

7 February 2017

ALLIANCE RESOURCES LTD

ASX: AGS

ABN: 38 063 293 336

Market Cap: \$9.8 M @ \$0.094

Shares on issue: 104,293,923

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Web:

www.allianceresources.com.au

Projects:

Wilcherry JV, SA (51%): gold
and base metals

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

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

Bogan Gate, NSW (100%): gold-
base metals

Garema, NSW (100%): gold

Mt Pleasant, NSW (100%):
molybdenum-tungsten

Share Registry:

Computershare Investor
Services
GPO Box 2975
Melbourne Victoria 3001
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Tel: 1300 850 505
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COMMENCEMENT OF DRILLING

Weednanna Gold Prospect

Alliance Resources Ltd (Alliance) is pleased to announce that it has commenced reverse circulation (RC) drilling at the Weednanna gold prospect.

Weednanna is the most advanced gold prospect at the Wilcherry Project Joint Venture between Alliance (51%) and Tyranna Resources Ltd (ASX Code: TYX) (49%).

The initial RC drilling program will test the strike, dip, and plunge continuity of three possible high-grade gold mineralised shoots referred to as Targets 1, 2 and 3 (Figure 1).

A total of 23 RC holes for 3,780 metres is planned to be completed at Weednanna and will take approximately one month to complete.

High grade gold intersections from recently reported assaying of 2012 RC samples at Weednanna include:

- 2m @ 30.03 g/t Au from 17m
- 5m @ 6.34 g/t Au from 13m (incl. 3m @ 10.10 g/t Au from 13m)
- 3m @ 8.30 g/t Au from 53m

For further details and Competent Person's Statement refer to Alliance's ASX announcement dated 2 February 2017.

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

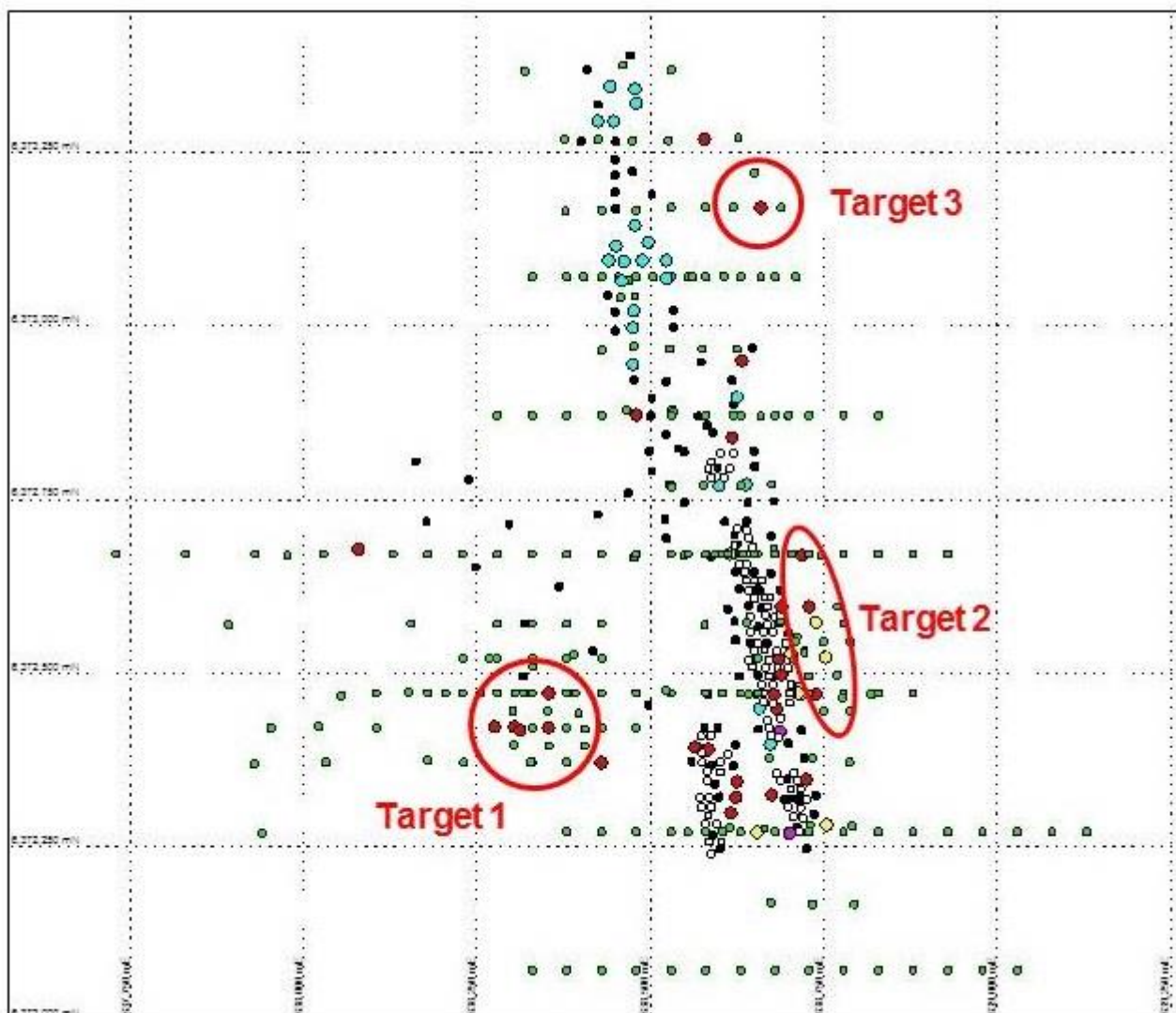


Figure 1. Weednanna Drill Collar Plan

Legend-

Red dots: significant gold results (low bismuth or bismuth unknown)

Yellow dots: significant gold results with elevated bismuth

Light blue dots: significant tin results (generally low grade)

Magenta dots: significant gold and tin results

White dots: no results available for gold or tin (2012 iron ore grade control holes)

Green dots: holes analysed for gold with low results and not analysed for tin

Black dots: holes analysed for gold and tin with low results