4 April 2018

ALLIANCE RESOURCES LTD

ASX: AGS

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Market Cap: $13M @ $0.125

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Wilcherry JV, SA (67.35%): gold and base metals

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

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

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CONTINUED HIGH GRADE GOLD RESULTS FROM WEEDNANNA TARGET 4 INCLUDING 12m at 10.2g/t

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Drilling by Alliance at Weednanna Target 4 continues to return high grade gold results, including the following results >50 g/t-m (grade x thickness):

- **16m @ 3.2 g/t Au from 84m in 18WDRC003**
- **12m @ 10.2 g/t Au from 92m in 18WDRC005, incl. 4m @ 28.1 g/t Au from 96m**
- **4m @ 12.4 g/t Au from 52m in 18WDRC006**

Drilling confirms a new Target 5 lode with a best intercept of:

- **8m @ 2.2 g/t Au from 164m in 18WDRC016**

Further RC drilling is planned in 2018 to define the limits of gold mineralisation at Targets 4 and 5 and to test new target areas

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The Board of Alliance Resources Ltd (Alliance) is pleased to announce provisional results for the fourth round of reverse circulation (RC) drilling at the Weednanna gold prospect, which forms part of the Wilcherry Project Joint Venture between Alliance (67.35%) and Tyranna Resources Ltd (ASX Code: TYX) (32.65%).

The RC drilling program, completed in March, was designed to define the geometry of Target 4 with 19 holes testing Target 4 and 3 initial holes testing the new Target 5.

A total of 22 RC holes were drilled for 3,138 metres (18WDRC001-022).

Preliminary results have been received for 17 holes. Of these, 14 holes reported intercepts >1 g/t Au, with 3 holes returning >50 g/t-m Au.

Intercepts >1 g/t gold are detailed in Table A and drill collar plans and cross-sections may be found in Figures 1 to 6.

Managing Director, Steve Johnston, commented: *"These latest results from drilling at Targets 4 and 5 indicate very robust gold intercepts and reinforces our view of Weednanna as a growing high grade gold system that we are continuing to progress successfully with each round of drilling."*

The results are based on 4 x 1m scoop samples composited into a single sample and assayed for gold using 50g charge fire assay with AAS finish.

Results for 1m sample splits are pending and therefore, these results are preliminary results.

Table A: Significant Intercepts >1 g/t Au (highlighted intercepts >50 g/t-m grade x thickness)

Hole ID	Target	East MGA	North_MGA	RL (m)	Azimuth	Dip	EOH	Depth From (m)	Depth To (m)	Interval (m)	Au (ppm)
18WDRC001	4	638,637	6,372,250	278	270.0	-60.0	132	80	84	4	2.93
18WDRC002	4	638,657	6,372,249	277	270.0	-60.0	150	96	100	4	4.56
18WDRC003	**4**	**638,679**	**6,372,249**	**276**	**270.0**	**-60.0**	**162**	**84**	**100**	**16**	**3.21**
including								**88**	**92**	**4**	**5.60**
18WDRC004	4	638,699	6,372,247	275	270.0	-60.0	186	64	68	4	4.37
18WDRC005	**4**	**638,719**	**6,372,246**	**275**	**270.0**	**-60.0**	**186**	**92**	**104**	**12**	**10.18**
including								**96**	**100**	**4**	**28.10**
and								128	132	4	2.37
18WDRC006	**4**	**638,700**	**6,372,272**	**276**	**270.0**	**-60.0**	**186**	**52**	**56**	**4**	**12.35**
and								84	96	12	3.11
including								92	96	4	6.49
and								124	128	4	7.71
18WDRC007	4	638,580	6,372,300	281	270.0	-60.0	100	24	28	4	3.83
18WDRC008	4	638,653	6,372,298	278	270.0	-60.0	126	NSA			
18WDRC009	4	638,609	6,372,322	281	270.0	-60.0	80	40	44	4	1.27
and								56	64	8	1.38
18WDRC010	4	638,656	6,372,323	279	270.0	-60.0	126	80	96	16	1.20
including								92	96	4	2.70
18WDRC011	4	638,610	6,372,350	281	270.0	-60.0	90	NSA			
18WDRC012	4	638,644	6,372,348	279	270.0	-60.0	126	88	92	4	5.31
18WDRC013	4	638,636	6,372,372	280	270.0	-60.0	120	88	92	4	3.91
18WDRC014	5	638,692	6,372,447	277	270.0	-60.0	168	24	28	4	1.31
and								60	64	4	1.99
18WDRC015	5	638,709	6,372,449	276	270.0	-60.0	180	NSA			
18WDRC016	5	638,727	6,372,450	275	270.0	-60.0	192	164	172	8	2.17
18WDRC017	4	638,674	6,372,298	277	270.0	-60.0	150	84	88	4	2.14
and								100	104	4	1.51
and					270.0	-60.0		120	124	4	1.42
18WDRC018	4	638,618	6,372,223	278	270.0	-60.0	114	Awaiting results			
18WDRC019	4	638,638	6,372,225	278	270.0	-60.0	132	Awaiting results			
18WDRC020	4	638,658	6,372,223	277	270.0	-60.0	150	Awaiting results			
18WDRC021	4	638,679	6,372,222	276	270.0	-60.0	168	Awaiting results			
18WDRC022	4	638,618	6,372,248	279	270.0	-60.0	114	Awaiting results			

Nineteen holes (18WDRC001-013 and 18WDRC017-022) were drilled at Target 4 to test some wide spaced historic gold intercepts. All of the new holes intersected strong pyrite associated with magnetite skarn. Sixteen holes reported intercepts >1 g/t Au, with best results of 16m @ 3.2 g/t Au from 84m in 18WDRC003, 12m @ 10.2 g/t Au from 92m in 18WDRC005 (including 4m @ 28.1 g/t Au from 96m) and 4m @ 12.4 g/t Au from 52m in 18WDRC006. The mineralisation is open down dip in the east on most sections and/or down plunge to the south.

Three holes (18WDRC014-016) were drilled at the new Target 5 with initial drilling by Alliance. Two of the three holes reported intercepts >1 g/t Au, with a best intercept of 8m @ 2.2 g/t Au from 164m in 18WDRC016.

Refer to Alliance ASX announcements dated 3 April 2017, 10 April 2017, 28 August 2017 and 19 January 2018 for details of previous Exploration Results at Weednanna.

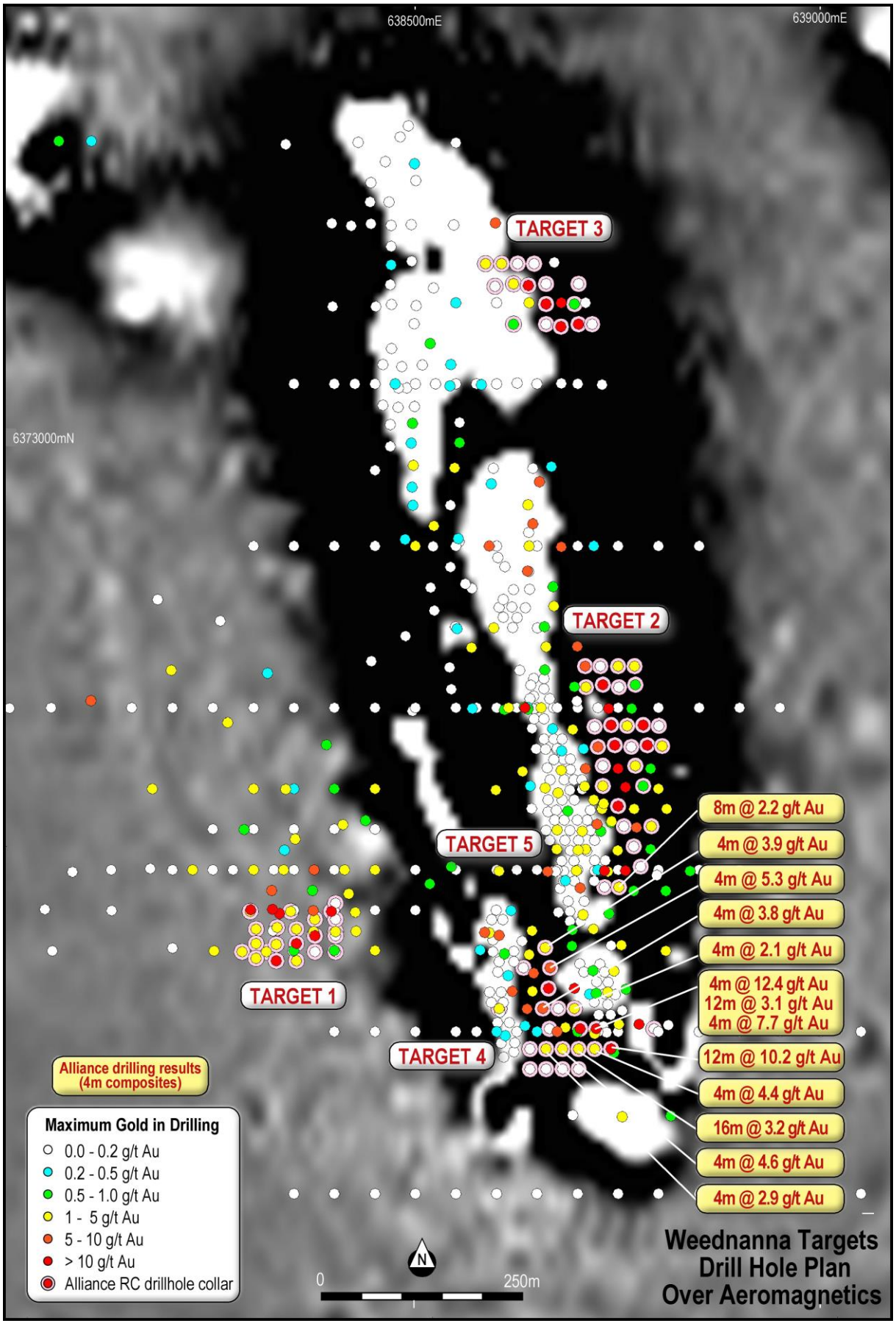
638500mE
639000mE
6373000mN
TARGET 3
TARGET 2
TARGET 5
TARGET 1
TARGET 4
8m @ 2.2 g/t Au
4m @ 3.9 g/t Au
4m @ 5.3 g/t Au
4m @ 3.8 g/t Au
4m @ 2.1 g/t Au
4m @ 12.4 g/t Au
12m @ 3.1 g/t Au
4m @ 7.7 g/t Au
12m @ 10.2 g/t Au
4m @ 4.4 g/t Au
16m @ 3.2 g/t Au
4m @ 4.6 g/t Au
4m @ 2.9 g/t Au
Alliance drilling results (4m composites)
Maximum Gold in Drilling
0.0 - 0.2 g/t Au
0.2 - 0.5 g/t Au
0.5 - 1.0 g/t Au
1 - 5 g/t Au
5 - 10 g/t Au
> 10 g/t Au
Alliance RC drillhole collar
N
0
250m
Weednanna Targets
Drill Hole Plan
Over Aeromagnetics

Figure 1

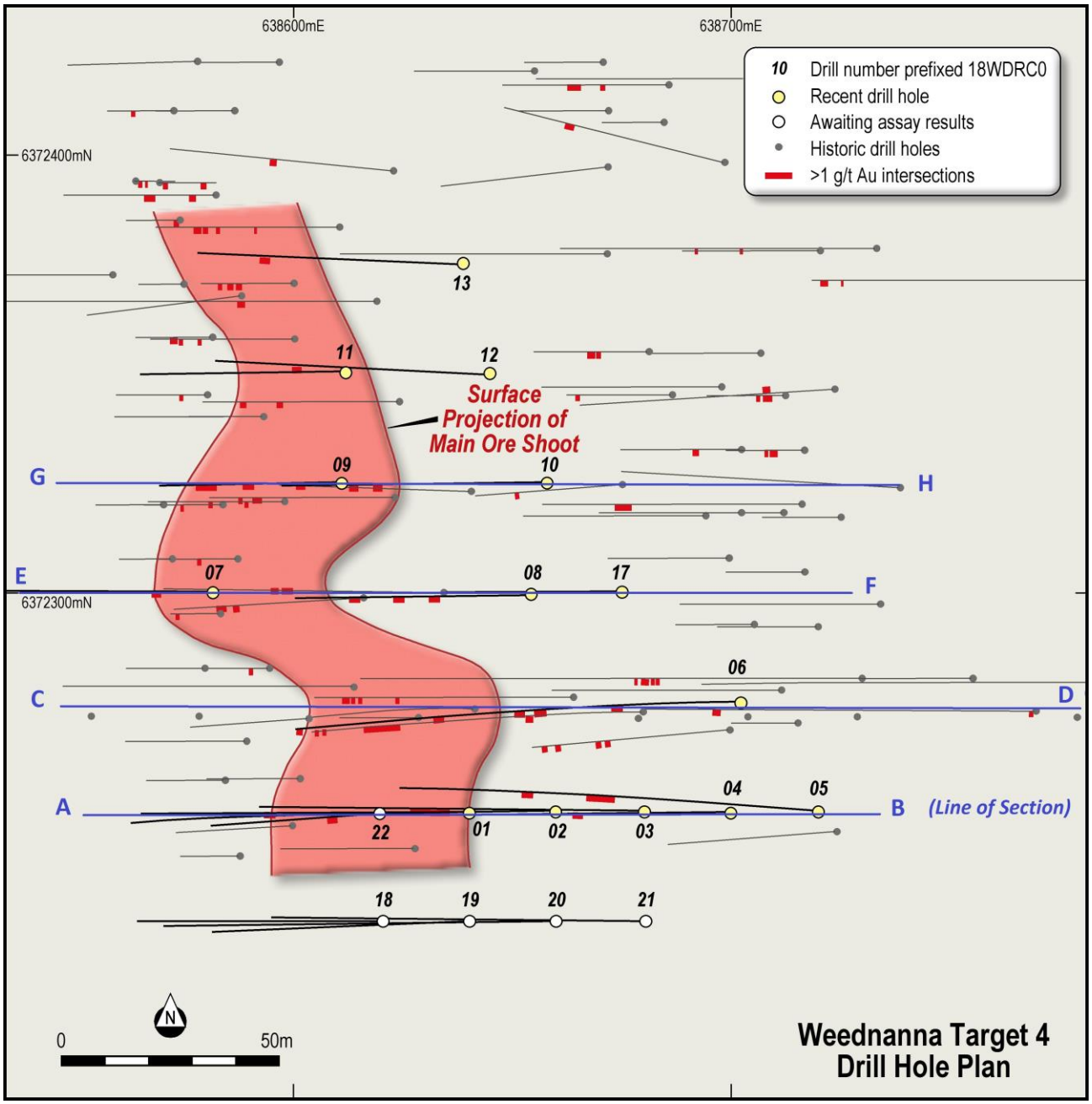
638600mE
638700mE
6372400mN
6372300mN
10 Drill number prefixed 18WDRC0
Recent drill hole
Awaiting assay results
Historic drill holes
>1 g/t Au intersections
Surface Projection of Main Ore Shoot
(Line of Section)
0
50m
N
Weednanna Target 4
Drill Hole Plan

Figure 2

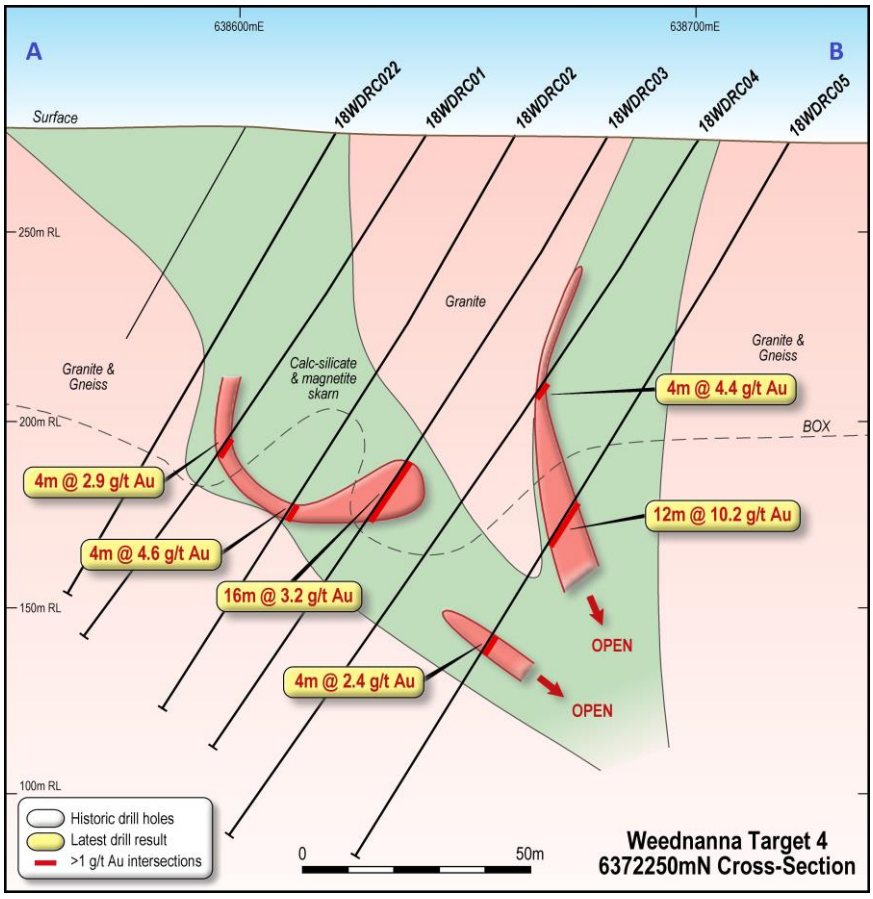

Figure 3

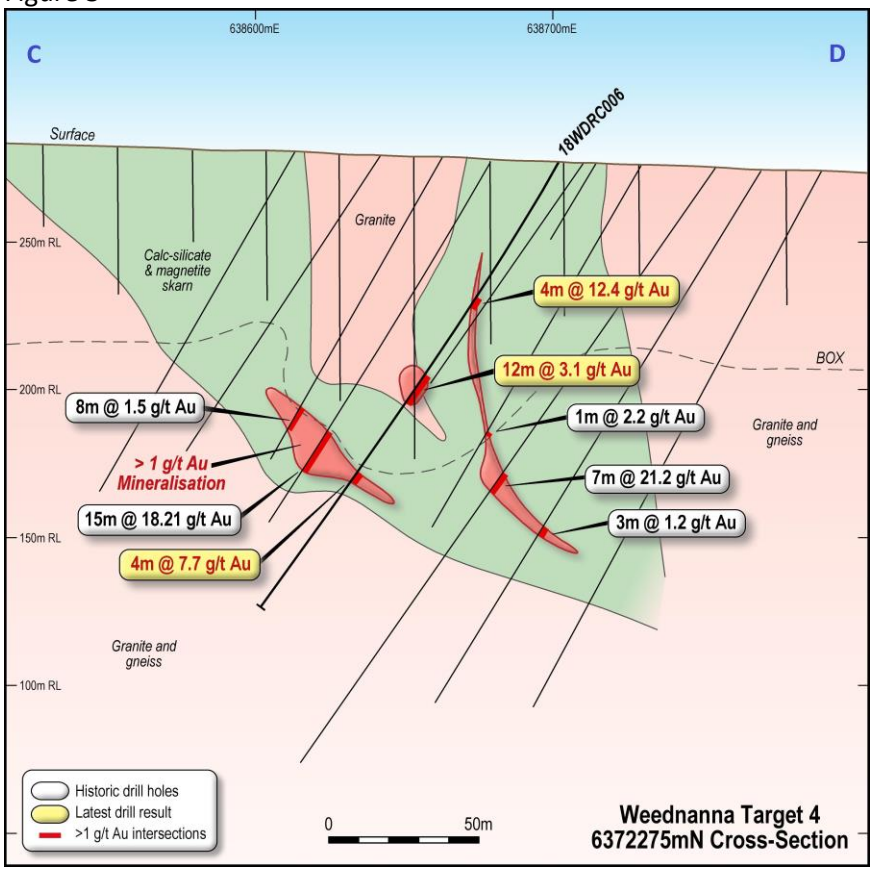

Figure 4

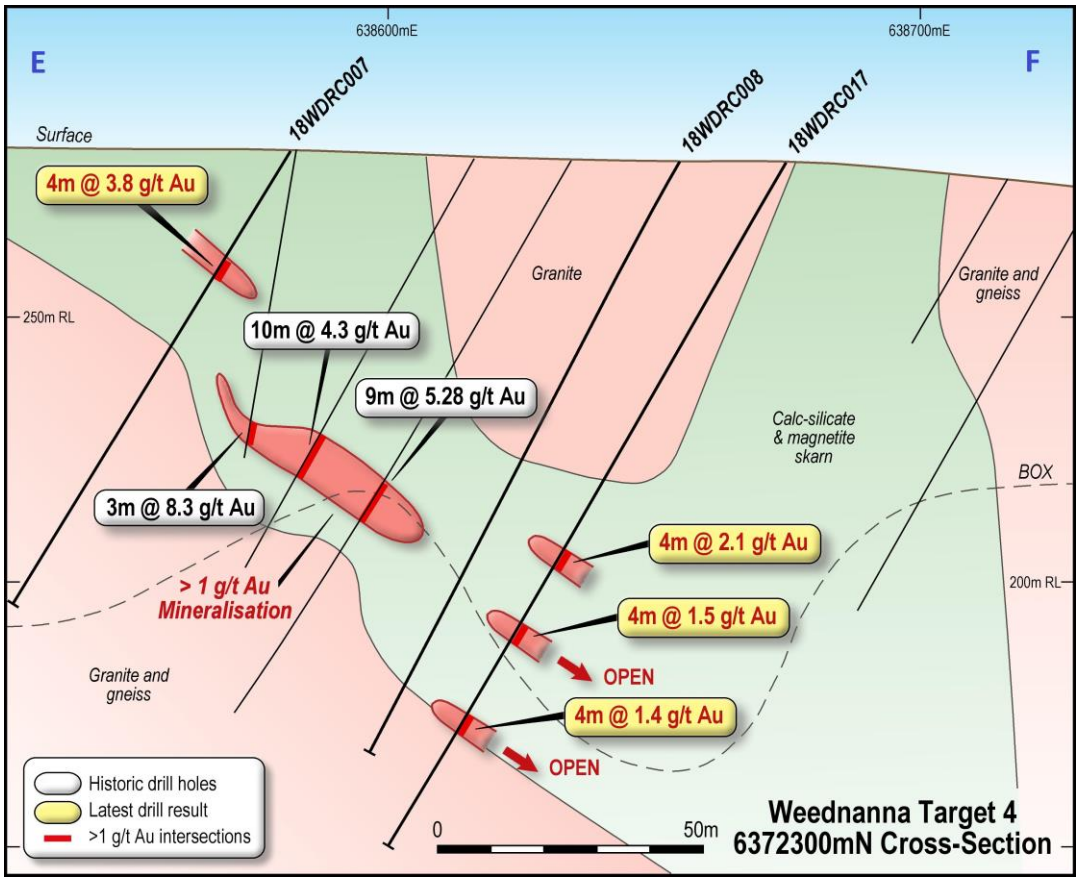

Figure 5

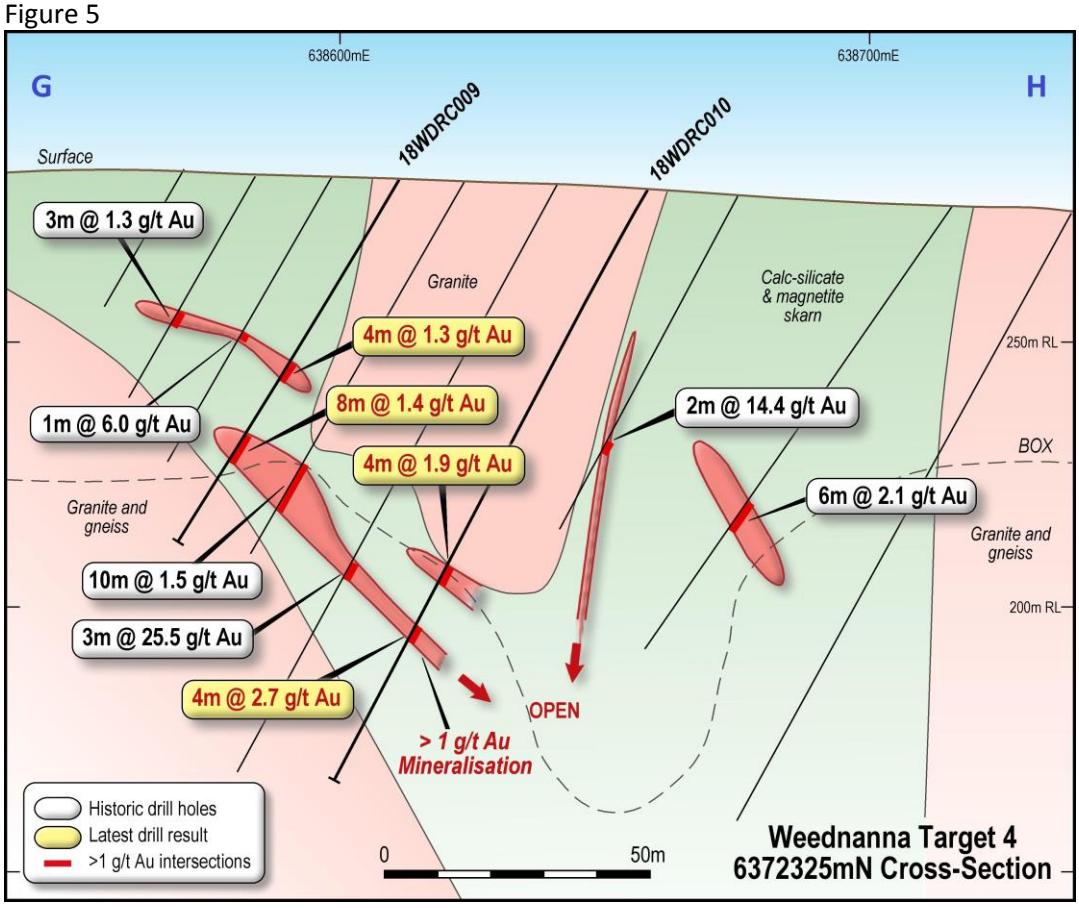

Figure 6

Background

Weednanna is the most advanced gold prospect at the Wilcherry Project Joint Venture. Historic exploration targeted primary gold beneath coincident calcrete soil anomalies and magnetic highs. This work identified a calc-silicate and magnetite skarn system containing discrete intersections of high grade gold.

Alliance is systematically re-logging all available RC chips and diamond core from Weednanna with the objectives of identifying structural and lithological controls on the distribution of gold, constructing a 3D geological model of the prospect, and planning further exploration with a view towards defining a mineral resource.

Four drilling programs have been completed at Weednanna during 2017-18 (92 holes for 14,345m), in five areas of discrete historic high grade gold intercepts. These drilling programs have demonstrated that the high grade gold shoots are ovoid to rod-like in geometry and have continuity along strike. Close-spaced drilling is required for accurate definition.

This improved understanding of the mineralisation style at Weednanna is being used to better define the distribution of gold at this prospect.

Planned Work

- Define the limits of the high grade gold shoot at Weednanna Targets 4 and 5
- High-resolution gravity survey at Weednanna and surrounds to assist with mapping the subsurface geology, particularly the target corridors of calc-silicate and magnetite skarn
- Test new target areas at Weednanna using the geological model and knowledge gained to date
- Establish 3D geological model and estimate a mineral resource

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About Alliance

Alliance Resources Ltd (Alliance) is an Australian gold and base metals exploration company with projects in South Australia and Western Australia.

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 drill cuttings from reverse circulation (RC) drilling.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Industry standard practice has been applied on site to ensure sample representivity. The laboratories have applied appropriate QA-QC to sample preparation and appropriate calibration/QA-QC to analytical instruments.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg. 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'	Reverse circulation (RC) drilling was used to obtain 1m samples. Four x 1m scoop samples were taken from consecutive 1m samples and composited into a single 3kg sample, which was pulverised to produce a 50g charge for fire assay.
Drilling techniques	*Drill type (eg. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (eg. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	The drilling method was RC using a 5 ¾" hammer drilled at an inclination of approximately 60°.
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.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Every effort was made to ensure RC samples remained dry to ensure the representative nature of the samples.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Minimal sample bias is considered to have occurred during this drilling program due to the samples being dry.
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.*	Not applicable.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	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. All samples were dry.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Appropriate sample preparation was carried out by ALS Minerals Laboratory in Adelaide, prior to being shipped to Perth for assaying.
	Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.	Approximately 6% of analysed samples were in the form of Company submitted standards, blanks or duplicates.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	The sampling method described above ensured the sampling is representative of the in-situ material.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample sizes are considered appropriate to the grain size of the material being sampled.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	All samples were analysed by ALS Minerals in Perth. For gold, a 50g charge fire assay for gold (Au-AA26) with AAS finish. Fire assay is considered to be a total digestion technique for gold.
	For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibration factors applied and their deviation, etc.	Not applicable.
	Nature of quality control procedures adopted (eg. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie. lack of bias) and precision have been established.	ALS Minerals quality control (QC) protocol requires that each batch of 40 samples analysed include a reagent blank, 2 replicate determinations and 2 standard materials. Samples exhibiting anomalous values (high or low) are routinely

Section 1 – Sampling Techniques and Data		
Criteria	**JORC Code explanation**	**Commentary**
		reanalysed using either the original pulp or a second split. Approximately 6% of samples submitted by Alliance for assays were in the form of standards, blanks or duplicates. Acceptable levels of accuracy and precision have been established by the two QC programs.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Two company geologists have independently 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 assays 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.*	At the time of this report, hole collars had not yet been surveyed. However, the hole collars will be surveyed by a registered surveyor using a Leica GS18 RTK GPS prior to receipt of the 1m assays. Expected 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 an IS Gyro and Azimuth Aligner hired from Downhole Surveys.
	Specification of the grid system used.	GDA94, MGA 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.	The data spacing and distribution is considered sufficient to establish geological and grade continuity appropriate for a Mineral Resource estimate at Weednanna Targets 1, 2, 3, 4 and 5.
	Whether sample compositing has been applied.	No sample compositing has been applied.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	The orientation of the sampling has been planned with a view to achieving minimal sampling bias of possible gold lodes.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	The main rock fabric at the prospect, indicated by high magnetism, strikes broadly north-south and hence drilling at Targets 2 to 5 is orientated west. Drilling at Target 1 was oriented to the north as previous drilling suggested that this mineralisation may strike broadly east-west. The results of this and previous drilling programs confirm these interpretations.
Sample security	*The measures taken to ensure sample security.*	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	*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 Weednanna Prospect and the regional targets form part of the Wilcherry Project Joint Venture (Project), comprising EL's 5164, 5299, 5470, 5590, 5875, 5931 and 5961, owned by Alliance (65.35%) and Tyranna Resources Ltd (32.65%). The Project is located within the Gawler Craton in the northern Eyre Peninsula, South Australia. There is a royalty of 2% of the NSR payable to Aquila Resources Ltd.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The tenements are in good standing and there are 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 Resources Ltd).

Section 2 – Reporting of Exploration Results		
Criteria	**JORC Code explanation**	**Commentary**
Geology	*Deposit type, geological setting and style of mineralisation.*	Gold mineralisation at the Weednanna Prospect is associated with magnetite and calc-silicate skarn, which have formed from metamorphosed Hutchinson group meta-sediments (clastic marine sediments and carbonates) near the contact of a granite intrusion. The Prospect contains concentrations of gold, silver, bismuth, tin, uranium, lead, and zinc.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar;* • *elevation or RL (reduced Level - elevation above sea level in metres) of the drill hole collar;* • *dip and azimuth of the hole;* • *down hole length and interception depth;* • *hole length.* *If the exclusion of this information is justified on the basis that the information is not material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	Refer to Table A in the body of this report for a summary of all material information.
Data aggregation methods	*In reporting Exploration results, weighting averaging techniques, maximum and/or minimum grade truncation (eg. cutting of high grades) and cut-off grades are usually material and should be stated.*	The results are weighted averages by sample length. No high grade cuts have been applied. Results are reported for all intersections of gold greater than 1.0 g/t Au.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregation should be shown in detail.	Lengths of low grade results have been incorporated where the adjacent higher grade results are of sufficient tenor such that the weighted average remains close to or above the lower cut-off grades.
	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 still being assessed, however, the current interpretation is shown in the figures in the body of the announcement. Assay results are reported in down hole lengths as the true width is not always known.
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 results reported in Table A represent all significant assay results averaging greater than 1.0 g/t Au.
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 has 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 body of announcement.