16 November 2016 ASX Code: AGS

ZEALOUS PROSPECT DRILLING RESULTS

WILCHERRY PROJECT JOINT VENTURE, SOUTH AUSTRALIA

- **Drilling at Zealous has intersected:**
  - **63m @ 1.06% Pb (including 6m @ 4.02% Pb)**
  - **129m @ 0.24% Zn (including 10m @ 0.84% Zn and 3m @ 747ppm U)**
- **Significant results from drilling at Zealous (2012-2014) include:**
  - **123m @ 0.42% Pb**
  - **45m @ 0.59% Pb**
  - **17m @ 1.21% Pb**
- **Alliance has planned an airborne electromagnetic geophysical survey over Project area to test for conductors associated with massive sulphide (tin, copper-gold, lead-zinc-silver) deposits.**

Alliance is pleased to report the results from a three hole drilling program by Tyranna Resources Ltd (Tyranna) at the **Zealous prospect** located within the Wilcherry Project, South Australia, a joint venture between Alliance (51%) and Tyranna (49%).

The drilling, completed prior to the commencement of the joint venture, primarily targeted a magnetic anomaly thought to represent a potential source for the tin previously intersected at the prospect, however there is insufficient magnetism in the core to explain the anomaly.

Only one hole intersected anomalous tin, 28m @ 469ppm Sn from 41m in 16ZLDH003.

However, significant lead (Pb), zinc (Zn) and uranium (U) results were intersected, e.g. 63m @ 1.06% Pb from 36m and 129m @ 0.24% Zn from 69m, including 3m @ 747ppm U in 16ZLDH003. Refer to Table A.

Table A – Significant intercepts from latest drilling

Hole ID	Northing (GDA04)	Easting (GDA94)	Total Depth (m)	Azimuth	Dip	Depth From (m)	Depth To (m)	Width (m)	Sn (%)	Cu (%)	Pb (%)	Zn (%)	U (ppm)
16ZLDH001	6386051	642628	221.8	69	-70	No significant results							
16ZLDH002	6386063	642806	291.2	264	-60	250.9	255.5	4.6			0.28	0.34	
16ZLDH003*	6386127	642534	204.7	70	-60	36	99	63			1.06	0.21	
	incl.					41	69	28	0.05		1.85		
	incl.					63	69	6			4.02		
	and					69	198	129				0.24	
	incl.					69	79	10		0.12	0.7	0.84	
	incl.					90	93	3		0.39	0.21	0.16	747

*There was substantial core loss in hole 16ZLDH003, with numerous intervals over the entire length of the cored hole from 66 to 204.7m depth which aggregates 44% core loss.

The lead-zinc anomalism has resulted in Alliance geologists revisiting the 2012-2014 drilling results by Trafford Resources Ltd. Significant base metal intercepts from the previous drilling programmes at Zealous are listed in Table B. Figures 2 and 3 are plans showing distribution of drilling intercepts for tin, and lead and zinc, respectively.

The results of this early stage review indicates a significant number of large, low grade lead-zinc intercepts at Zealous, which in conjunction with the tin results and known geology of the district, supports a distal mineralised environment which may be suitable for the development of a replacement sulphide hosted tin deposit similar to Renison, Tasmania.

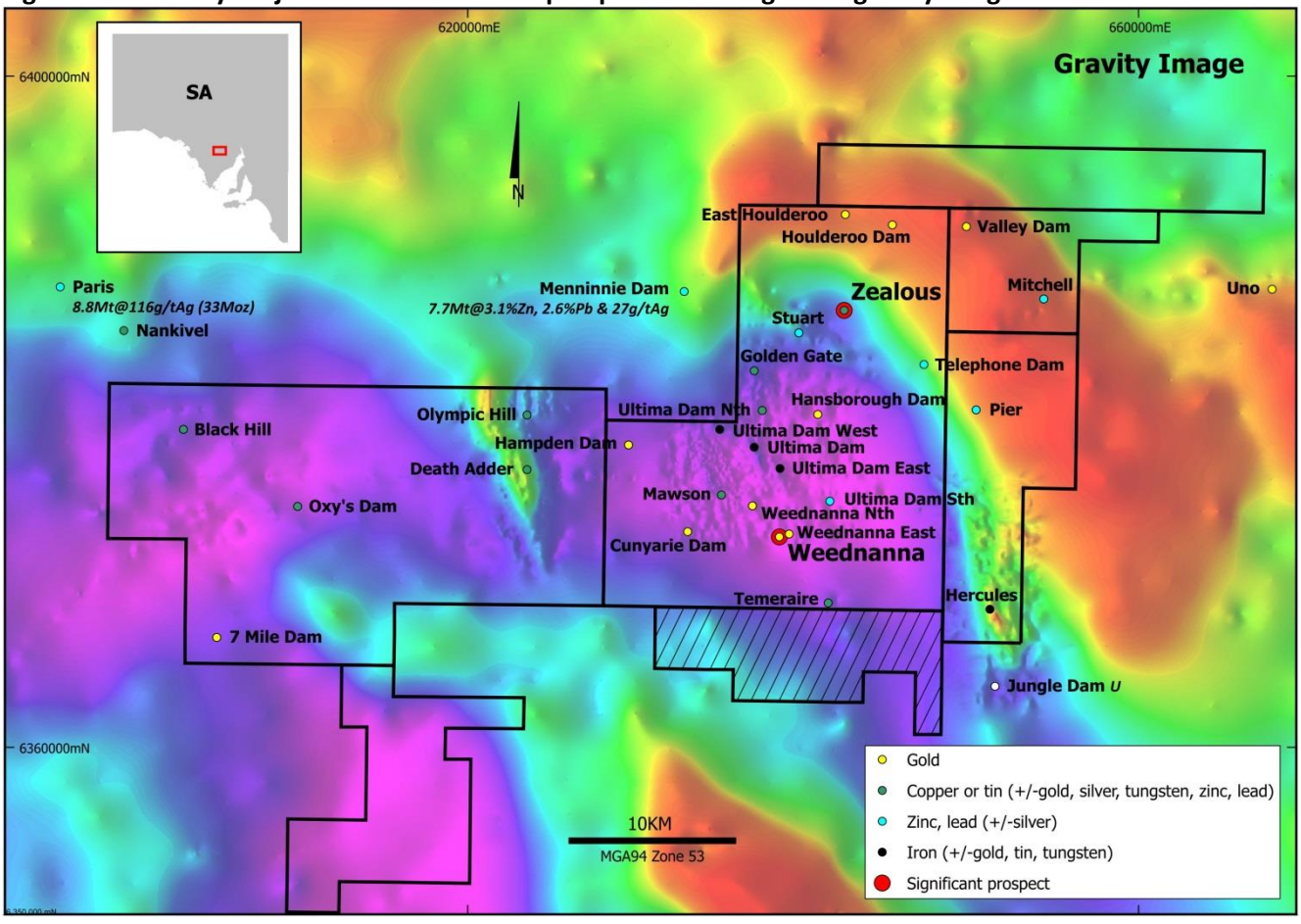
The 2012 discovery of high grade tin in this region indicates that a reduced tin-bearing granite has intruded the Palaeoproterozoic sediments, which include multiple fold-repeated horizons of dolomite (the favourable host rock for replacement tin deposits), and potentially represents a new and significant tin province in South Australia.

Many positive geological vectors are present within the Project area. Alliance will continue to review the extensive existing drilling database and has planned an airborne electromagnetic geophysical survey over the Project area to test for conductors associated with massive sulphide (tin, copper-gold, lead-zinc-silver) deposits.

Background

The Project is located within the southern part of the Gawler Craton in the northern Eyre Peninsula and comprises six exploration licences covering 1,074 km^2.

Figure 1: Wilcherry Project JV tenements and prospects on background gravity image



The Wilcherry Project area is prospective for economic concentrations of gold, tin, copper, zinc, lead, silver, iron, bismuth, tungsten and uranium in a variety of mineralisation styles.

The area is predominantly overlain by a shallow veneer of transported cover that has prevented exploration by early prospectors. Drilling by modern explorers has identified significant mineralised systems hosted within Palaeoproterozoic calcareous and iron-rich metasediments which are intruded by Hiltaba Suite Granites that are responsible for widespread gold, uranium and base metal mineralisation in the Gawler Craton. The recent discovery of high grade tin, which had previously not been recognised in the district, suggests a more complex mineralised history than previously thought.

There are twenty eight (28) existing exploration targets within the Project area. The three highest priority exploration targets at the Project are currently the Weednanna and Weednanna West gold prospects and the Zealous tin prospect.

Drilling from 2012-2014 at the Zealous prospect intersected significant tin grades. Refer to Alliance ASX announcement dated 23 September 2016 for further details.

In August 2016, Tyranna drilled at Zealous with the assistance of the South Australian government PACE funding program.

Planned Work

Continue reviewing the existing database of surface geochemistry (>9,000 samples), geophysics and drilling (>3000 holes); screening of historic drilling pulps for economic concentrations of base metals by portable XRF analyses prior to more accurate multi-element analyses; an airborne electromagnetic geophysical survey over the Project area to test for conductors associated with massive sulphide (tin, copper-gold, lead-zinc-silver) deposits; 3D inversion modelling and interpretation of aeromagnetic data; infill ground gravity surveys, 3D inversion modelling and interpretation of gravity data; re-logging of regional drill hole geology and alteration; integration of all data in order to identify and rank conceptual exploration target areas and drill testing of priority targets.

Steve Johnston
Managing Director

Alliance Resources Ltd has projects in South Australia, Western Australia and New South Wales for gold and base metals. For further information about Alliance Resources Ltd, please visit www.allianceresources.com.au

Figure 2: Zealous Prospect – Plan view of tin intercepts

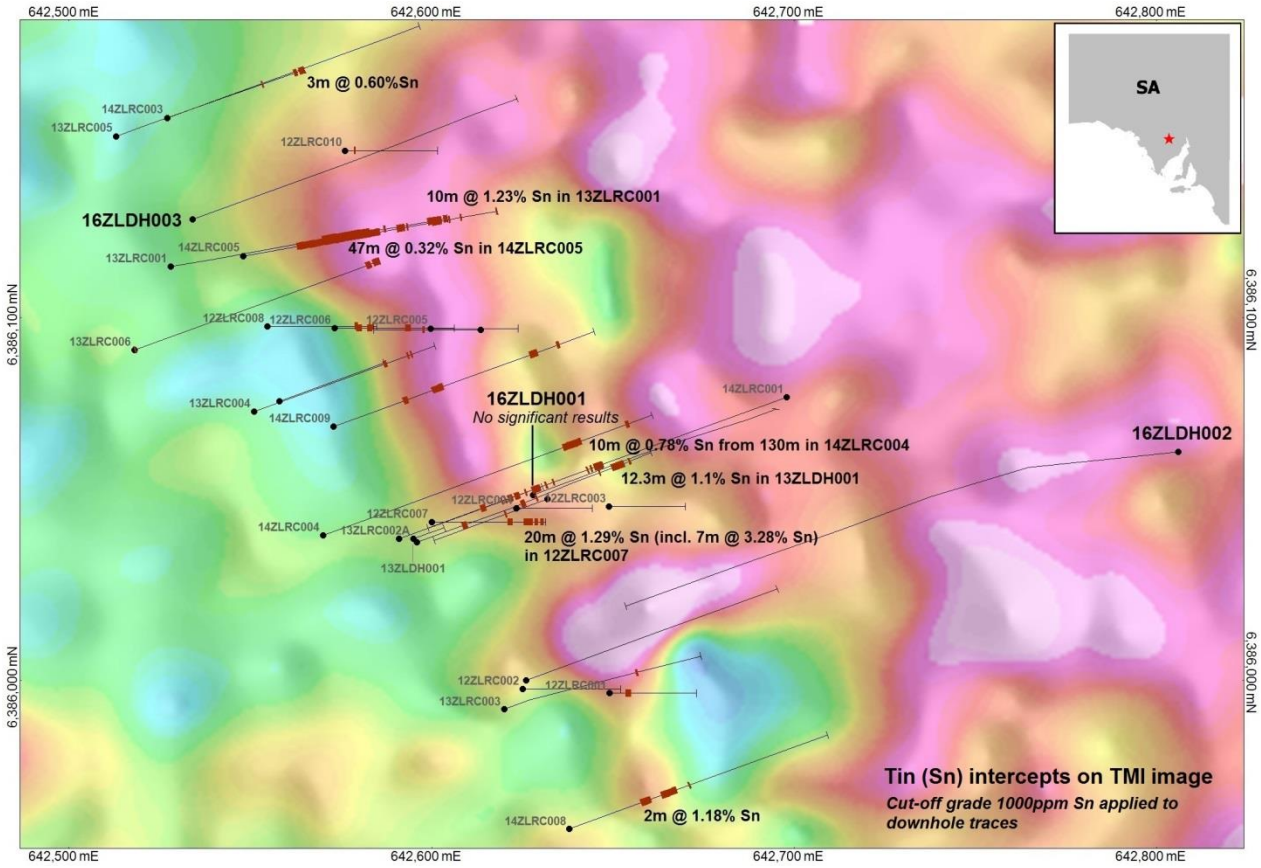


Figure 3: Zealous Prospect – Plan view of lead and zinc intercepts

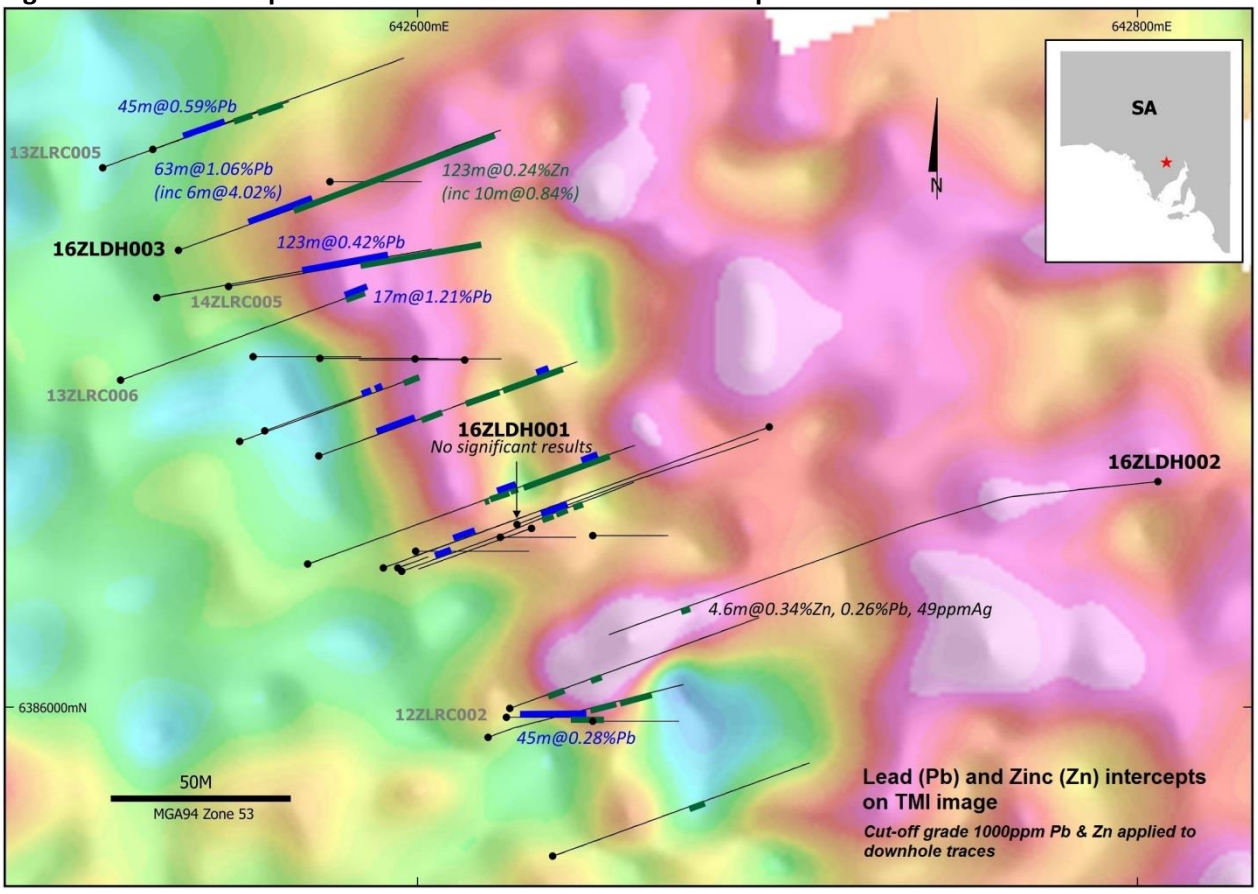


Table B – Significant intercepts from 2012-2014 drilling (Cu, Pb, Zn & U not previously reported)

Hole ID	Northing (GDA04)	Easting (GDA94)	Total Depth (m)	Azimuth	Dip	Depth From (m)	Depth To (m)	Width (m)	Sn (%)	Cu (%)	Pb (%)	Zn (%)	U (ppm)
12ZLRC001	6385996	642649	48	90	-60	9	12	3	0.20				
12ZLRC002	6385998	642625	54	90	-60	9	54	45			0.28		
	incl.					43	47	4		0.11	0.13	0.14	336
12ZLRC006	6386097	642573	66	90	-60	12	15	3	0.22				
	and					48	54	6			0.33		
12ZLRC007	6386044	642600	63	90	-60	23	26	3			0.18	0.21	
	and					42	62	20	1.29	0.16	0.27	0.14	
	incl.					52	59	7	3.28	0.20	0.36	0.15	
	incl.					55	57	2	6.05	0.21	0.38	0.24	
12ZLRC008	6386098	642555	60	90	-60	56	57	1	0.20		0.21	0.13	
13ZLDH001	6386038	642596	144.8	70	-60	27	30	3	0.16		1.26		
	and					89.3	102	12.7		0.46	1.28	0.20	458
	and					119	131.3	12.3	1.10				
	incl.					125	127	2	1.97				
	incl.					130	131.3	1.3	4.81				
13ZLRC001	6386114	642528	138	80	-60	75	99	24	0.19		1.43		
						102	105	3				0.62	318
	and					128	138	10	1.23		1.26	0.28	
	incl.					128	133	5	2.29		1.49	0.40	
13ZLRC002B	6386039	642591	84	70	-60	45	51	6			1.58		
	and					78	81	3	0.24				
13ZLRC005	6386150	642513	106	70	-60	44	89	45			0.59		
	incl.					52	56	4			1.91		
	and					94	106	12			1.15	0.34	
	incl.					97	102	5			1.70	0.43	
	and					101	102	1	0.40				
	and					103	106	3	0.60		1.22	0.39	
	incl.					103	104	1	1.13				
13ZLRC006	6386091	642518	141	70	-60	136	144	8	0.11				
	and					127	144	17	0.08		1.21		
	incl.					129	130	1			8.36		
	incl.					138	141	3	0.10	0.11	1.26	0.24	
14ZLRC001	6386078	642698	200	250	-60	105	114	9	0.19	0.17	0.74	0.19	280
	and					117	120	3		0.14	1.11	0.64	
	and					132	133	1	0.43		0.23	0.15	
	and					136	137	1	0.57		0.26	0.13	
14ZLRC002	6386060	642632	66	250	-60	24	27	3			0.26		
	and					34	45	11			0.40		
14ZLRC003	6886155	642527	150	70	-60	21	33	12			0.33		
	and					42	66	24			0.19		
	and					82	85	3		0.19	0.13		
	and					133	134	1	0.20				
14ZLRC004	6386040	642570	180	70	-60	95	167	72			0.47	0.21	
	incl.					130	140	10	0.78		0.41	0.29	
	incl.					131	135	4	1.33		0.40	0.33	
	incl.					165	167	2	0.49				
14ZLRC005	6386117	642548	150	80	-60	27	150	123			0.42		
	incl.					31	78	47	0.32				
	incl.					32	33	1	1.31				
	incl.					42	49	7	0.66				
	incl.					44	46	2	1.12				
	and					88	93	5	0.19				
	and					109	115	6	0.53				
14ZLRC007	6386000	642626	150	70	-60	9	34	25			0.35		
	and					42	52	10			0.11		
	and					61	68	7			0.16		
14ZLRC008	6385959	642638	150	70	-60	43	63	20	0.25				
	incl.					44	46	2	1.18				
	incl.					54	63	9	0.21				
14ZLRC009	6386070	642573	162	70	-60	36	84	48			0.30		
	incl.					60	67	7	0.17				
	and					121	126	5	0.49				
	incl.					122	123	1	1.14				
	and					138	140	2	0.22				
	and					141	144	3		0.20	1.14	0.57	

Highlighted: Sn, Cu, Pb or Zn >0.4%, U >300ppm

Competent Person's Statement

The information in this report that relates to the Exploration Results is based on information compiled by Mr Stephen Johnston who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Johnston is a full time employee of Alliance Resources Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Johnston consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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.*	Sample type was from reverse circulation (RC) drill cuttings and quarter and half cut diamond core.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Industry standard practice on site and appropriate calibration/QA-QC has been applied by the laboratory to ensure sample representivity.
	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 2-3kg was pulverised to produce a 30g charge prior to 3 acid digestion and multi-element analyses.
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.).*	RC precollar and diamond tail drilling was undertaken by Budd Exploration Drilling using a UDR 1000 multipurpose rig. Core diameter was a combination of HQ and NQ. The core was not oriented.
Drill sample recovery	*Method recording and assessing core and chip sample recoveries and results assessed.*	Samples were logged and sample recovery estimated on site by a geologist. Diamond core recoveries for holes 16ZLDH001, 2 and 3 were estimated as 93%, 99% and 56% respectively.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Every effort was made to ensure RC samples remained dry. Dry samples were split using a rotary splitter.
	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.	For the holes with >90% recovery, there is low potential for sample bias. For 16ZLDH003, there is potential for sample bias due to preferential loss of 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.*	Samples were logged by a geologist for recovery, weathering, moisture, colour, lithology, alteration, texture, mineralogy and mineralisation.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	Sample logging is both qualitative (e.g. colour) and quantitative (eg. % mineral present) in nature depending on the feature being logged.
	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.*	All core was cut using a diamond saw with quarter core taken for HQ and half core taken for NQ.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	RC samples of 2-3kg were collected from the rig mounted rotary cone splitter at 1m intervals in pre-numbered calico bags. The samples were predominantly dry.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Sample preparation was carried out by Bureau Veritas (Amdel) laboratories. All samples were dried, crushed, pulverised and split to produce a charge of appropriate size for the analytical method.
	Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.	10% of despatched samples were in the form of 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.	All RC samples were collected as 1 metre intervals at the rig. Diamond core was sampled as either, 3m composites, 1m samples or variable length samples depending on lithology.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample 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.*	The analytical technique uses 3 acid digestion followed by ICP-AES for Cu, Fe, Li, Mn, Pb, Zn; ICP-MS for Ag, As. Be, Bi, Ce, Co, Mo, Rb, Sn and Lithium borate fusion for Sn, U, W are considered appropriate. These techniques approximate 'total' digest in most cases.
	For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including	Not applicable.

Section 1 – Sampling Techniques and Data		
Criteria	**JORC Code explanation**	**Commentary**
	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.	A sample duplicate was inserted into the sample sequence every 60 samples. Laboratory QC included insertion of standards and blanks. The analyses of the duplicates indicate acceptable levels of accuracy have been established.
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 listed in this report.
	The use of twinned holes.	Not applicable.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	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 drillhole data.
	Discuss any adjustment to assay data.	No assay data has been adjusted.
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.*	Drill hole collars were surveyed by handheld GPS. Expected horizontal accuracy is +/-4m (95%) and vertical accuracy is +/-10m (95%).
	Specification of the grid system used.	MGA94, zone 53.
	Quality and adequacy of topographic control.	Quality as described above. Topographic control is adequate.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Data spacing is listed in Table A in the body of the report.
	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.	Not applicable at this stage of exploration. This may be revised with further drilling.
	Whether sample compositing has been applied.	Sample compositing has been applied to RC samples and to diamond core at the discretion of the geologist.
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 the sampling may have introduced bias in hole 16ZLDH003, however, it is currently difficult to quantify the extent of this potential 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.	16ZLDH003 appears to have been drilled down dip.
Sample security	*The measures taken to ensure sample security.*	RC samples were stored on site prior to being transported to the laboratory. Diamond core was stored on site then transported to a storage facility for cutting and sampling prior to being submitted to the laboratory for analyses.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No audits or reviews have been undertaken.

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 Zealous prospect is located within EL5299 which forms part of the Wilcherry Project Joint Venture (Project) owned by Alliance (51%) and Tyranna Resources Ltd (49%). 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 tenement is in good standing and there 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.*	The area has been explored since the 1970's by companies including Pan Continental Mining, Asarco, Murumba Minerals, Shell (later Acacia), WMC, Aquila Resources Ltd, Trafford Resources Ltd, Ironclad Mining Ltd (later Tyranna). All previous

Section 2 – Reporting of Exploration Results		
Criteria	**JORC Code explanation**	**Commentary**
		work has been appraised by Tyranna.
Geology	*Deposit type, geological setting and style of mineralisation.*	The Zealous prospect is interpreted to be a magnetite skarn which has been weathered to goethite/limonite and containing tin, copper, lead, zinc & silver. Host rocks are Palaeproterozoic sediments adjacent to a granite.
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 the Table A and Table B in the body of report for all significant results from the drilling.
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 weighted averages by sample length. No top cuts have been applied. Lower cut-off grades of 0.1% Sn, 0.1% Pb, 0.2% Zn, 300ppm U have been used when those elements are reported in isolation.
	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 high 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 geometry of the mineralisation is not well understood, however, is interpreted to dip steeply to the east.
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 the body of the announcement.
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.*	The result reported in Table A and Table B represent all significant mineralisation encountered at Zealous.
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.*	All relevant exploration data collected so far have been reported.
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.*	Refer to main body of report.