mineral Resource Estimate

The maiden Mineral Resource Estimate is classified as Indicated and Inferred in accordance with the JORC Code 2012 Edition, as follows:

Classification	Tonnes	Grade	Ounces
Above Pit Shells (\$2,000 AUD) >0.5 g/t gold			
Indicated	488,000	3.8	59,000
Inferred	209,000	2.8	19,000
Sub-Total	697,000	3.5	78,000
Below Pit Shells (\$2,000 AUD) >2.0 g/t gold - Underground Potential			
Indicated	102,000	8.8	29,000
Inferred	298,000	7.8	74,000
Sub-Total	400,000	8.0	103,000
Total - Open Pit & Underground Potential (Reported Mineral Resource)			
Indicated	590,000	4.6	88,000
Inferred	507,000	5.7	93,000
TOTAL	1,097,000	5.1	181,000

← 8 g/t gold below pits !

The reported Mineral Resource is that proportion of gold contained within \$2,000 AUD pit shells >0.5 g/t gold and underground potential >2.0 g/t gold

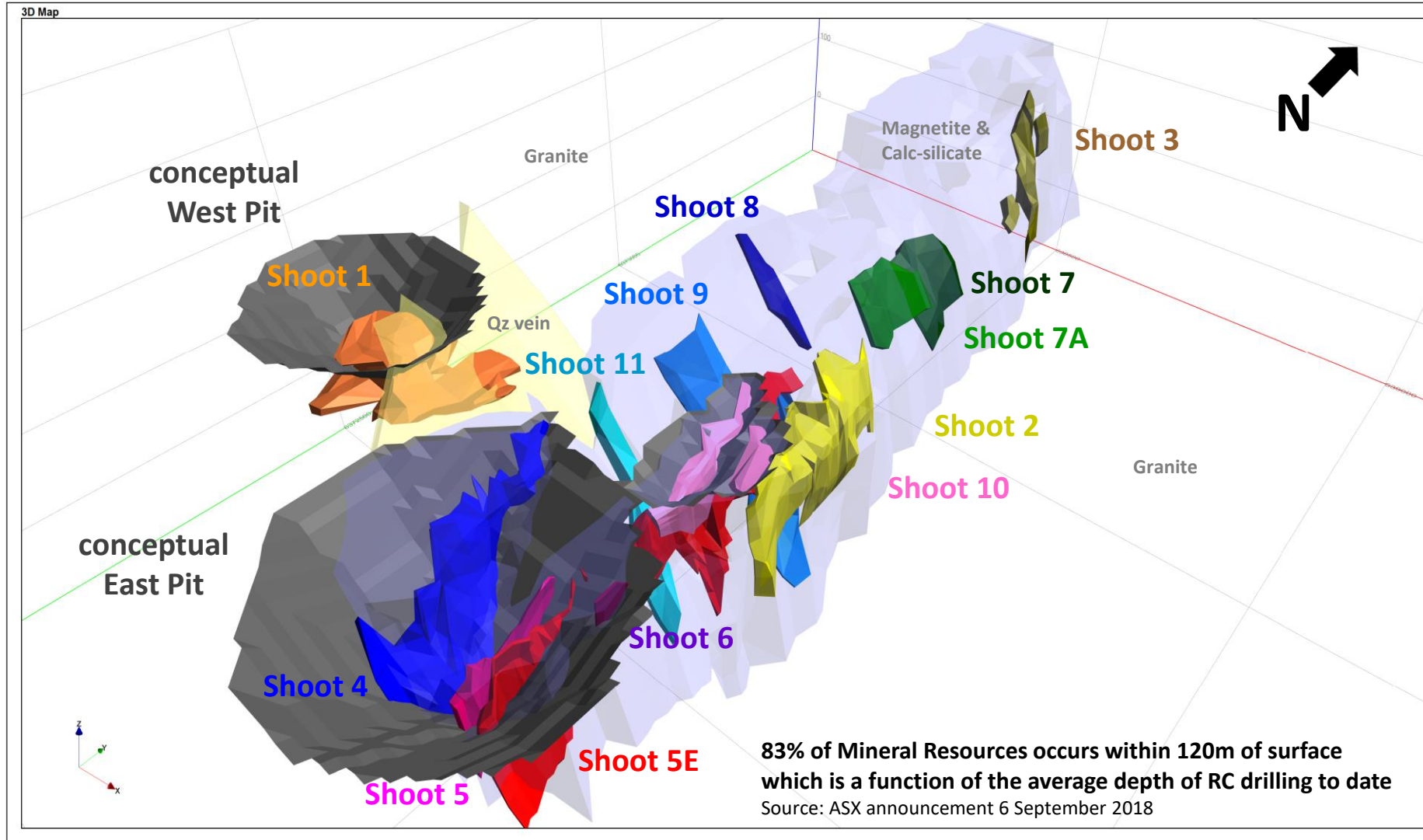
Optimisations were also run for \$1,600 AUD and \$1,800 AUD pit shells at the same open pit and underground cut-off grades, resulting in only a 4.5% and 0.5% reduction in contained gold, respectively

- ***A robust deposit with outstanding grades & economic potential***
- ***Delivered < 2 years after project entry***

Source: ASX announcement 6 September 2018

Weednanna Gold Deposit

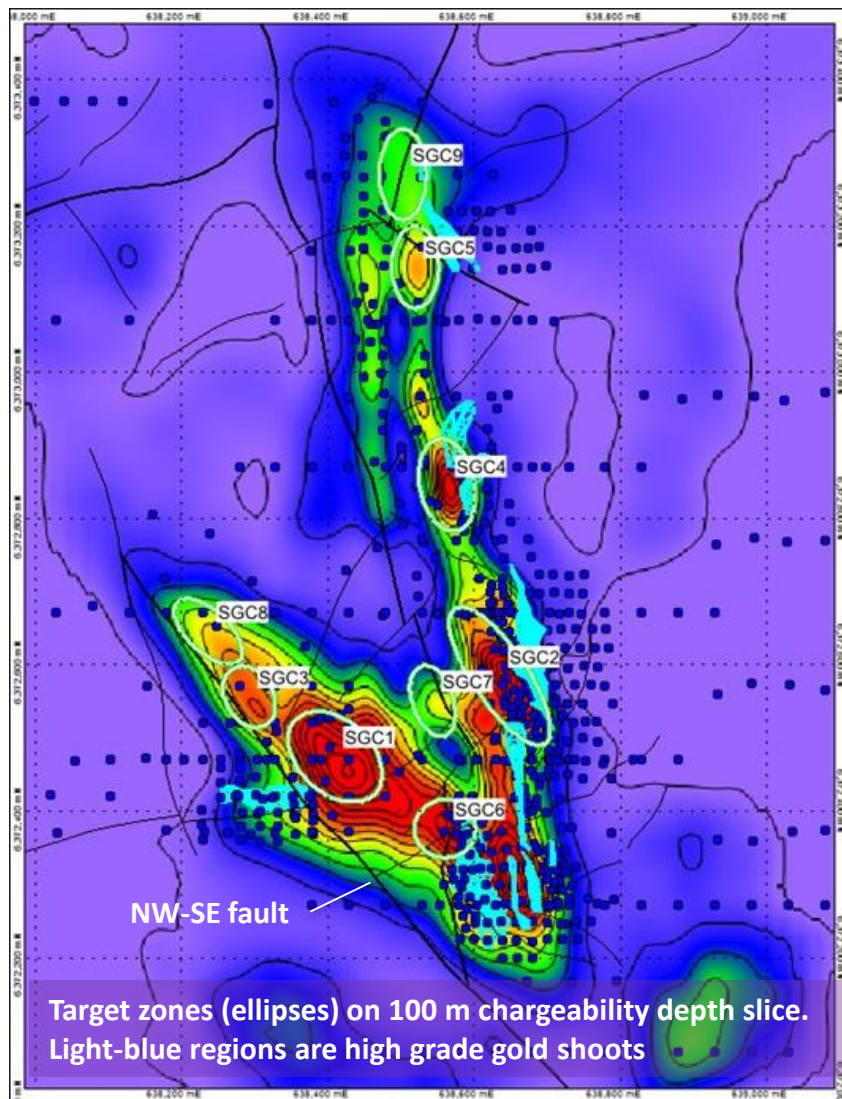
3D Model



3D view down to northwest

Weednanna Gold Deposit

3DIP Survey



The results of the recently completed 3DIP survey at Weednanna using the DIAS32 system indicate:

- **Nine new targets, including five shallow targets**, highlighting the remaining near-surface potential to grow the mineral resource
- **Many of the chargeable bodies extend >200m below surface**
- Some of the **largest chargeable anomalies are bounded by a NW-SE trending fault** which is **known to host gold** but has limited drilling

Source: ASX announcement 7 March 2019

Weednanna Gold Deposit

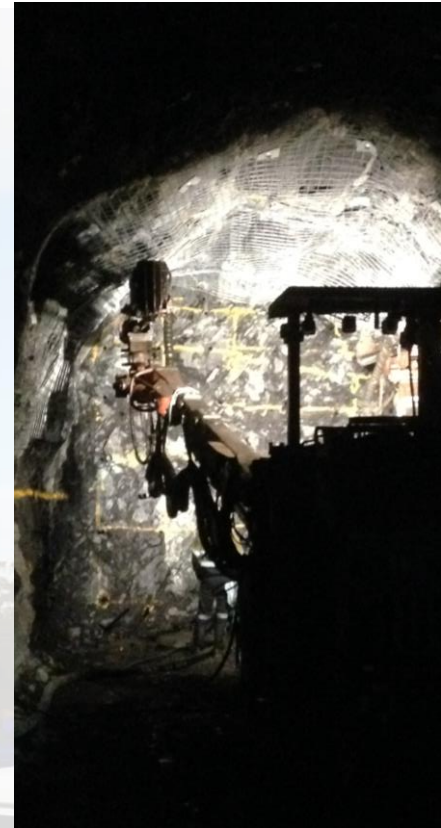
Scoping Study Outcomes

➤ Independent Scoping Study (Mining One) complete¹

- *Study positive and supports new 250 ktpa gold plant on site*
- Based on 49% Indicated and 51% Inferred resources²
- Total capital ~\$44 million
 - New 250,000 tpa processing facility & TSF ~\$36 m
 - Open pit pre-strip ~\$8 m
- Open pit followed by underground development
- The outcome has allowed Alliance to commence further drilling:
 - to extend the mineral resources, and
 - to infill the mineral resources in order to increase the ratio of indicated to Inferred mineral resources

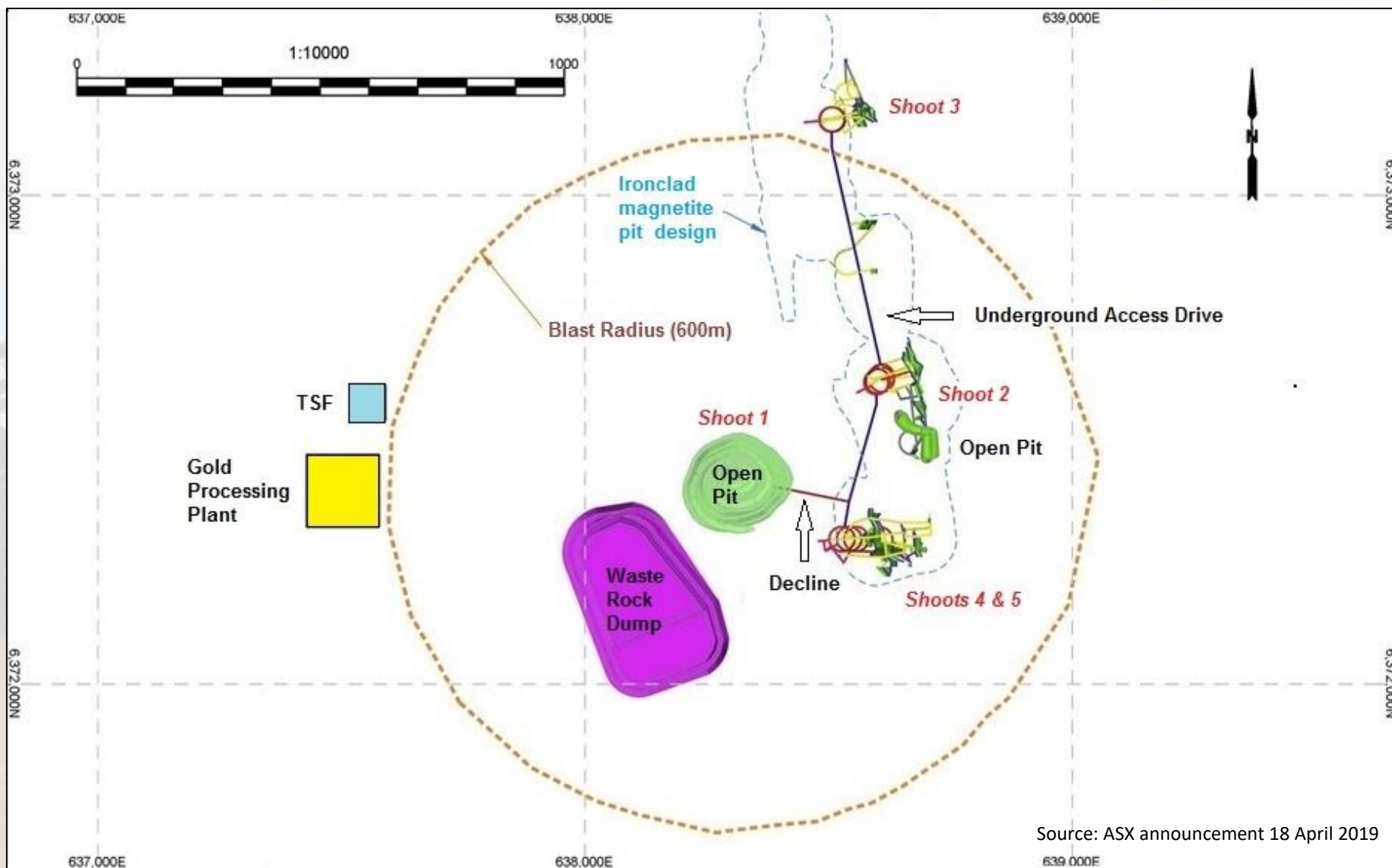
1. Source: ASX announcement 18 April 2019

2. ASX Listing Rules do not permit disclosure of production targets and financial forecasts where inferred mineral resources are a determining factor in project viability



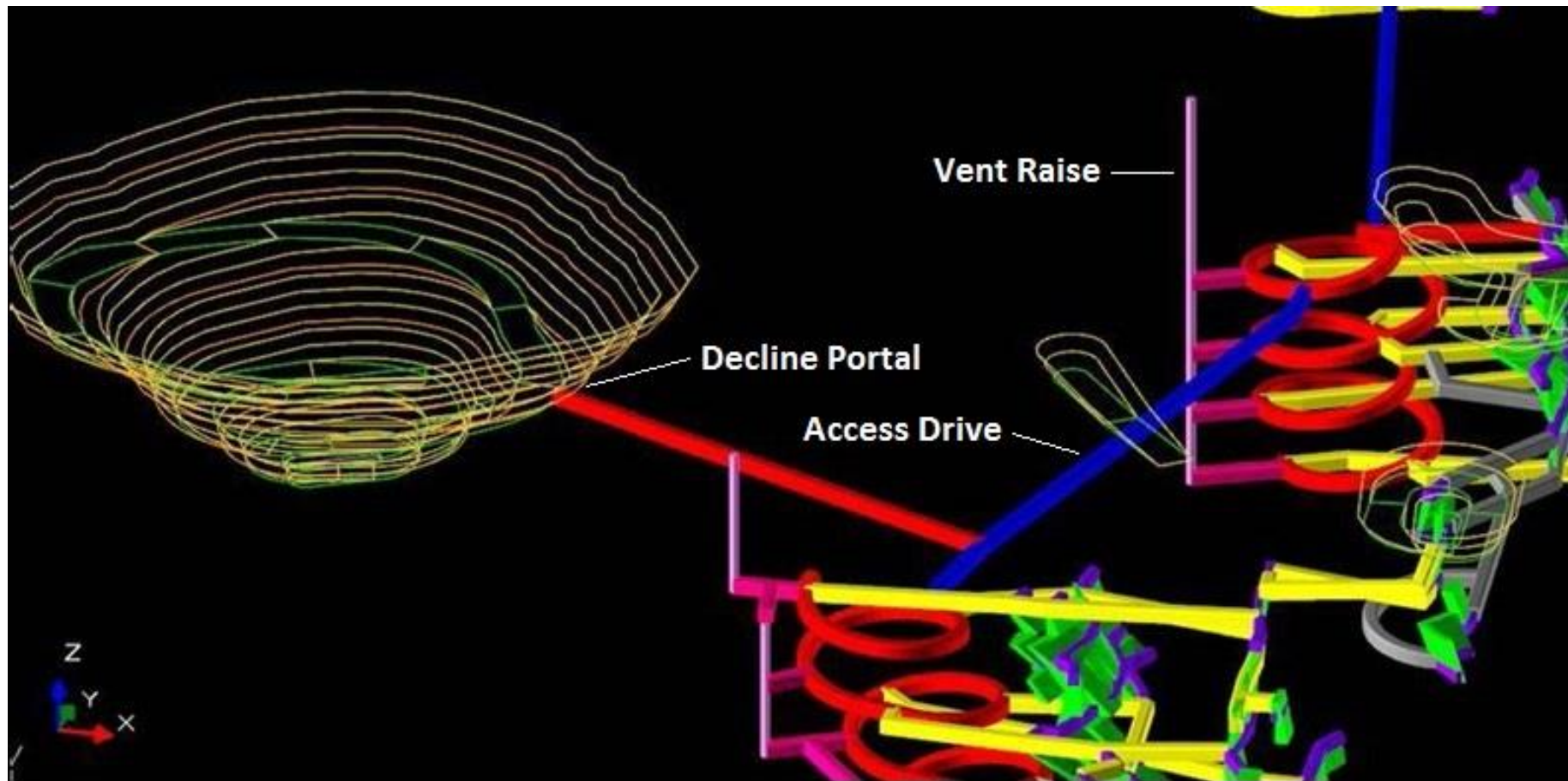
Weednanna Gold Deposit

Scoping Study – General layout



Weednanna Gold Deposit

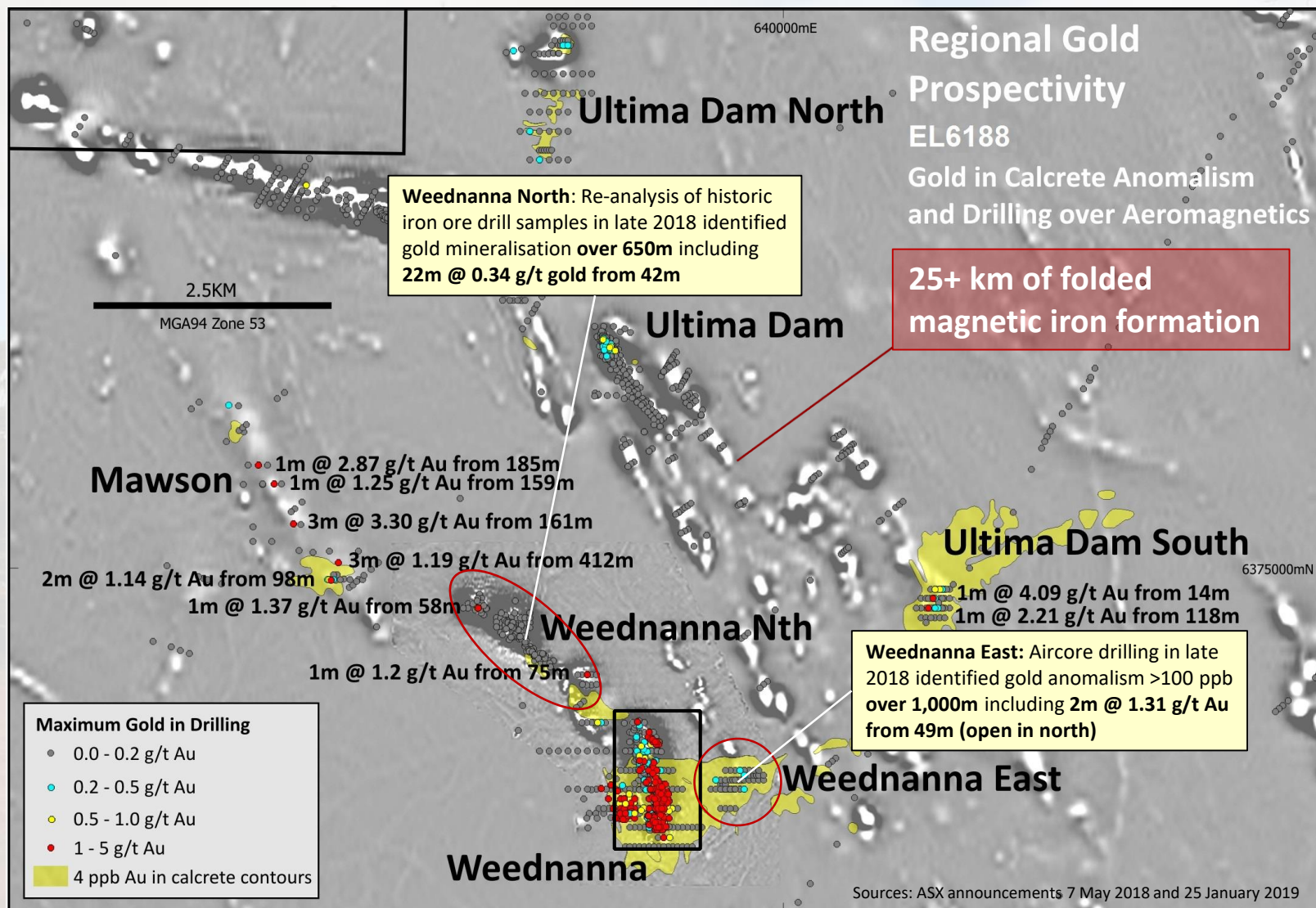
Scoping Study – Open Pit and Underground Mining Areas



Source: ASX announcement 18 April 2019

Near-Regional Gold Potential

Wilcherry Gold Camp – gold in iron skarns



➤ CONTINUE WEEDNANNA GOLD EXPLORATION

- Infill and extend known mineralisation (commenced)
- Test 3DIP survey targets (commenced)
- Revise mineral resource estimate (H2 2019)

➤ COMMENCE PRE-FEASIBILITY STUDY WORKS

- Metallurgical testwork (Q2 2019)
- Update existing baseline environmental studies (H2 2019)
- Regulatory approvals and project delivery schedule (H1 2020)

➤ CONTINUE REGIONAL GOLD EXPLORATION (from 2020)

- Define limits of Weednanna East gold in regolith anomaly
- Conceptual structural targeting using aeromagnetics
- Better define and assess surface geochemical targets
- Continue review of historic drilling data
- Drill test priority target areas

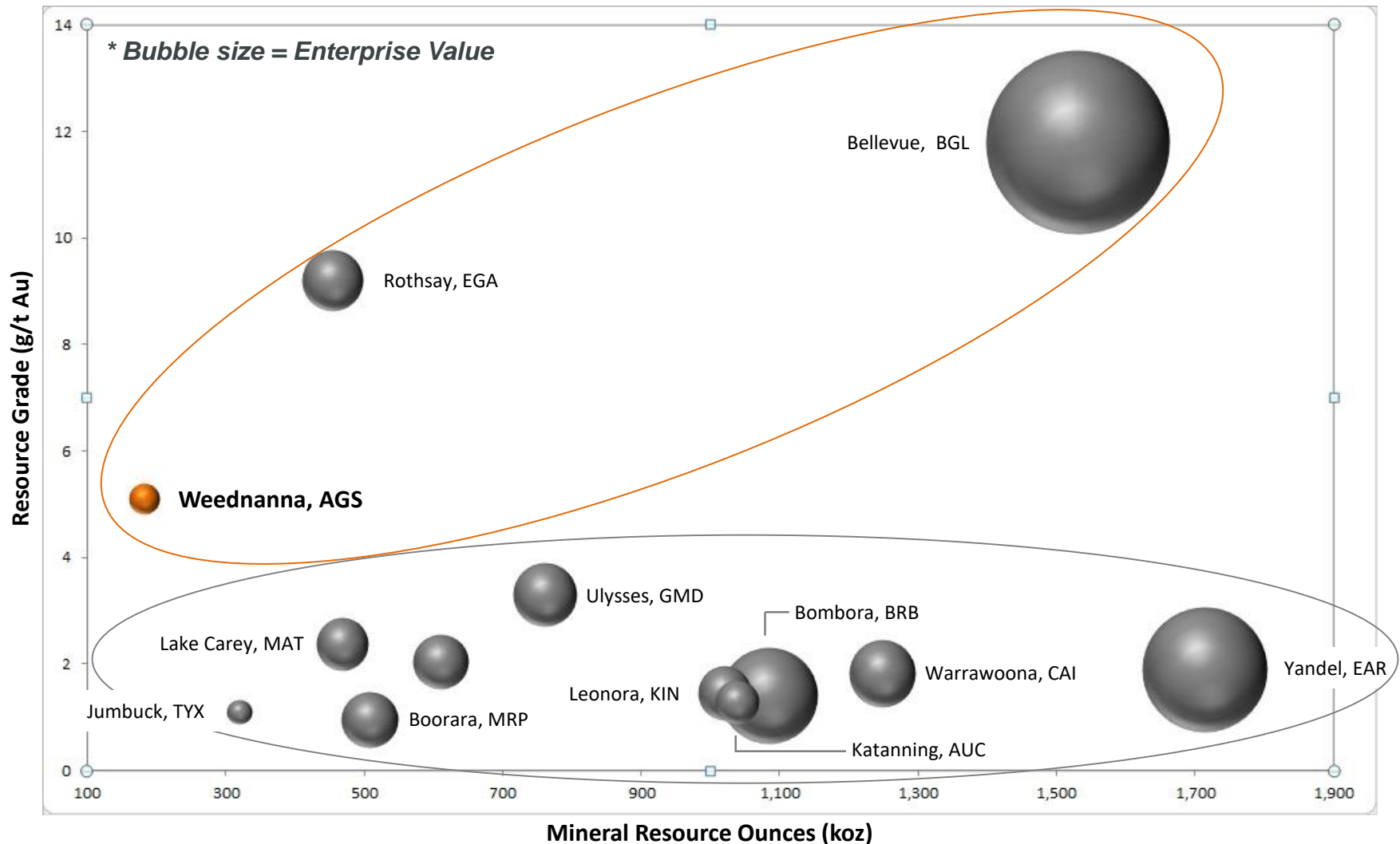


“GOAL – BUILD A PROFITABLE GOLD MINE IN THE KIMBA DISTRICT”

Peer Comparison

UNDEVELOPED GOLD PROJECTS¹

One of only several advanced high grade projects²



1. Mineral Resource Ounces & Grades as at 18 February 2019; Enterprise Values as at 15 March 2019

2. Not all projects shown

Rights Issue closed 26 April 2019

- **Non-renounceable entitlement offer of 1 New Share for every 2 Existing Shares held at an issue price of 9.5 cents to raise ~\$4.95 million**
- **Partially underwritten by Patersons Securities Ltd to \$4 million**
- **Company shortfall \$0.9 million (eligible for placement within 3 months of closing date)**

	Shares (m)	Partially Underwritten (A\$m)	If fully subscribed (A\$m)
Existing Shares	104.3		
Rights Issue (1 for 2)	42.6 / 52.1	\$4.00	\$4.95
Total	146.9 / 156.4	\$4.00	\$4.95
Use of Funds		Partially Underwritten (A\$m)	If fully subscribed (A\$m)
Drilling – RC, diamond & aircore		\$2.32	\$2.32
Metallurgical testwork		\$0.41	\$0.41
Feasibility Study		\$0.50	\$1.00
Offer costs		\$0.22	\$0.27
Working Capital (includes admin. & overheads)		\$0.55	\$0.95
Total		\$4.00	\$4.95

➤ TRACK RECORD OF DISCOVERY

- Mineral resource within 18 months of first drilling

➤ ORGANIC GROWTH & ECONOMIC POTENTIAL

○ Weednanna Gold Deposit

- A robust high grade deposit / most shoots open / potential for new shoots
- Scoping Study positive and supports a new 250,000 tpa gold plant on site

○ Near-Regional Gold Potential

- 25+ km strike of gold-bearing iron formations within 10 km
- Potential for discoveries, eg Weednanna North & East (*Wilcherry Gold Camp*)

➤ 100% OWNERSHIP

➤ MARKET CAPITALISATION \$14 MILLION (\$4.0 M CASH, 3 May 2019)

Contact Details



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Photo by: Matthew Linton