

29 June 2017

ALLIANCE RESOURCES LTD

ASX: AGS

ABN: 38 063 293 336

Market Cap: \$8.6M @ \$0.082

Shares on issue: 104,293,923

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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

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Drilling upgraded from RC to diamond at Wilcherry Project for Zealous and Telephone Dam prospects

The Directors of Alliance Resources Ltd (Alliance), as manager of the Wilcherry Project Joint Venture between Alliance (51%) and Tyranna Resources Ltd (ASX: TYX) (49%), advise that the reverse circulation (RC) drilling program at the Wilcherry Project has been completed.

The first two RC drill holes (SW hole and NE hole) at the **Zealous Tin prospect** encountered deep regolith consisting of kaolinite (clay) and very fine sand. The southern hole failed to reach target depth and the northern hole entered the top of the target zone but failed to reach final target depth. A total of 366m was drilled before a decision was made to suspend the RC drilling at Zealous and to source a diamond drilling rig to further test this prospect.

Drilling at Zealous between 2012 and 2014 intersected significant tin (Sn) grades, including:

- 20.0m @ 1.29% Sn from 42m in 12ZLRC007
- 12.3m @ 1.10% Sn from 119m in 13ZLDH001
- 10.0m @ 1.23% Sn from 128m in 13ZLRC001

The RC drill rig was moved to the **Telephone Dam zinc-lead-silver prospect** where the southernmost hole was completed to 210m. A decision was made not to RC drill the northern two holes at Telephone Dam and these will instead be diamond drilled.

The RC drill rig relocated to the **Weednanna gold prospect** where 25 holes were drilled for a total of 4,051m.

Drilling at Weednanna in the previous quarter intersected bonanza gold (Au) grades, including:

- 49m @ 6.3 g/t Au from 45m (incl. 21m @ 10.7 g/t Au from 48m) in 17WDRC003
- 10m @ 6.8 g/t Au from 79m (incl. 3m @ 15.5 g/t Au from 81m) in 17WDRC011
- 2m @ 61.1 g/t Au from 167m in 17WDRC012

Results for both the Telephone Dam and Weednanna prospects are awaited.

A diamond drill rig has been booked and is scheduled to arrive on site on 30th June to drill three holes at Zealous (instead of five RC holes) and the two remaining holes at Telephone Dam, for a total of 1,500m.

For further details and Competent Person's Statement refer to Alliance's ASX announcements dated 23 September 2016, 3 April 2017, 7 April 2017 and 10 April 2017.

Drilling at Weednanna prospect, June 2017



For further information about Alliance Resources Ltd, please visit www.allianceresources.com.au

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About Alliance

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

In 2016, Alliance Craton Explorer Pty Ltd (ACE) (a wholly owned subsidiary of Alliance) acquired 51% of the Wilcherry Project in the mineral rich Gawler Craton, South Australia for \$2 million and has entered into a joint venture with Trafford Resources Pty Ltd, a wholly owned subsidiary of Tyranna Resources Ltd (49%). ACE is manager of the joint venture, which controls 1,200 km² of tenements which are prospective for gold and base metals. Priority prospects include: Weednanna (gold), Zealous (tin) and Telephone Dam (zinc-lead-silver).

Alliance also owns 100% of the Nepean South and Gundockerta South projects (gold and nickel) in Western Australia and 100% of the Bogan Gate West and Garema projects (gold and/or base metals) in New South Wales.