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ALLIANCE RESOURCES LTD

ASX: AGS

ABN: 38 063 293 336

Market Cap: \$16.2M @ \$0.105

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Wilcherry, SA (100%): gold, iron,
base metals, graphite

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

Nepean, WA (100%):
nickel-gold

Kalgoorlie Sth, WA (100%):
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REVERSE CIRCULATION DRILLING AND METALLURGICAL RESULTS

Shoot 1

Weednanna Gold Deposit

RC drilling completed at Shoot 1 of the Weednanna Gold Deposit to define near-surface Measured Resource.

Metallurgical test work completed to define Shoot 1 gold recovery parameters.

Alliance Resources Ltd (Alliance) is pleased to announce assay and metallurgical results for the latest phase of RC drilling completed at the Weednanna Gold Deposit, 40 km north of Kimba on the Eyre Peninsula, South Australia.

During November 2019, 58 vertical RC holes (19WDRC095-151 and 153) for 5,490 metres were drilled in Shoot 1 at Weednanna on a 10m x 10m grid to define a Measured Resource in the initial proposed open pit area.

Metallurgical samples were also collected during the drilling program to determine the expected gold recovery from a standard carbon in leach (CIL) gold processing facility.

The results from this drilling program indicate that the likely size and grade of the Shoot 1 deposit may be lower than estimated in the 2018 Mineral Resource Estimate (refer to Alliance's ASX Announcement dated 6 September 2018).

Detailed metallurgical test work indicates that gold recovery of Shoot 1 ore will be lower than preliminary test work completed on a composite sample in 2017 and gold recovery assumptions used in the 2019 Weednanna Scoping Study (refer to Alliance's ASX Announcement dated 18 April 2019).

Discussion

During November 2019, 58 vertical RC holes (19WDRC095-151 and 153), for 5,490 metres, were drilled in Shoot 1 at Weednanna on a 10m x 10m grid to define a Measured Resource in the initial proposed open pit area.

Four metre composite scoop samples were routinely analysed for gold using the fire assay technique. Any intervals returning greater than 0.1 g/t Au were re-analysed over one metre split sample intervals for gold using the fire assay technique and Ag, As, Fe, and S using a mixed-acid digest.

Multi-element analysis on one metre split samples was completed to provide data for selection of samples for metallurgical test work.

All holes were down-hole surveyed using a north-seeking gyro and 50% of holes (every second north-south traverse) were down-hole density surveyed to collect specific gravity measurements for ore and waste weight determination.

Geology

The Shoot 1 gold deposit is overlain by between 0 to 3 metres of calcrete and transported clay and sand, and 35 to 40 metres of weathered saprolite and saprock. The shoot is hosted within strongly chlorite-sericite altered Archaean Sleaford Complex granite, with minor biotite schist. Other rock types within the deposit area include gneiss and minor amphibolite. Despite the close-spaced nature of drilling and detailed logging and review of RC chips, there are no obvious lithological or structural controls on the distribution of gold, with possible marker horizons such as biotite schist and amphibolite being discontinuous and lacking consistency in orientation.

A major quartz vein cuts the northeast side of the drilling program in Shoot 1. This quartz vein strikes northwest, dips moderately northeast and is a major structural feature at the Weednanna Gold Deposit, despite being poorly mineralised. It is likely that this vein has some structural control on the distribution of gold at Shoot 1.

Assay Results

Assay results received from the Shoot 1 drilling indicate that the size and grade of the shoot is likely to be lower than in the 2018 Mineral Resource Estimate and the Production Target used in the 2019 Weednanna Scoping Study.

Drill collar plans and cross-sections are shown in Figures 1 to 5 and intersections of >1 g/t gold are detailed in Table A.

Significant assay results greater than 50 g-m Au include:

- 35m @ 6.8 g/t Au from 46m including 5m @ 30.1 g/t Au from 74m in 19WDRC111
- 20m @ 7.6 g/t Au from 59m including 9m @ 12.3 g/t Au from 69m in 19WDRC112
- 18m @ 4.4 g/t Au from 64m in 19WDRC122
- 22m @ 6.2 g/t Au from 53m including 12m @ 9.9 g/t Au from 59m in 19WDRC123
- 19m @ 2.8 g/t Au from 50m in 19WDRC124
- 40m @ 4.3 g/t Au from 40m including 8m @ 14.1 g/t Au from 55m in 19WDRC128
- 50m @ 3.4 g/t Au from 37m in 19WDRC129
- 32m @ 2.4 g/t Au from 41m including 17m @ 3.4 g/t Au from 51m in 19WDRC130
- 19m @ 4.6 g/t Au from 38m including 5m @ 11.0 g/t Au from 51m in 19WDRC134
- 52m @ 2.8 g/t Au from 35m in 19WDRC135
- 27m @ 2.9 g/t Au from 36m in 19WDRC136
- 27m @ 7.6 g/t Au from 34m in 19WDRC140
- 28m @ 2.1 g/t Au from 42m in 19WDRC145

Metallurgical Test Work

83 composite samples were selected from the Shoot 1 drilling and sent for metallurgical test work.

All samples were crushed and pulverised then cyanide leach tested utilising a 24 hour bottle roll technique.

Leach test results returned an average gold recovery of 77.4%. This gold recovery is lower than that returned from preliminary metallurgical test work completed on a composite sample of ore from Shoot 1 in 2017 of 89.4% (refer to Alliance ASX Announcement dated 19 January 2018) and the average metallurgical recovery for the Weednanna deposit used in the 2019 Scoping Study of 92.9%.

Current and Future Work

Alliance is currently completing additional metallurgical studies on composite RC drill samples from the other gold shoots at the Weednanna Deposit to determine if there is any refractory component to these shoots not identified in the initial test work.

During February 2020, 32 RC holes (20WDRC001-032), for 3,737 metres, were drilled at Weednanna Shoots 4, 5, 5E, 6, 9, and 10 to upgrade ore resources of these shoots from the Inferred to Indicated resource category. Alliance is currently awaiting the assay results from these samples.

Future RC drilling programs are planned to upgrade geological confidence in the mineral resource at the Weednanna Gold Deposit.

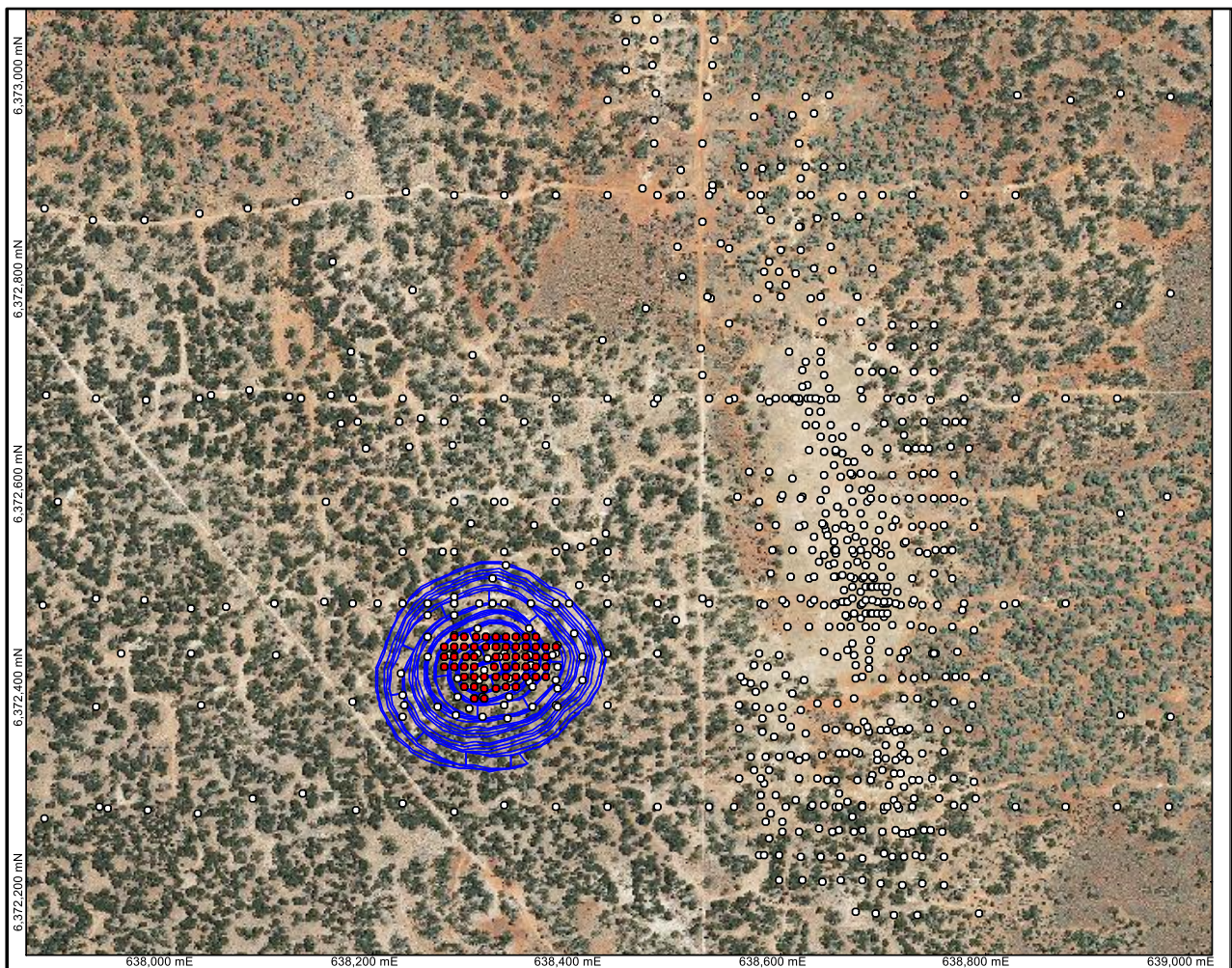


Figure 1. Weednanna drill hole location plan with 2019 Shoot 1 Scoping Study pit outline

Legend -

- White dots: historic drill holes*
- Red dots: Shoot 1 RC drill holes discussed in this report*
- Blue lines: 2019 Shoot 1 Scoping Study pit outline*

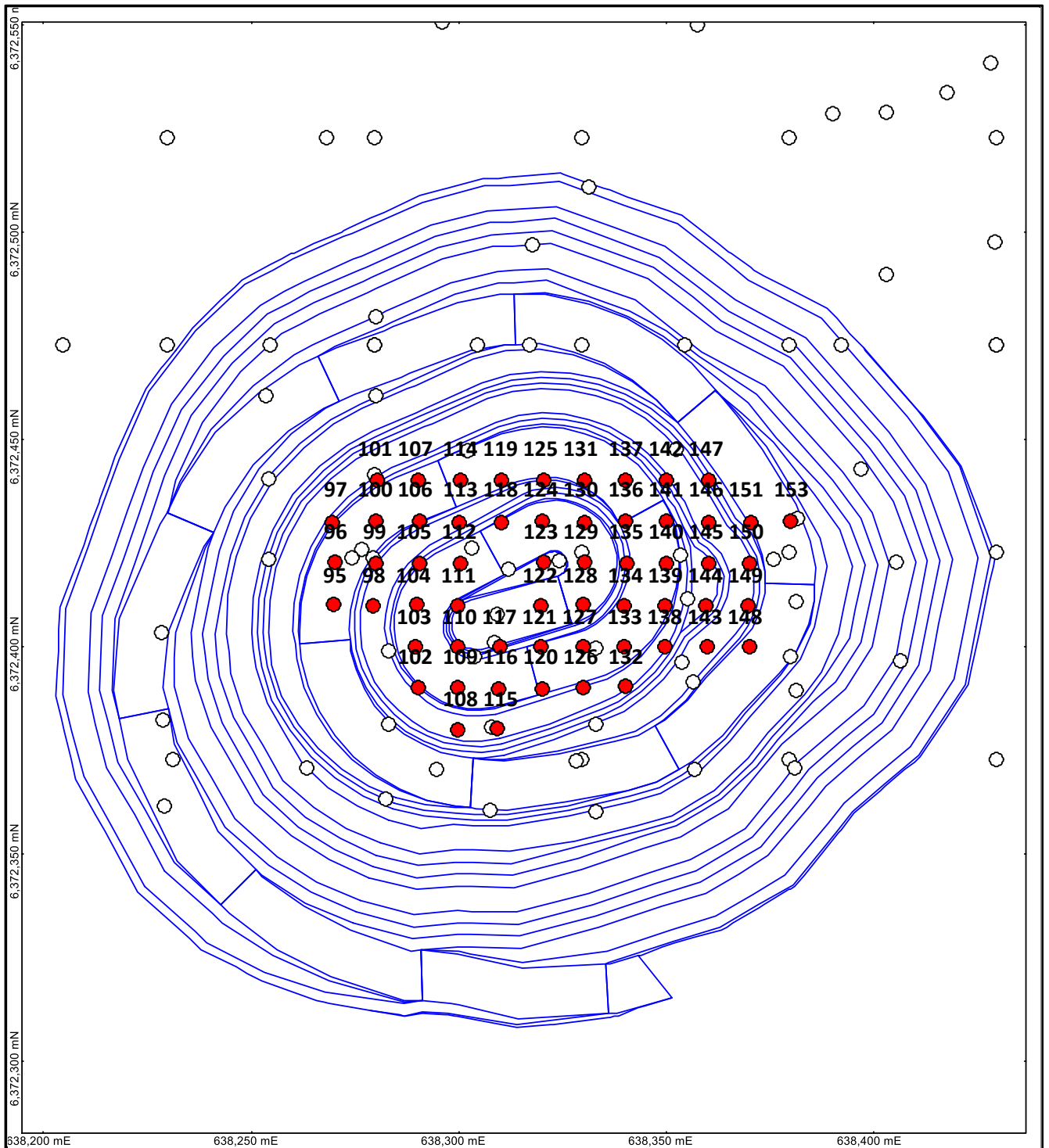


Figure 2. Shoot 1 drill hole location plan with 2019 Scoping Study pit outline

Legend –

White dots: historic drill holes

Red dots: Nov 2019 Shoot 1 RC drill holes

Blue lines: 2019 Shoot 1 Scoping Study pit outline

“95” denotes hole number “19WDRC095”

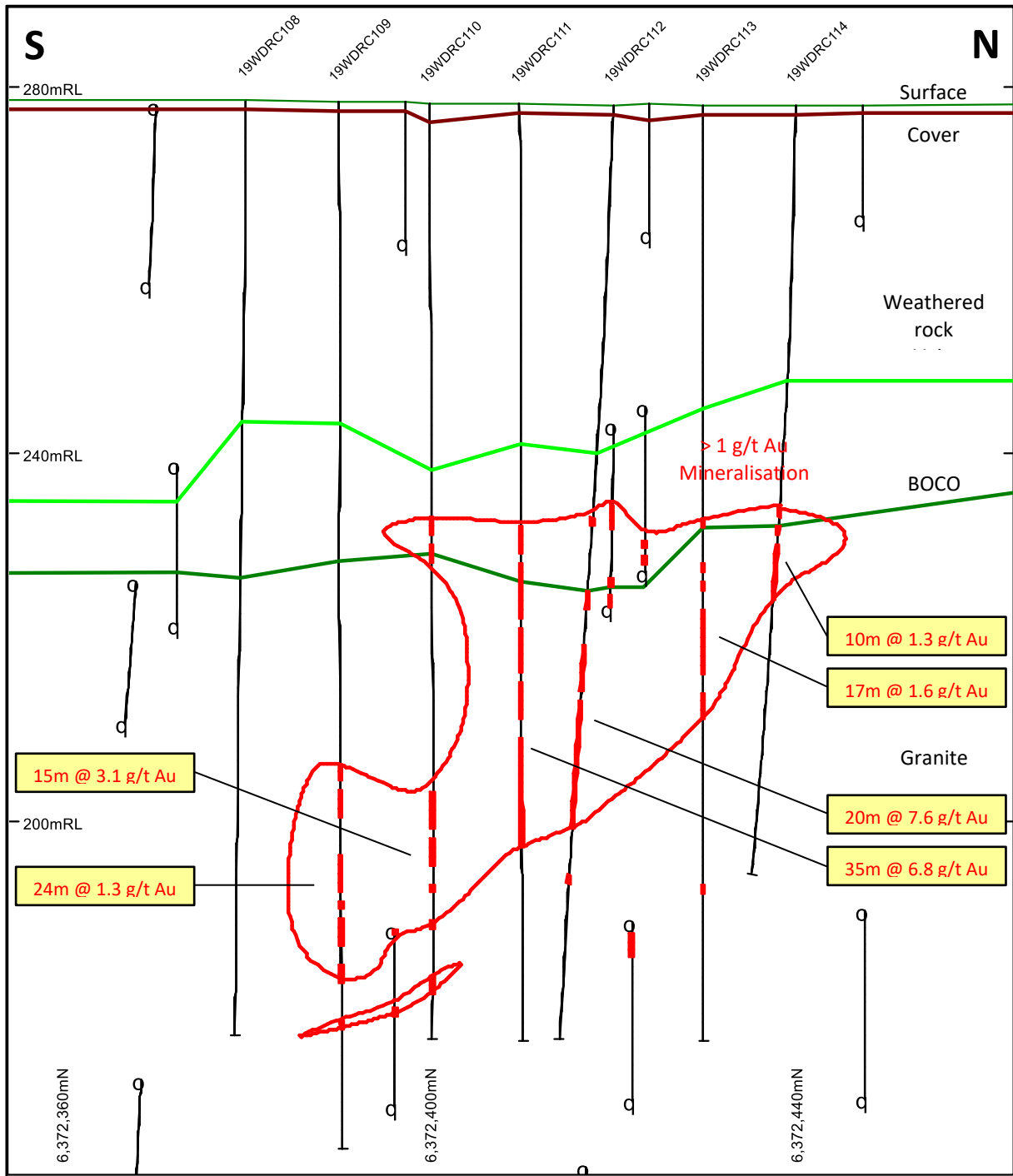


Figure 3. 638300mE Cross-Section with gold drilling results

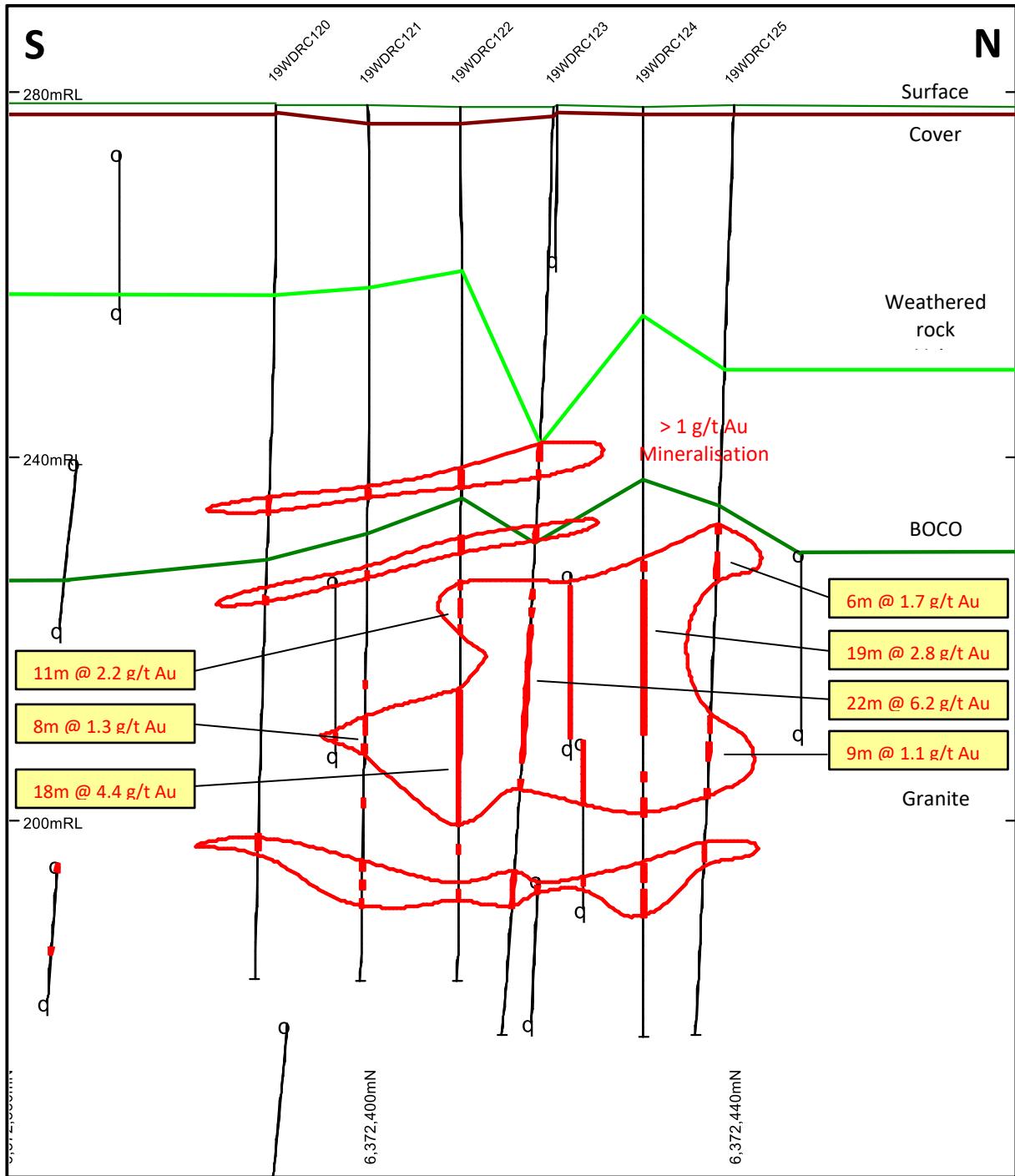


Figure 4. 638320mE Cross-Section with gold drilling results

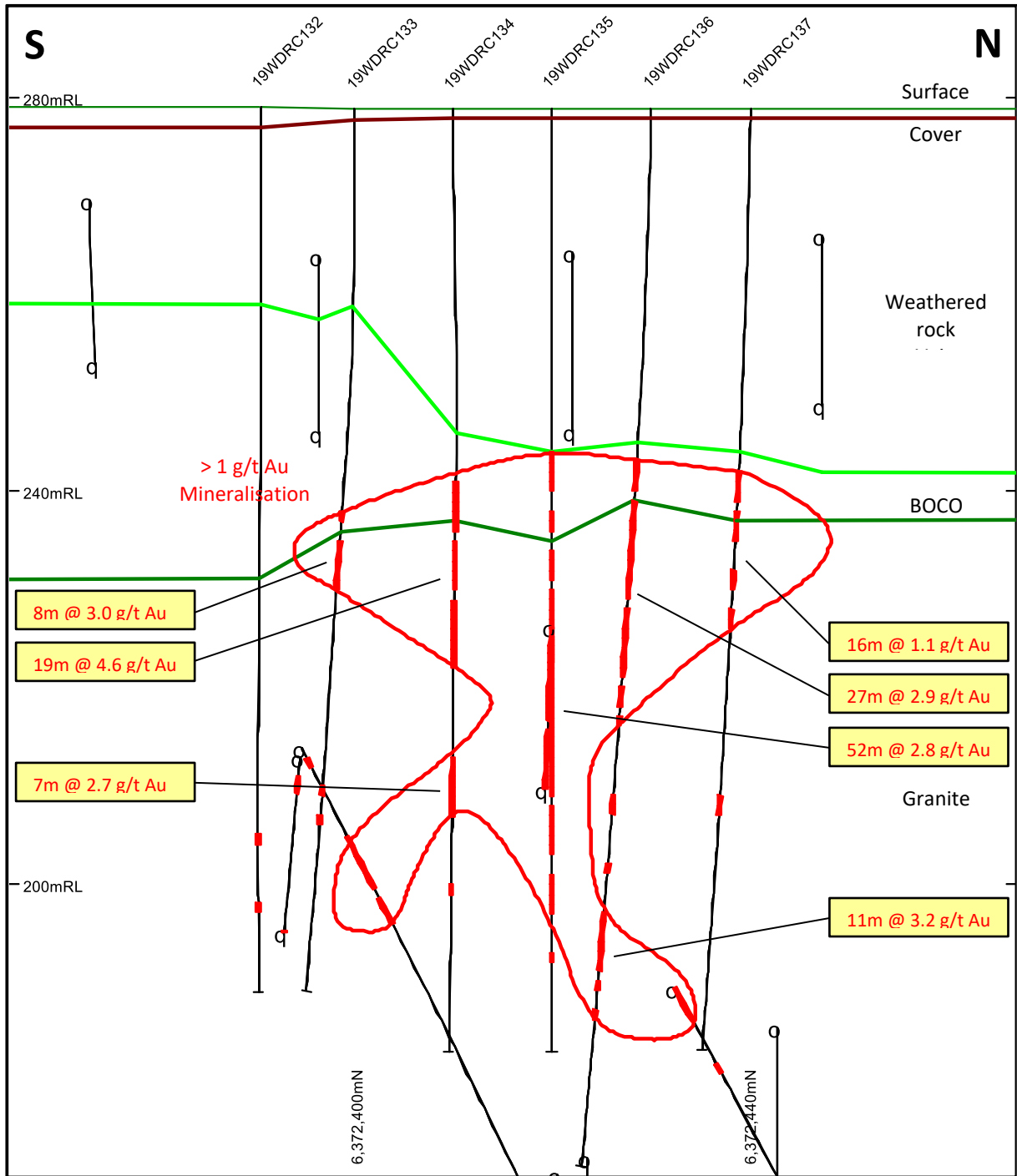


Figure 5. 638340mE Cross-Section with gold drilling results

Table A: Weednanna Gold Intercepts >1 g/t Au (intercepts >50 g/t*m Au highlighted)

| Hole ID | Shoot | East_MGA | North_MGA | RL (m) | Azimuth | Dip | EOH | From (m) | To (m) | Interval (m) | Au (g/t) |
|-----------|---------|----------|-----------|--------|---------|-------|-----|----------|--------|--------------|----------|
| 19WDR0095 | Shoot 1 | 638270 | 6372410 | 277.7 | 69.8 | -88.4 | 102 | 52 | 58 | 6 | 1.01 |
| and | | | | | | | | 89 | 90 | 1 | 1.30 |
| 19WDR0096 | Shoot 1 | 638270 | 6372420 | 277.6 | 151.0 | -88.4 | 102 | 50 | 59 | 9 | 1.86 |
| and | | | | | | | | 67 | 72 | 5 | 1.32 |
| and | | | | | | | | 79 | 80 | 1 | 1.00 |
| and | | | | | | | | 88 | 89 | 1 | 1.12 |
| 19WDR0097 | Shoot 1 | 638270 | 6372430 | 277.4 | 41.2 | -89.3 | 84 | 50 | 51 | 1 | 2.39 |
| and | | | | | | | | 72 | 73 | 1 | 2.87 |
| 19WDR0098 | Shoot 1 | 638280 | 6372410 | 277.7 | 39.1 | -89.4 | 96 | 36 | 37 | 1 | 1.25 |
| and | | | | | | | | 43 | 44 | 1 | 2.29 |
| 19WDR0099 | Shoot 1 | 638280 | 6372420 | 277.6 | 174.4 | -88.4 | 102 | 46 | 47 | 1 | 1.14 |
| and | | | | | | | | 52 | 53 | 1 | 1.12 |
| and | | | | | | | | 59 | 68 | 9 | 1.30 |
| 19WDR0100 | Shoot 1 | 638280 | 6372430 | 277.5 | 157.2 | -89.3 | 84 | 61 | 62 | 1 | 1.70 |
| 19WDR0101 | Shoot 1 | 638280 | 6372440 | 277.5 | 180.4 | -89.0 | 78 | 44 | 45 | 1 | 1.00 |
| and | | | | | | | | 47 | 48 | 1 | 1.10 |
| and | | | | | | | | 57 | 58 | 1 | 1.17 |
| 19WDR0102 | Shoot 1 | 638290 | 6372390 | 278.1 | 266.1 | -89.4 | 96 | NSA* | | | |
| 19WDR0103 | Shoot 1 | 638290 | 6372400 | 278.1 | 26.0 | -89.2 | 102 | 82 | 84 | 2 | 1.57 |
| 19WDR0104 | Shoot 1 | 638290 | 6372410 | 277.9 | 82.9 | -89.6 | 102 | 74 | 83 | 9 | 1.22 |
| 19WDR0105 | Shoot 1 | 638291 | 6372420 | 277.8 | 152.9 | -88.3 | 102 | 65 | 67 | 2 | 1.22 |
| and | | | | | | | | 70 | 80 | 10 | 1.27 |
| 19WDR0106 | Shoot 1 | 638290 | 6372430 | 277.8 | 162.1 | -88.3 | 108 | 45 | 64 | 19 | 1.29 |
| and | | | | | | | | 78 | 79 | 1 | 1.22 |
| and | | | | | | | | 82 | 87 | 5 | 1.39 |
| 19WDR0107 | Shoot 1 | 638290 | 6372440 | 277.7 | 186.6 | -89.1 | 78 | 43 | 59 | 16 | 1.25 |
| 19WDR0108 | Shoot 1 | 638300 | 6372380 | 278.6 | 99.5 | -89.7 | 102 | NSA* | | | |
| 19WDR0109 | Shoot 1 | 638300 | 6372390 | 278.3 | 30.6 | -89.2 | 114 | 72 | 96 | 24 | 1.32 |
| and | | | | | | | | 100 | 102 | 2 | 1.12 |
| 19WDR0110 | Shoot 1 | 638300 | 6372400 | 278.1 | 9.8 | -89.5 | 102 | 45 | 50 | 5 | 1.73 |
| and | | | | | | | | 75 | 90 | 15 | 3.12 |
| incl. | | | | | | | | 75 | 83 | 8 | 5.01 |
| and | | | | | | | | 95 | 97 | 2 | 3.85 |
| 19WDR0111 | Shoot 1 | 638300 | 6372410 | 278.1 | 2.6 | -89.4 | 102 | 46 | 81 | 35 | 6.78 |
| incl. | | | | | | | | 74 | 79 | 5 | 30.05 |
| 19WDR0112 | Shoot 1 | 638300 | 6372420 | 278.0 | 182.4 | -88.1 | 102 | 45 | 46 | 1 | 1.03 |
| and | | | | | | | | 52 | 55 | 3 | 1.16 |
| and | | | | | | | | 59 | 79 | 20 | 7.59 |
| incl. | | | | | | | | 69 | 78 | 9 | 12.26 |
| and | | | | | | | | 84 | 85 | 1 | 2.91 |
| 19WDR0113 | Shoot 1 | 638300 | 6372430 | 278.0 | 0.0 | -90.0 | 102 | 45 | 46 | 1 | 1.55 |
| and | | | | | | | | 50 | 67 | 17 | 1.59 |
| and | | | | | | | | 85 | 86 | 1 | 3.37 |
| 19WDR0114 | Shoot 1 | 638300 | 6372440 | 278.0 | 186.8 | -88.9 | 84 | 44 | 54 | 10 | 1.27 |
| 19WDR0115 | Shoot 1 | 638309 | 6372380 | 278.6 | 312.4 | -89.5 | 102 | 75 | 95 | 20 | 1.27 |
| 19WDR0116 | Shoot 1 | 638310 | 6372390 | 278.5 | 1.9 | -89.0 | 102 | 46 | 51 | 5 | 2.82 |
| and | | | | | | | | 80 | 84 | 4 | 2.61 |
| and | | | | | | | | 88 | 89 | 1 | 2.87 |
| 19WDR0117 | Shoot 1 | 638310 | 6372400 | 278.4 | 107.7 | -89.4 | 102 | 57 | 62 | 5 | 1.27 |
| and | | | | | | | | 66 | 68 | 2 | 1.35 |
| and | | | | | | | | 79 | 80 | 1 | 2.10 |
| 19WDR0118 | Shoot 1 | 638310 | 6372430 | 278.3 | 0.0 | -90.0 | 102 | 40 | 45 | 5 | 1.07 |
| and | | | | | | | | 49 | 65 | 16 | 2.79 |
| and | | | | | | | | 71 | 79 | 8 | 2.17 |
| and | | | | | | | | 92 | 93 | 1 | 1.16 |
| 19WDR0119 | Shoot 1 | 638310 | 6372440 | 278.2 | 161.1 | -88.5 | 84 | 44 | 46 | 2 | 1.07 |
| and | | | | | | | | 51 | 52 | 1 | 1.55 |
| 19WDR0120 | Shoot 1 | 638320 | 6372390 | 278.7 | 110.6 | -88.7 | 96 | 43 | 45 | 2 | 5.51 |
| and | | | | | | | | 54 | 55 | 1 | 2.99 |
| and | | | | | | | | 80 | 82 | 2 | 1.42 |
| 19WDR0121 | Shoot 1 | 638320 | 6372400 | 278.5 | 11.9 | -89.6 | 96 | 42 | 43 | 1 | 1.00 |
| and | | | | | | | | 51 | 52 | 1 | 1.36 |
| and | | | | | | | | 63 | 71 | 8 | 1.30 |
| and | | | | | | | | 76 | 77 | 1 | 1.56 |
| and | | | | | | | | 83 | 88 | 5 | 1.44 |
| 19WDR0122 | Shoot 1 | 638320 | 6372410 | 278.4 | 26.7 | -89.2 | 96 | 40 | 42 | 2 | 1.22 |
| and | | | | | | | | 47 | 58 | 11 | 2.19 |
| and | | | | | | | | 64 | 82 | 18 | 4.36 |
| and | | | | | | | | 86 | 87 | 1 | 2.20 |

* NSA = No Significant Assay

Table A cont: Weednanna Gold Intercepts >1 g/t Au (intercepts >50 g/t*m Au highlighted)

| Hole ID | Shoot | East_MGA | North_MGA | RL (m) | Azimuth | Dip | EOH | From (m) | To (m) | Interval (m) | Au (g/t) |
|-----------|---------|----------|-----------|--------|---------|-------|-----|----------|--------|--------------|----------|
| 19WDRC123 | Shoot 1 | 638320 | 6372420 | 278.4 | 159.3 | -88.2 | 102 | 37 | 41 | 4 | 1.35 |
| and | | | | | | | | 46 | 48 | 2 | 1.86 |
| and | | | | | | | | 53 | 75 | 22 | 6.21 |
| incl. | | | | | | | | 59 | 71 | 12 | 9.90 |
| and | | | | | | | | 84 | 88 | 4 | 2.71 |
| 19WDRC124 | Shoot 1 | 638320 | 6372430 | 278.5 | 0.0 | -90.0 | 102 | 50 | 69 | 19 | 2.77 |
| and | | | | | | | | 73 | 78 | 5 | 1.90 |
| and | | | | | | | | 83 | 89 | 6 | 1.95 |
| 19WDRC125 | Shoot 1 | 638320 | 6372440 | 278.6 | 156.8 | -88.3 | 102 | 46 | 52 | 6 | 1.73 |
| and | | | | | | | | 67 | 76 | 9 | 1.12 |
| and | | | | | | | | 81 | 83 | 2 | 3.03 |
| 19WDRC126 | Shoot 1 | 638330 | 6372390 | 278.8 | 37.2 | -88.7 | 96 | 41 | 42 | 1 | 12.20 |
| and | | | | | | | | 75 | 76 | 1 | 1.27 |
| and | | | | | | | | 83 | 84 | 1 | 1.83 |
| 19WDRC127 | Shoot 1 | 638330 | 6372400 | 278.8 | 359.1 | -89.2 | 90 | 42 | 43 | 1 | 1.10 |
| and | | | | | | | | 53 | 57 | 4 | 1.34 |
| and | | | | | | | | 68 | 78 | 10 | 1.76 |
| and | | | | | | | | 86 | 87 | 1 | 1.55 |
| 19WDRC128 | Shoot 1 | 638330 | 6372410 | 278.7 | 26.2 | -89.0 | 90 | 40 | 80 | 40 | 4.28 |
| | | | | | | | | 55 | 63 | 8 | 14.13 |
| 19WDRC129 | Shoot 1 | 638330 | 6372420 | 278.7 | 169.0 | -88.2 | 102 | 37 | 87 | 50 | 3.39 |
| 19WDRC130 | Shoot 1 | 638330 | 6372430 | 278.7 | 0.0 | -90.0 | 102 | 33 | 35 | 2 | 2.47 |
| and | | | | | | | | 41 | 73 | 32 | 2.35 |
| incl. | | | | | | | | 51 | 68 | 17 | 3.38 |
| incl. | | | | | | | | 58 | 63 | 5 | 7.39 |
| and | | | | | | | | 77 | 78 | 1 | 1.09 |
| and | | | | | | | | 83 | 87 | 4 | 1.84 |
| and | | | | | | | | 91 | 92 | 1 | 1.34 |
| and | | | | | | | | 95 | 96 | 1 | 1.60 |
| 19WDRC131 | Shoot 1 | 638330 | 6372440 | 278.7 | 187.2 | -88.9 | 108 | 47 | 49 | 2 | 2.59 |
| and | | | | | | | | 57 | 61 | 4 | 1.21 |
| and | | | | | | | | 67 | 68 | 1 | 1.03 |
| and | | | | | | | | 71 | 74 | 3 | 1.10 |
| and | | | | | | | | 79 | 80 | 1 | 1.63 |
| 19WDRC132 | Shoot 1 | 638340 | 6372390 | 279.0 | 19.4 | -89.4 | 90 | 74 | 75 | 1 | 3.06 |
| and | | | | | | | | 81 | 82 | 1 | 1.13 |
| 19WDRC133 | Shoot 1 | 638340 | 6372400 | 278.9 | 150.8 | -89.5 | 90 | 41 | 49 | 8 | 3.04 |
| and | | | | | | | | 69 | 70 | 1 | 1.04 |
| and | | | | | | | | 72 | 73 | 1 | 1.04 |
| 19WDRC134 | Shoot 1 | 638340 | 6372410 | 278.9 | 16.9 | -88.8 | 96 | 38 | 57 | 19 | 4.64 |
| incl. | | | | | | | | 51 | 56 | 5 | 10.97 |
| and | | | | | | | | 65 | 72 | 7 | 2.67 |
| and | | | | | | | | 79 | 80 | 1 | 1.79 |
| 19WDRC135 | Shoot 1 | 638340 | 6372420 | 279.0 | 0.0 | -90.0 | 96 | 35 | 87 | 52 | 2.84 |
| 19WDRC136 | Shoot 1 | 638340 | 6372430 | 279.0 | 173.8 | -88.6 | 108 | 36 | 63 | 27 | 2.88 |
| incl. | | | | | | | | 46 | 48 | 2 | 12.25 |
| and | | | | | | | | 70 | 72 | 2 | 1.94 |
| and | | | | | | | | 77 | 78 | 1 | 3.20 |
| and | | | | | | | | 82 | 93 | 11 | 3.20 |
| 19WDRC137 | Shoot 1 | 638340 | 6372440 | 278.9 | 187.1 | -88.8 | 96 | 37 | 53 | 16 | 1.12 |
| and | | | | | | | | 70 | 72 | 2 | 1.31 |
| 19WDRC138 | Shoot 1 | 638350 | 6372400 | 279.1 | 43.6 | -89.2 | 90 | 77 | 81 | 4 | 2.40 |
| 19WDRC139 | Shoot 1 | 638350 | 6372410 | 279.2 | 4.6 | -89.4 | 90 | 38 | 41 | 3 | 1.77 |
| and | | | | | | | | 45 | 46 | 1 | 1.20 |
| and | | | | | | | | 50 | 51 | 1 | 1.03 |
| and | | | | | | | | 60 | 62 | 2 | 1.58 |
| and | | | | | | | | 75 | 77 | 2 | 1.19 |
| 19WDRC140 | Shoot 1 | 638350 | 6372420 | 279.2 | 198.1 | -88.5 | 96 | 34 | 61 | 27 | 7.60 |
| and | | | | | | | | 66 | 71 | 5 | 2.45 |
| and | | | | | | | | 75 | 81 | 6 | 1.39 |
| 19WDRC141 | Shoot 1 | 638350 | 6372430 | 279.2 | 206.7 | -89.2 | 102 | 39 | 40 | 1 | 1.74 |
| and | | | | | | | | 49 | 57 | 8 | 1.35 |
| and | | | | | | | | 83 | 85 | 2 | 1.54 |
| 19WDRC142 | Shoot 1 | 638350 | 6372440 | 279.1 | 178.3 | -89.0 | 90 | NSA* | | | |
| 19WDRC143 | Shoot 1 | 638360 | 6372400 | 279.3 | 9.0 | -88.8 | 78 | 57 | 58 | 1 | 1.20 |
| and | | | | | | | | 62 | 63 | 1 | 1.19 |
| and | | | | | | | | 66 | 70 | 4 | 1.01 |
| 19WDRC144 | Shoot 1 | 638360 | 6372410 | 279.3 | 337.6 | -89.2 | 84 | 36 | 46 | 10 | 1.39 |
| and | | | | | | | | 67 | 68 | 1 | 1.32 |
| 19WDRC145 | Shoot 1 | 638360 | 6372420 | 279.3 | 230.1 | -88.2 | 84 | 42 | 70 | 28 | 2.11 |
| incl. | | | | | | | | 50 | 60 | 10 | 3.56 |

* NSA = No Significant Assay

Table A cont: Weednanna Gold Intercepts >1 g/t Au (intercepts >50 g/t*m Au highlighted)

| Hole ID | Shoot | East_MGA | North_MGA | RL (m) | Azimuth | Dip | EOH | From (m) | To (m) | Interval (m) | Au (g/t) |
|-----------|---------|----------|-----------|--------|---------|-------|-----|----------|--------|--------------|----------|
| 19WDRC146 | Shoot 1 | 638360 | 6372430 | 279.4 | 282.0 | -89.7 | 90 | 38 | 42 | 4 | 1.21 |
| and | | | | | | | | 63 | 64 | 1 | 1.26 |
| and | | | | | | | | 79 | 84 | 5 | 2.62 |
| 19WDRC147 | Shoot 1 | 638360 | 6372440 | 279.4 | 193.9 | -89.0 | 90 | 75 | 78 | 3 | 2.03 |
| 19WDRC148 | Shoot 1 | 638370 | 6372400 | 279.7 | 2.9 | -89.1 | 78 | 38 | 41 | 3 | 1.22 |
| 19WDRC149 | Shoot 1 | 638370 | 6372410 | 279.6 | 32.3 | -89.0 | 78 | NSA* | | | |
| 19WDRC150 | Shoot 1 | 638370 | 6372420 | 279.6 | 188.2 | -88.2 | 84 | 56 | 58 | 2 | 1.30 |
| 19WDRC151 | Shoot 1 | 638370 | 6372430 | 279.7 | 180.0 | -88.7 | 84 | 43 | 44 | 1 | 1.05 |
| and | | | | | | | | 53 | 54 | 1 | 1.41 |
| and | | | | | | | | 62 | 66 | 4 | 1.89 |
| 19WDRC153 | Shoot 1 | 638380 | 6372430 | 279.9 | 205.8 | -88.8 | 78 | 28 | 29 | 1 | 1.32 |
| and | | | | | | | | 40 | 41 | 1 | 1.01 |
| and | | | | | | | | 51 | 52 | 1 | 1.07 |

* NSA = No Significant Assay

This announcement has been authorised for release by the Board.

Kevin Malaxos
Managing Director

About Alliance

Alliance Resources Ltd is an Australian gold and base metals exploration company with 100% owned projects in South Australia and Western Australia.

The Company's flagship project is the Wilcherry Project, located within the southern part of the Gawler Craton, approximately 45 km north of the township of Kimba, South Australia.

The maiden Mineral Resource estimate for the Weednanna Gold Deposit, part of the Wilcherry Project, is 1.097 Mt grading 5.1 g/t gold for 181,000 oz gold (classified 49% Indicated and 51% Inferred). Refer to ASX announcement dated 6 September 2018 for details concerning the Mineral Resource and the Competent Persons consent. Alliance is not aware of any new information or data that materially affects the information included in the above- mentioned announcement. All material assumptions and technical parameters underpinning the above-mentioned Mineral Resource estimate continue to apply and have not materially changed.

An independent scoping study is positive and supports a new, 250 ktpa gold plant at Weednanna. Total indicative capital cost is approximately \$44 million, including an open pit pre-strip of approximately \$8 million. Refer to ASX announcement dated 18 April 2019 for details concerning the scoping study including the above-mentioned financial information. All material assumptions underpinning the above-mentioned financial information continue to apply and have not materially changed.

There is potential to increase the size of this Mineral Resource with further drilling.

Alliance also owns an 80 person camp located on leased land in the township of Kimba and which will be utilised during construction.

Competent Person

The information in this report that relates to the Exploration Results is based on information compiled by Mr Anthony Gray. Mr Gray is a Member of the Australian Institute of Geoscientists and is a part-time contractor to Alliance Resources Ltd. Mr Gray has 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 consents to the inclusion in the report of the matters based on their 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 drill cuttings from reverse circulation (RC) 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 laboratories have 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> | Reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce appropriate sized samples for 40g fire assay analysis and mixed-acid digest. |
| 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> | The drilling method was RC using a 5 ¾" hammer drilled at an inclination of -90°. |
| Drill sample recovery | <i>Method recording and assessing core and chip sample recoveries and results assessed.</i> | Samples were logged and sample recovery estimated on site by a geologist. |
| | <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> | Every effort was made to ensure RC samples remained dry to ensure the representative nature of the samples. |
| | <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> | Dry RC samples have a low potential for sample bias. |
| 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> | Samples were logged by a geologist for recovery, weathering, moisture, colour, lithology, alteration, texture, mineralogy and mineralisation. |
| | <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i> | Sample logging is both qualitative (e.g. colour) and quantitative (eg. % mineral present) in nature depending on the feature being logged. |
| | <i>The total length and percentage of the relevant intersections logged.</i> | All holes were logged from start to finish. |
| 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> | One metre RC samples were split on the drilling rig using a cone splitter to produce approximately 3kg sub-samples for submission to the analytical laboratory. |
| | <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> | Sample preparation was carried out by Bureau Veritas Laboratory in Adelaide as described above. |
| | <i>Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.</i> | Approximately 6% of analysed samples were in the form of standards, blanks or duplicates. |
| | <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> | The sampling method described above ensured representivity of the in-situ material. |
| Quality of assay data and laboratory tests | <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> | The sample sizes are considered appropriate to the grain size of the material being sampled. |
| | <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> | All samples were analysed by Bureau Veritas in Adelaide for 40g charge fire assay for gold (FA001) with AAS finish and mixed-acid digest for silver, arsenic, iron and sulphur with determination by ICP-AES or ICP-MS as appropriate. Fire assay is considered to be a total digestion technique for gold and mixed-acid digest is considered to be a total digestion technique for silver, arsenic, iron and sulphur. |
| | <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. |
| | <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</i> | All Bureau Veritas Minerals laboratories work to documented procedures in accordance ISO 9001 Quality Management Systems. A nominal one in twenty (5%) of all samples are |

| Section 1 – Sampling Techniques and Data | | |
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| Criteria | JORC Code explanation | Commentary |
| | <i>been established.</i> | analysed in duplicate. In addition, re-splits if required are also analysed to determine the precision of the sample preparation and analytical procedures. Blanks and reference materials are randomly inserted into every rack of samples. |
| 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 listed 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 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 downhole drill hole data. |
| | <i>Discuss any adjustment to assay data.</i> | No assay data has been adjusted. |
| 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> | Drill hole collars have been surveyed by a registered surveyor. Horizontal and vertical accuracy is +/- 25cm. Down hole surveying was completed by the drilling company in the collar and at approximately 10m spaced intervals down hole using a north-seeking Champ Gyro hired from Axis Mining Technology. |
| | <i>Specification of the grid system used.</i> | GDA2020, MGA Zone 53. |
| | <i>Quality and adequacy of topographic control.</i> | Quality as described above. Topographic control is 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 procedure(s) and classifications applied.</i> | The data spacing and distribution is considered sufficient to establish geological and grade continuity appropriate for a Measured Mineral Resource estimate. |
| | <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> | The drilling program was planned using vertical drill holes with the objective of achieving unbiased sampling of the mineralised ore shoot. |
| | <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> | The relationship between the drilling orientation and the orientation of the mineralised ore shoot is not considered to have introduced any material sampling bias. |
| Sample security | <i>The measures taken to ensure sample security.</i> | RC sub-samples were stored on site prior to being transported to the laboratory for analyses. Sample pulps are currently stored at the laboratory and will be returned to the Company and stored in a secure location. |
| 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 | | |
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| 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 Weednanna Deposit is part of the Wilcherry Project (Project), comprising EL's 5590, 5875, 5931, 6072, 6188 and 6379, owned by Alliance (100%). 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. |
| | <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 and there are 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 since the 1970's by companies including Pan Continental Mining, Asarco, Murumba Minerals, Shell Co. of Australia Ltd (later Acacia Resources Ltd), WMC Resources Ltd, Anglogold Australia Ltd, Aquila Resources Ltd, Trafford Resources Ltd, Ironclad Mining Ltd (later Tyranna Resources Ltd). RC and diamond drilling has been completed at Weednanna by the following exploration companies- <ul style="list-style-type: none"> • 1997-1998: Acacia Resources • 1999: Acacia Resources and Anglogold • 2000: Anglogold • 2002: Aquila Resources • 2006: Trafford Resources |

| Section 2 – Reporting of Exploration Results | | |
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| Criteria | JORC Code explanation | Commentary |
| | | <ul style="list-style-type: none"> • 2007: Ironclad Mining and Trafford Resources • 2008-2010: Ironclad Mining • 2012-2017: Ironclad Mining and Trafford Resources • 2017-present: Alliance |
| Geology | <i>Deposit type, geological setting and style of mineralisation.</i> | <p>The geology at Weednanna is characterised by a north striking and moderate to steep east-dipping unit of Paleo-Proterozoic Hutchinson Group sediments, consisting of marl and dolomite with lesser sandstone and minor basalt, which have been metamorphosed under upper-amphibolite facies conditions and altered to produce interleaving calc-silicate and magnetite skarn with lesser gneiss and minor amphibolite.</p> <p>This altered meta-sedimentary package is bounded to the east and west by Archaean Sleaford Complex granite and gneiss. The Archaean rocks appear to truncate the meta-sediments at depth at the northern and southern ends of them prospect, with the meta-sediments extending below current drilling in the central area of the prospect.</p> <p>A keel of north-striking weathered granite of uncertain age occurs near-surface within the Hutchinson Group sediments along most of the prospect area. Pink potassium feldspar-rich granites, potentially of the Hiltaba Granite suite, intrude the Sleaford Complex on the eastern side of the prospect area and minor later stage granites cut the metasedimentary package. Gold mineralisation occurs within both the Archaean Sleaford Complex granite and gneiss and Paleo-Proterozoic Hutchinson Group meta-sediments and is associated with the intrusion of Hiltaba Granites and skarn alteration.</p> <p>Gold was deposited in favourable structural and lithological areas during both the peak metamorphic event and as the host rocks have cooled.</p> <p>Due to the high regional metamorphic temperate during gold emplacement, shoots are relatively discrete and high grade.</p> |
| Drill hole Information | <p><i>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:</i></p> <ul style="list-style-type: none"> • <i>easting and northing of the drill hole collar;</i> • <i>elevation or RL (reduced Level - elevation above sea level in metres) of the drill hole collar;</i> • <i>dip and azimuth of the hole;</i> • <i>down hole length and interception depth;</i> • <i>hole length.</i> <p><i>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.</i></p> | Refer to Table A in the body of this report for the location of all drill holes. |
| Data aggregation methods | <p><i>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.</i></p> <p><i>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.</i></p> <p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p> | <p>The results are weighted averages by sample length. No high grade cuts have been applied. Results are reported for all intersections of gold greater than 1.0 g/t Au. The mineralised intervals are listed in Table A in the body of the announcement.</p> <p>Lengths of low grade results have been incorporated where the adjacent higher grade results are of sufficient tenor such that the weighted average remains close to or above the lower cut-off grades.</p> <p>No metal equivalents are reported.</p> |
| Relationship between mineralisation widths and intercept lengths | <p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p> <p><i>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').</i></p> | The geometry of the mineralisation at Shoot 1 is sub-horizontal and ovoid in shape, striking east-west. Assay results are reported at down hole lengths due to the geometry of the mineralised shoot. |
| Diagrams | <i>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</i> | Refer to figures in the body of the announcement. |

| Section 2 – Reporting of Exploration Results | | |
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| Criteria | JORC Code explanation | Commentary |
| | <i>of drill hole collar locations and appropriate sectional views.</i> | |
| <i>Balanced reporting</i> | <i>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.</i> | The results reported in Table A represent all significant assay results averaging greater than 1.0 g/t Au. |
| <i>Other substantive exploration data</i> | <i>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.</i> | Metallurgical test work at the Weednanna Gold Deposit is ongoing. This test work has revealed that gold at Weednanna is fine grained and evenly distributed across all size fractions. The mineralisation contains minor deleterious elements and is not refractory across most of the deposit. At Shoot 1 a mild-refractory component of ore appears to be associated with elevated arsenopyrite. Good gold recoveries in excess of 85-90% should be achievable for most of the deposit by processing through a conventional cyanide leach circuit, however recoveries from Shoot 1 ore may be lower. Alliance and previous explorers have compiled a comprehensive density database for the Wilcherry Project. This database consists of more than 12,500 measurements collected across all rock types relevant for a Mineral Resource Estimate. Following the completion of the recent drilling program Borehole Wireline completed down hole density surveying of 50% of all holes drilled (every second north-south traverse). |
| <i>Further work</i> | <i>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.</i> | Refer to main body of announcement. |