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ALLIANCE RESOURCES LTD

ASX: AGS

ABN: 38 063 293 336

Market Cap: \$9.4M @ \$0.09

Shares on issue: 104,293,923

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**Projects:**

**Wilcherry JV, SA (61.36%):** gold and base metals

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

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

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## OUTSTANDING NEW HIGH GRADE GOLD SHOOT AT WEEDNANNA CONFIRMED WITH RESULTS INCLUDING 15m at 18.21g/t

Alliance Resources' Weednanna Gold Prospect progresses after completion of drilling program, including from Target 4. Drilling confirms a new high-grade gold zone within the project complex returning significant results throughout including:

- 35m @ 3.65 g/t Au from 43m in 17WDRC051 (Target 1), incl. 9m @ 8.91 g/t Au from 44m
- 6m @ 13.63 g/t Au from 59m in 17WDRC057 (Target 2), incl. 3m @ 26.60 g/t Au from 62m
- 15m @ 18.21 g/t Au from 107m in 17WDRC067 (Target 4), incl. 7m @ 35.94 g/t Au from 109m
- 3m @ 25.45 g/t Au from 81m in 17WDRC070 (Target 4), incl. 1m @ 74.2 g/t Au from 81m

Target 4, is a new conceptual shoot and is confirmed by high grade gold and is open down plunge

- Further RC drilling is planned in February 2018

The Directors of Alliance Resources Ltd (Alliance) are pleased to announce the final results for the third round of reverse circulation (RC) drilling at the Weednanna Gold Prospect, which forms part of the Wilcherry Project Joint Venture between Alliance (61.36%) and Tyranna Resources Ltd (ASX Code: TYX) (38.64%).

Alliance Resources Managing Director explained, "These latest and final results from the drilling program at Weednanna clearly indicate to us that we have a significant high-grade gold project on our hands. We expect to commence progressing Weednanna towards a resource definition, encouraged by these latest widths and grades. Weednanna continues to impress and with further exploration planned we believe it has the scale and grade to be a company making project."

The RC drilling program, completed in early November, was designed to define the geometry of Targets 1, 2 and 3 with step-out drilling and to test the new Target 4 with initial drilling by Alliance.

A total of 21 RC holes were drilled for 3,246 metres (17WDRC050-70).

Fifteen holes reported intercepts >1 g/t Au, with 4 holes returning >50 g/t- m Au.

Intercepts >1 g/t gold (Au) are detailed in Table A and drill collar plans and cross-sections may be found in Figures 1 to 8.

The reported results are 1 metre samples assayed for gold using 50g charge fire assay with AAS finish and support the provisional 4m composite sample intervals reported on 30 November 2017.

**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)
<i>Weednanna Gold Prospect</i>											
17WDRC050	1	638,354	6,372,410	279	0.6	- 60.0	138	45	47	2	3.21
<b>17WDRC051</b>	<b>1</b>	<b>638,356</b>	<b>6,372,390</b>	<b>279</b>	<b>0.2</b>	<b>- 59.9</b>	<b>150</b>	<b>43</b>	<b>78</b>	<b>35</b>	<b>3.65</b>
including								<b>43</b>	<b>68</b>	<b>25</b>	<b>4.63</b>
including								<b>44</b>	<b>53</b>	<b>9</b>	<b>8.91</b>
and								88	91	3	2.09
17WDRC052	1	638,356	6,372,369	280	0.1	- 60.8	156	85	86	1	1.51
17WDRC053	1	638,381	6,372,430	280	0.0	- 59.4	138	NSA			
17WDRC054	1	638,381	6,372,409	280	1.1	- 60.0	150	NSA			
17WDRC055	1	638,381	6,372,388	280	357.1	- 60.0	150	80	81	1	2.82
17WDRC056	1	638,380	6,372,369	280	0.8	- 59.3	145	NSA			
<b>17WDRC057</b>	<b>2</b>	<b>638,728</b>	<b>6,372,546</b>	<b>274</b>	<b>270.7</b>	<b>- 58.5</b>	<b>168</b>	<b>59</b>	<b>65</b>	<b>6</b>	<b>13.63</b>
including								<b>62</b>	<b>65</b>	<b>3</b>	<b>26.60</b>
and								146	149	3	4.58
and								158	159	1	1.00
17WDRC058	2	638,735	6,372,521	274	265.3	- 60.5	144	NSA			
17WDRC059	2	638,767	6,372,523	273	263.1	- 60.3	180	65	67	2	3.15
17WDRC060	2	638,749	6,372,500	274	270.5	- 59.9	150	64	65	1	1.02
17WDRC061	2	638,753	6,372,469	274	272.0	- 60.2	198	157	158	1	1.84
17WDRC062	3	638,563	6,373,221	264	273.8	- 59.1	132	44	47	3	1.82
17WDRC063	3	638,582	6,373,220	264	270.2	- 58.8	150	48	52	4	1.14
and								52	53	1	1.57
17WDRC064	3	638,603	6,373,220	264	270.5	- 59.1	186	NSA			
17WDRC065	3	638,622	6,373,220	264	269.1	- 58.9	180	125	126	1	1.43
17WDRC066	4	638,642	6,372,274	278	268.9	- 58.7	119	NSA			
<b>17WDRC067</b>	<b>4</b>	<b>638,680</b>	<b>6,372,273</b>	<b>276</b>	<b>268.2</b>	<b>- 58.7</b>	<b>150</b>	<b>107</b>	<b>122</b>	<b>15</b>	<b>18.21</b>
including								<b>107</b>	<b>117</b>	<b>10</b>	<b>26.52</b>
including								<b>109</b>	<b>116</b>	<b>7</b>	<b>35.94</b>
and								138	139	1	1.06
and								141	142	1	1.04
and								148	150	2	3.03
17WDRC068	4	638,769	6,372,273	273	269.7	- 58.3	210	2	3	1	1.25
and								140	143	3	1.17
17WDRC069	4	638,634	6,372,300	279	270.2	- 58.5	126	70	79	9	5.28
<b>17WDRC070</b>	<b>4</b>	<b>638,641</b>	<b>6,372,323</b>	<b>279</b>	<b>270.3</b>	<b>- 59.8</b>	<b>126</b>	<b>81</b>	<b>84</b>	<b>3</b>	<b>25.45</b>
								<b>81</b>	<b>82</b>	<b>1</b>	<b>74.20</b>

At Target 1, seven holes (17WDRC050-056) were drilled on two north oriented traverses along the eastern side of the existing gold mineralisation. Hole 17WDRC051 intersected 35m @ 3.65 g/t Au from 43 metres, associated with arsenopyrite and chlorite-sericite alteration. The eastern-most traverse did not intersect significant arsenopyrite or alteration and the mineralisation appears to be closed off in this direction. Holes 17WDRC050, 053, 054, and 055 intersected significant quartz veining within the regolith that may be related to a quartz vein in historic hole 00WDRC072 that returned 48m @ 2.0 g/t Au. **Potential remains for further gold mineralisation in the granite to the west of the magnetite skarn, particularly in areas of discrete historic high grade intercepts.**

Five holes (17WDRC0057-061) were drilled at Target 2 to infill and extend the gold mineralisation previously identified at this target to the south (towards surface). Hole 17WDRC057 intersected variable pyrite and pyrrhotite associated with magnetite skarn, with a best result of 6m @ 13.63 g/t Au from 59 metres. The drilling extends the rod-like shoot previously identified at this Target, but now appears to have closed off the mineralisation in the south. The Target 2 mineralisation remains open down plunge in the north.

Four holes (17WDRC062-065) were drilled at Target 3 to test for the northern extension of gold previously identified at this target. Hole 17WDRC062 intersected 3m @ 1.82 g/t Au from 44 metres. The drilling indicates the Upper Shoot mineralisation in the north is still open but narrowing. The Lower Shoot remains open in the south.

Five holes (17WDRC066-070) were drilled at Target 4 to test some wide spaced historic gold intercepts, including 10m @ 4.3 g/t Au in 10WDRC005. All of the new holes intersected strong pyrite associated with magnetite skarn. Best results were in holes 17WDRC067 which intersected 15m @ 18.21 g/t Au from 107 metres and 17WDRC070 which intersected 3m @ 25.45 g/t Au from 81 metres. The mineralisation is open down dip in the east on most sections and down plunge in the south. There is scope also to extend this mineralisation in the north.

Refer to Alliance ASX announcements dated 3 April 2017, 10 April 2017, 28 August 2017 and 30 November 2017 for further details of the Exploration Results.

## **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.

Three drilling programs have been completed at Weednanna during 2017 (70 holes for 11,207m), in four 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 in early 2018**

- Test the limits of the high grade gold shoot at Weednanna Target 4
- Test new target areas at Weednanna using the geological model and knowledge gained to date
- Establish 3D geological model and estimate a mineral resource
- Test the next round of regional HEM / MLEM targets for base metals

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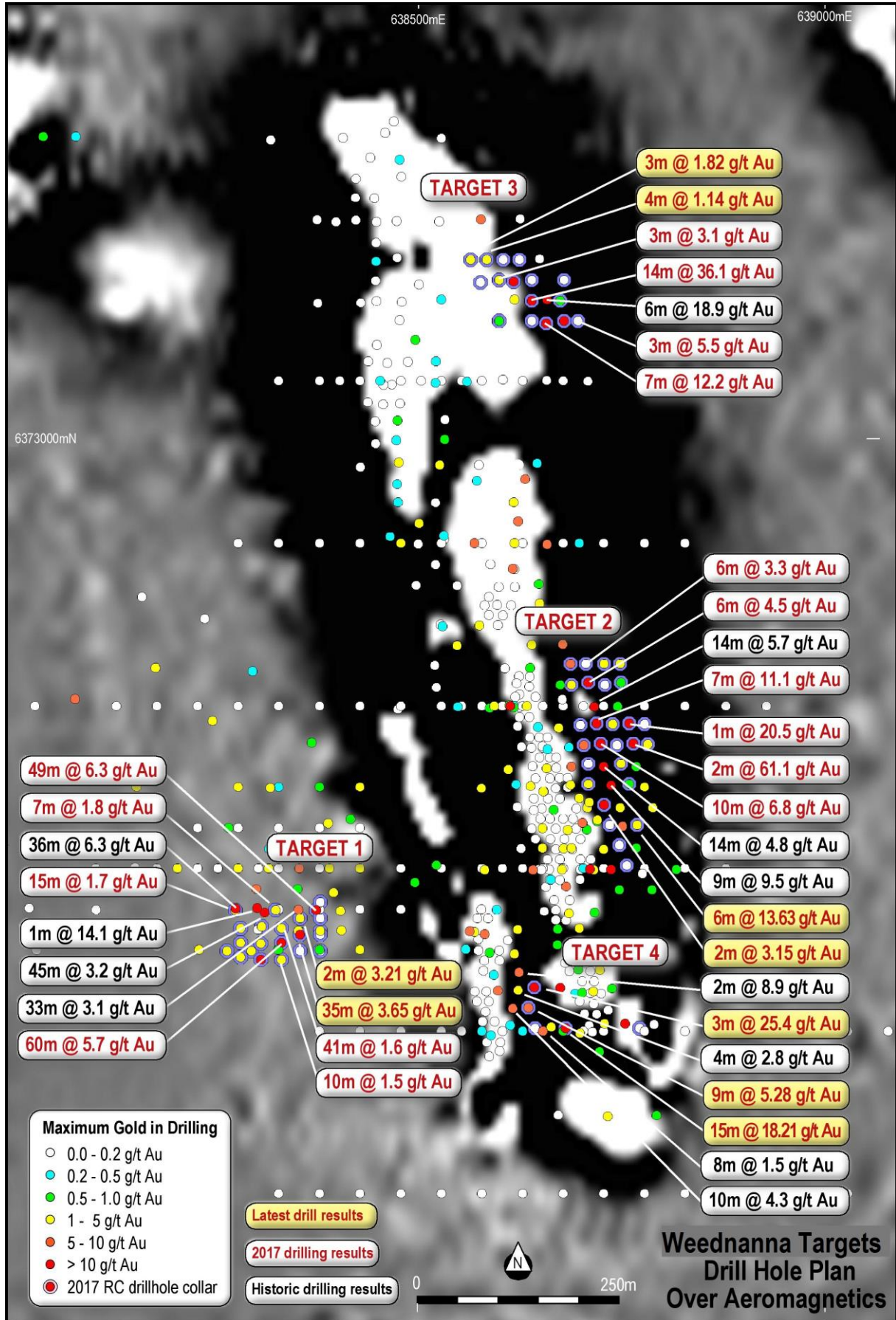


Figure 1

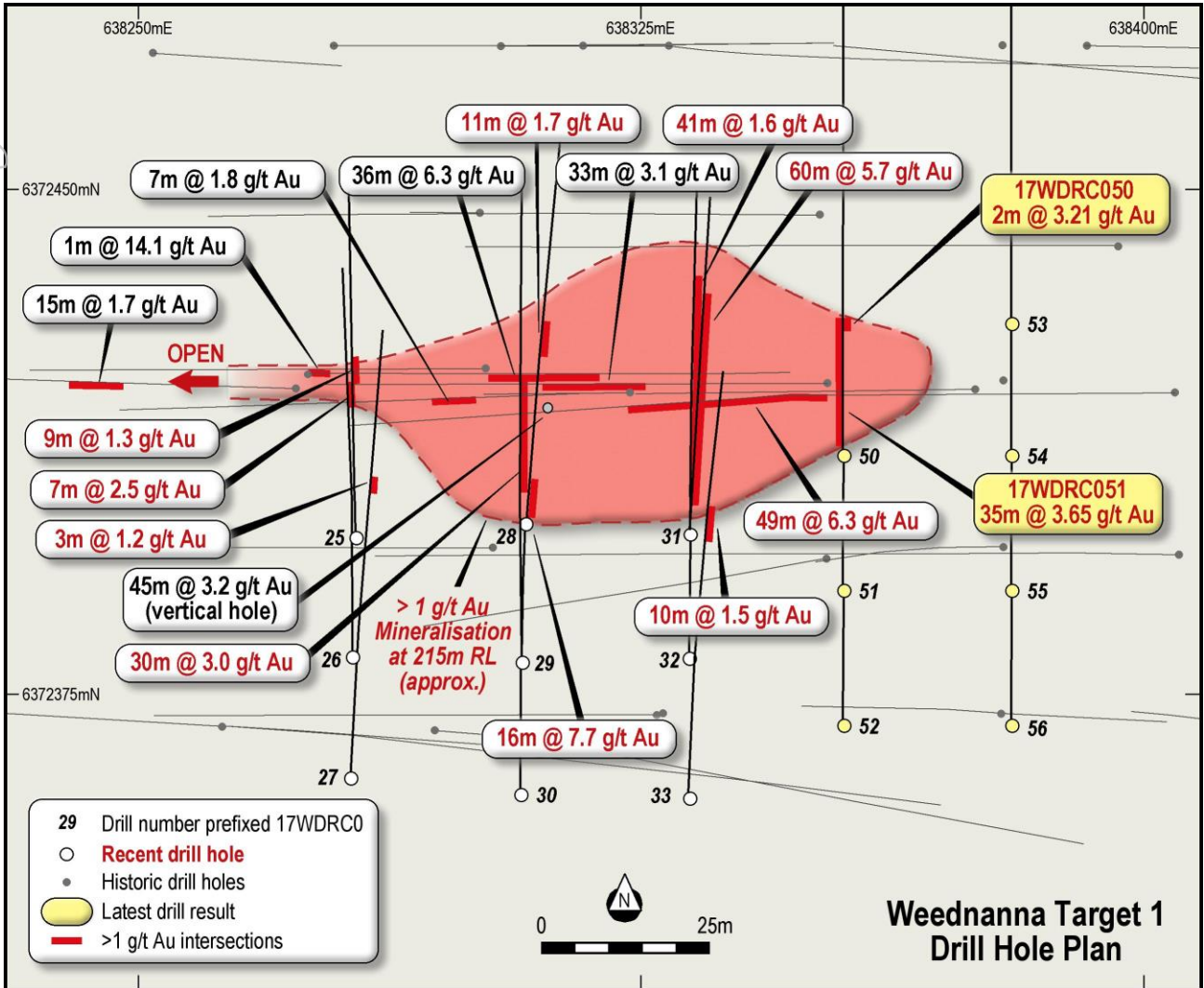


Figure 2

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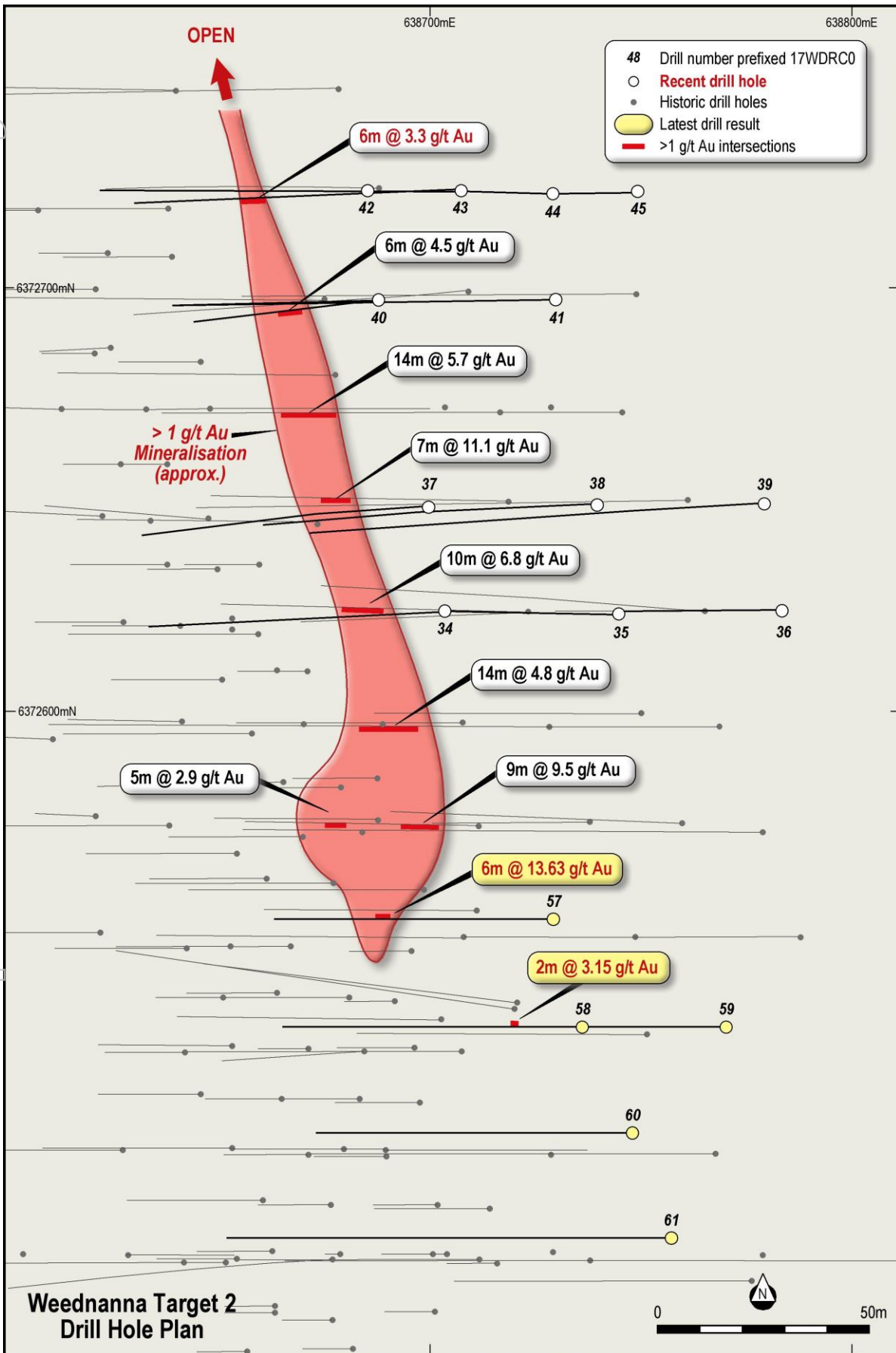


Figure 3

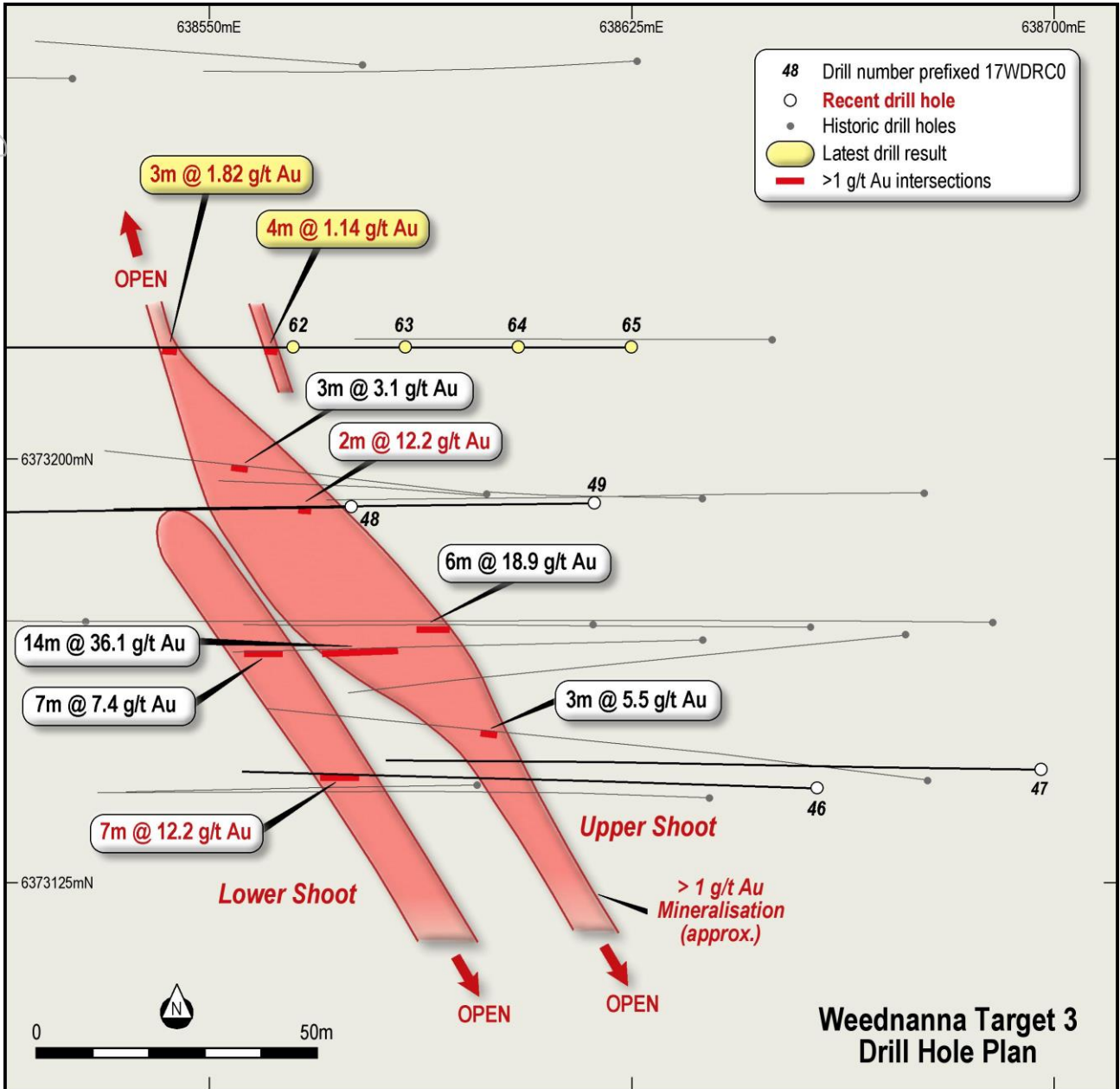


Figure 4

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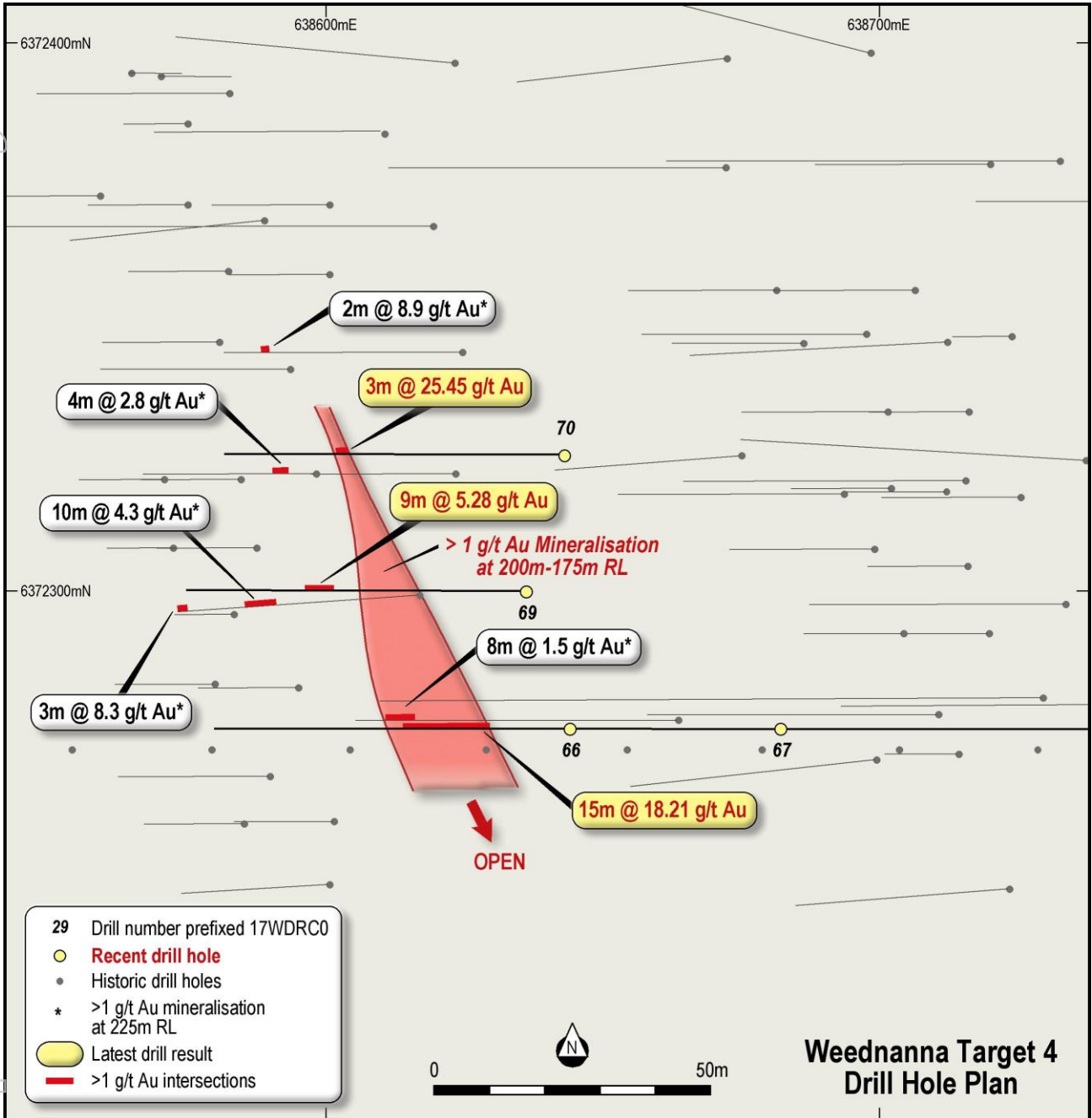


Figure 5

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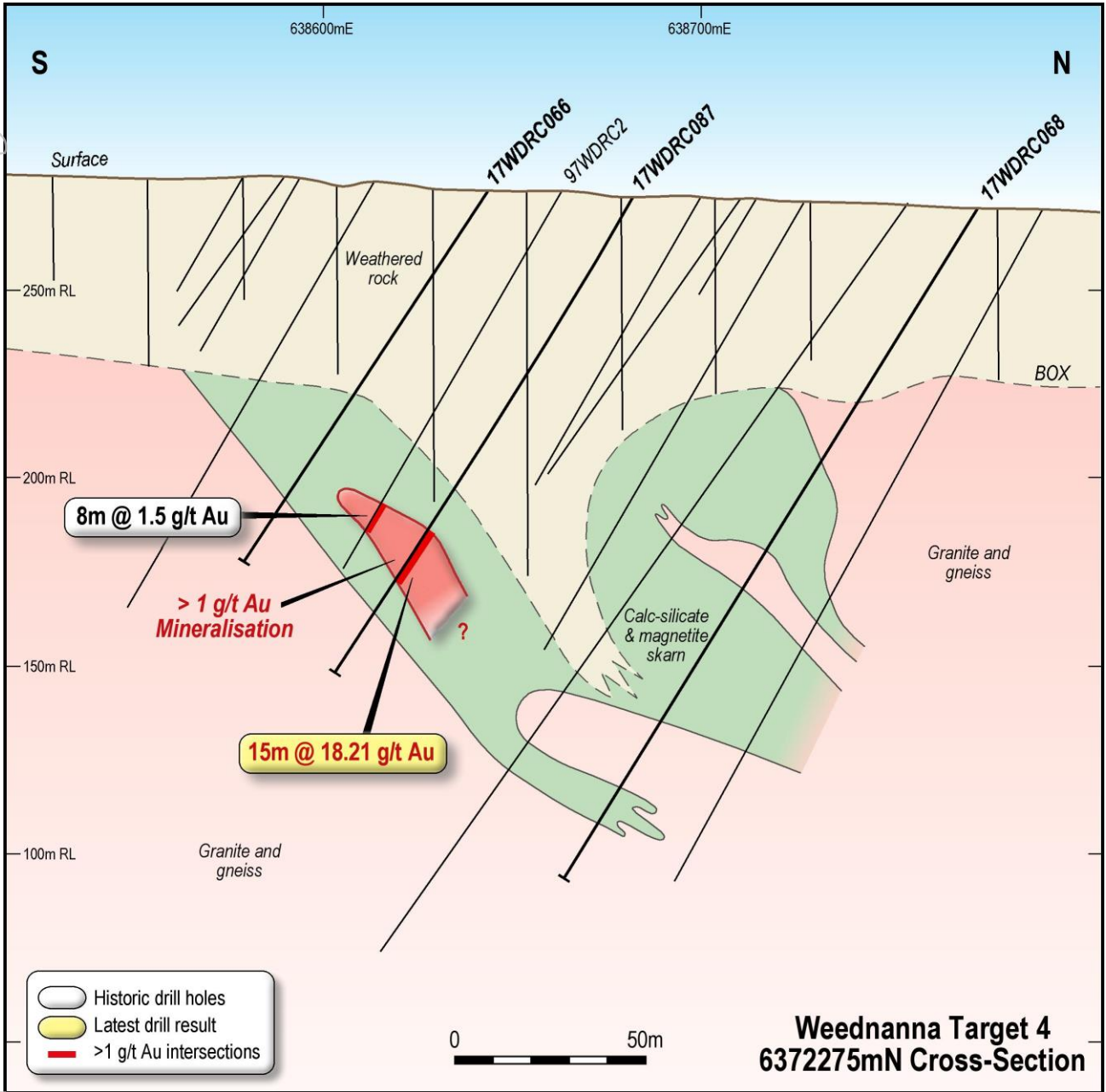


Figure 6

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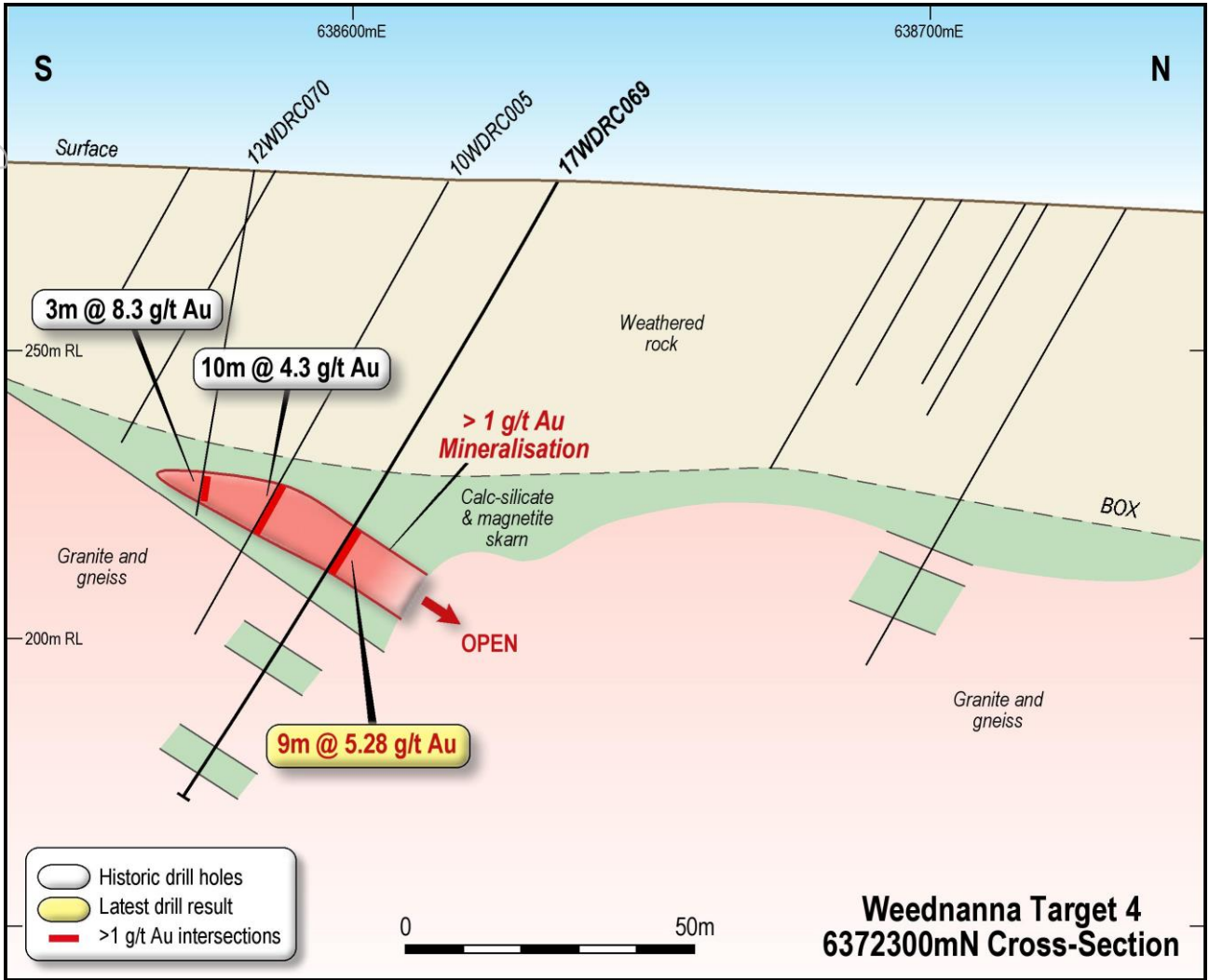


Figure 7

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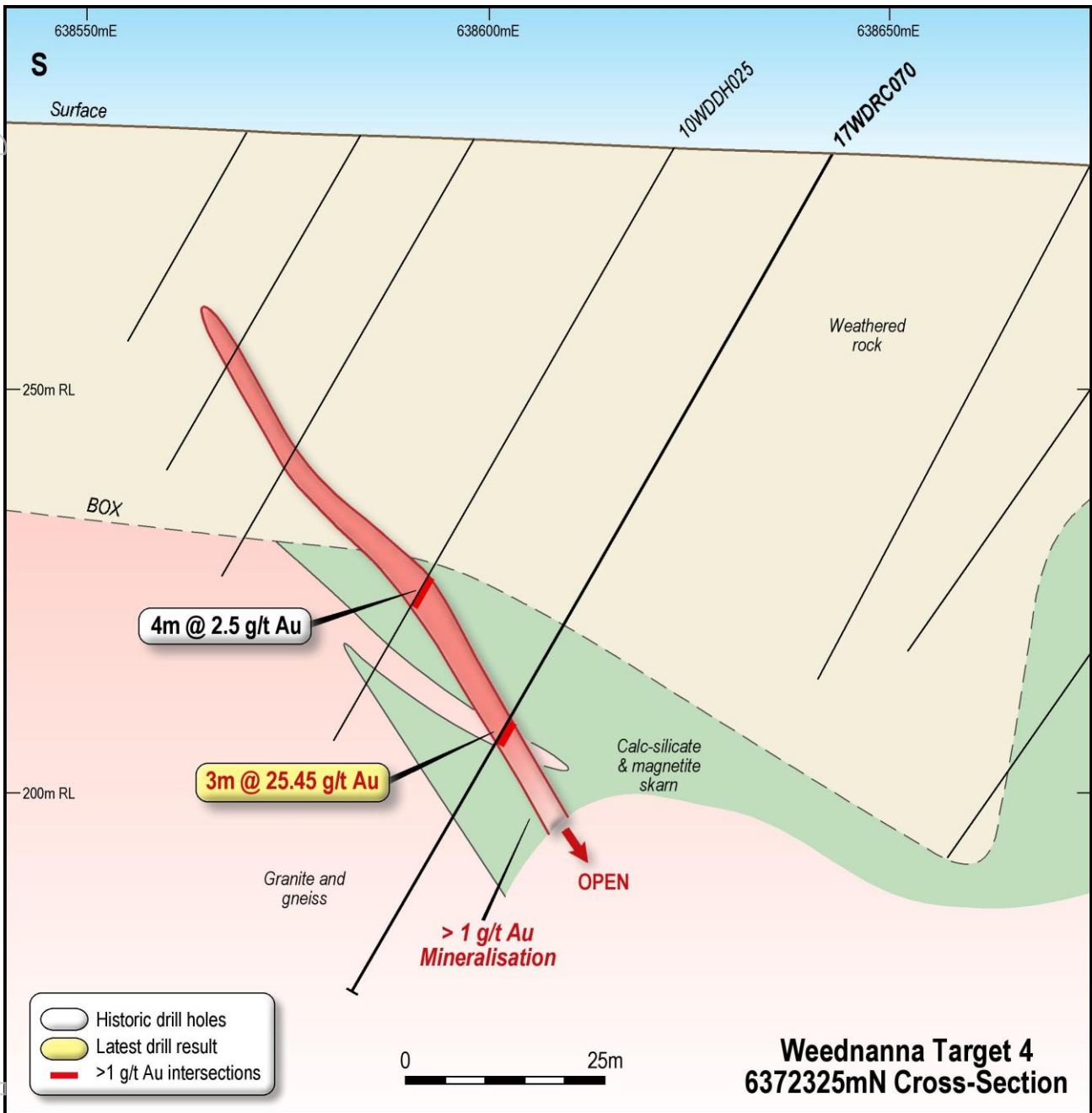


Figure 8

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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.

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## 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 (RC) drilling was used to obtain 1m samples from which approximately 3kg was pulverised to produce a 50g charge for fire assay.
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 3/4" hammer drilled at an inclination of approximately 60°.
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>	Minimal sample bias is considered to have occurred during this drilling program to the samples being dry RC samples.
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. All samples were dry.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Appropriate sample preparation was carried out by ALS Minerals Laboratory in Adelaide, prior to being shipped to Perth for assaying.
	<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 Company submitted 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 the sampling is representative 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 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.
	<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 been established.</i>	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

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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	<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 assays from the laboratory to the in-house database containing downhole drillhole 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 were surveyed by a registered surveyor using a Leica 1200 RTK GPS. 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.
	<i>Specification of the grid system used.</i>	GDA94, 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 procedures(s) and classifications applied.</i>	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 and 4.
	<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>	At this stage of exploration it is unknown whether the orientation of sampling achieves unbiased sampling, however, the drilling has been planned with a view to achieving this objective.
	<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>	It is unknown whether the drilling orientation and the orientation of key mineralised structures introduced a sampling bias. The main rock fabric at the prospect, indicated by high magnetism, strikes broadly north-south and hence drilling at Targets 2, 3 and 4 is orientated west. Drilling at Target 1 was orientated 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	<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		
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 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 (61.36%) and Tyranna Resources Ltd (38.64%). 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 (later Acacia), WMC, Aquila Resources Ltd, Trafford Resources Ltd, Ironclad Mining Ltd (later Tyranna Resources

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Section 2 – Reporting of Exploration Results		
Criteria	JORC Code explanation	Commentary
		Ltd).
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	The Weednanna Prospect is interpreted to be associated with magnetite and calc-silicate skarn formed in calcareous meta-sedimentary, granitic and gneissic rocks near the contact of a granite intrusion. The Prospect contains concentrations of gold, silver, bismuth, tin, uranium, lead, and zinc.
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"> <li>• <i>easting and northing of the drill hole collar;</i></li> <li>• <i>elevation or RL (reduced Level - elevation above sea level in metres) of the drill hole collar;</i></li> <li>• <i>dip and azimuth of the hole;</i></li> <li>• <i>down hole length and interception depth;</i></li> <li>• <i>hole length.</i></li> </ul> <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	<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>	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.
	<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>	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.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalents are reported.
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 is still being assessed, however, is shown in Figures 1 to 8. Assay results are reported in down hole lengths as the true width is not always known.
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 of drill hole collar locations and appropriate sectional views.</i>	Refer to figures in the body of the announcement.
Balanced reporting	<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.
Other substantive exploration data	<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>	All relevant exploration data collected so far has been reported.
Further work	<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 body of announcement.