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6 September 2018 ASX Code: AGS

# High-Grade Maiden Mineral Resource 181,000 oz @ 5.1 g/t gold Weednanna Deposit

***Mineral Resource open at depth / down plunge***

## Highlights

- **Maiden Mineral Resource Estimate of 1.097 Mt @ 5.1 g/t gold for 181,000 oz gold confirms Weednanna as a quality gold deposit with outstanding economic potential**

| Classification | Tonnes | Grade (g/t gold) | Gold (Ounces) |
|---|---|---|---|
| Indicated | 590,000 | 4.6 | 88,000 |
| Inferred | 507,000 | 5.7 | 93,000 |
| **Total** | **1,097,000** | **5.1** | **181,000** |

- **The reported Mineral Resource is that proportion of gold contained within $2,000 AUD pit shells (>0.5 g/t gold) and >2.0 g/t gold underground potential**
- **Significant potential to increase the size of the Mineral Resource with further drilling as all 13 modelled gold shoots are open at in at least one direction**
- **83% of Mineral Resource occurs within 120 metres of surface (1,253 ounces per vertical metre) and is readily accessible using open pit or underground mining techniques**
- **Potential exists for new gold shoots not included in current Mineral Resource, e.g. previously announced major mineralised quartz vein**
- **Maiden mineral resource delivered 18 months after first drilling by the joint venture with a low discovery cost equivalent to $7.90 per ounce gold**

Alliance Resources Ltd (Alliance) is pleased to announce a Maiden Mineral Resource Estimate for the Weednanna Gold Deposit, part of the Wilcherry Project Joint Venture between Alliance (75.01%) and Tyranna Resources Ltd (ASX: TYX) (24.99%), located 40 km NNE of the township of Kimba, South Australia.

Alliance Managing Director Steve Johnston said “the delivery of a maiden Mineral Resource is a significant milestone for the Company and confirms Weednanna as a quality gold deposit with outstanding economic potential”.

“This is the first step towards establishing the Wilcherry Project area as an emerging gold-producing district in South Australia.”

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Mining One Pty Limited has been engaged by Alliance to undertake the following scope of works:

1. Review the geology and mineralisation interpretations completed by the Alliance technical team;
2. Complete a site visit to review site protocols, discuss technical aspects with site team and JORC requirements;
3. Review the technical dataset that will support the JORC 2012 resource, including drilling and sampling QAQC, density measurements and assaying methodologies;
4. Complete a mineral resource estimate utilising the supplied geological interpretation and all relevant drilling and sampling data;
5. Compile a resource estimation report and sign off as per JORC 2012 guidelines; and
6. Run open pit optimisations on the Mineral Resource and derive underground potential above an appropriate cut-off grade.

The global resource at various cut-off grades are shown in Table 1.

| Cut-Off Au (ppm) | Indicated | | | Inferred | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|
| | Tonnes | Au ppm | Au oz | Tonnes | Au ppm | Au oz | Tonnes | Au ppm | Au oz |
| >0.5 | 1,142,657 | 2.81 | 103,140 | 1,669,350 | 2.38 | 127,891 | 2,812,007 | 2.56 | 231,031 |
| >0.6 | 1,001,146 | 3.13 | 100,594 | 1,423,207 | 2.70 | 123,389 | 2,424,353 | 2.87 | 223,983 |
| >0.7 | 877,569 | 3.47 | 97,942 | 1,240,324 | 3.00 | 119,646 | 2,117,893 | 3.20 | 217,588 |
| >0.8 | 746,675 | 3.95 | 94,838 | 1,082,045 | 3.33 | 115,955 | 1,828,720 | 3.59 | 210,793 |
| >0.9 | 640,719 | 4.47 | 91,998 | 940,323 | 3.71 | 112,170 | 1,581,042 | 4.02 | 204,167 |
| >1.0 | 576,173 | 4.86 | 90,017 | 835,706 | 4.05 | 108,840 | 1,411,879 | 4.38 | 198,857 |
| >2.0 | 319,340 | 7.68 | 78,841 | 357,815 | 7.66 | 88,080 | 677,155 | 7.67 | 166,921 |

**Table 1. Weednanna Global Resource above selected cut-off grades**

Approximately 45% of the Mineral Resource >0.5 g/t Au has been classified as Indicated and 55% classified as Inferred. The Indicated classification corresponds with areas of higher drilling density and the Inferred classification with areas of lower drilling density. Therefore, the Inferred Mineral Resource reflects both modelled gold shoots with limited drilling and a decrease in the density of drilling with depth.

The dimensions of the Mineral Resource area are 1,100m (north-south), 500m (east-west) and from surface to a maximum depth of 200m. The bulk of the Mineral Resource (83%) occurs within 120m of surface where there is a higher drilling density, representing a gold endowment of 1,253 ounces per vertical metre (OPVM). The overall gold endowment is 900 OPVM which reflects the abovementioned lower density of drilling with depth.

All gold shoots contributing to the Mineral Resource are open either at depth, or down plunge.

In addition, there are zones within the top 100m of the Mineral Resource area that lack drilling and which have potential for the discovery of new gold shoots based on historical drilling.

Extensional drilling and drilling at depth is planned to identify additional gold mineralisation and infill drilling is planned to upgrade the Inferred Mineral Resource to the Indicated category.

Open pit optimisation studies were completed on the Mineral Resource using Whittle software, with mining and processing cost assumptions provided by Mining One (Table 2). These were run at Australian dollar gold prices ranging between $1,200 and $2,500. For the purpose of reporting resources the $2,000 AUD gold price case was selected as appropriate given the August 2018 gold price of approximately $1,600 AUD (Table 3).

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| Parameter | Metric |
|---|---|
| Mining cost | $4.50/t |
| Processing Cost | $30/t |
| Mining Dilution | 10% |
| Mining Recovery | 90% |
| Processing Recovery | 90% |
| State Royalty | 3.5% |
| Average Pit Wall Angle | 40° |
| Gold Price ($AUD) | $1,200 – $2,500 ($2,000 selected) |

**Table 2. Pit Optimisation Assumptions**

The underground mining potential was derived by the amount of Mineral Resource below pit shells and above a cut-off grade of 2.0 g/t gold (Table 3). The cut-off grade was defined using underground mining and processing costs based on Mining One's experience. In future, as the underground mining costs are better defined, underground optimisations will be run on the Mineral Resource which will model development and stope design.

| **Classification** | **Tonnes** | **Grade (g/t gold)** | **Gold (Ounces)** |
|---|---|---|---|
| ***Above Pit Shells ($2,000 AUD) >0.5 g/t Au*** | | | |
| Indicated | 488,000 | 3.8 | 59,000 |
| Inferred | 209,000 | 2.8 | 19,000 |
| **Sub-Total** | **697,000** | **3.5** | **78,000** |
| ***Below Pit Shells ($2,000 AUD) >2.0 g/t Au – Underground Potential*** | | | |
| Indicated | 102,000 | 8.8 | 29,000 |
| Inferred | 298,000 | 7.8 | 74,000 |
| **Sub-Total** | **400,000** | **8.0** | **103,000** |
| ***Total – Open Pit & Underground*** | | | |
| Indicated | 590,000 | 4.6 | 88,000 |
| Inferred | 507,000 | 5.7 | 93,000 |
| **Total** | **1,097,000** | **5.1** | **181,000** |

**Table 3. Weednanna Mineral Resource contained within pit shells using a gold price A$2,000/oz & >0.5 g/t Au plus underground potential above a cut-off grade of 2.0 g/t gold**

The results of the pit optimisation studies and assessment of the underground potential of the Weednanna Mineral Resource show that a majority of the global resource has been constrained, indicating a robust deposit with outstanding economic potential.

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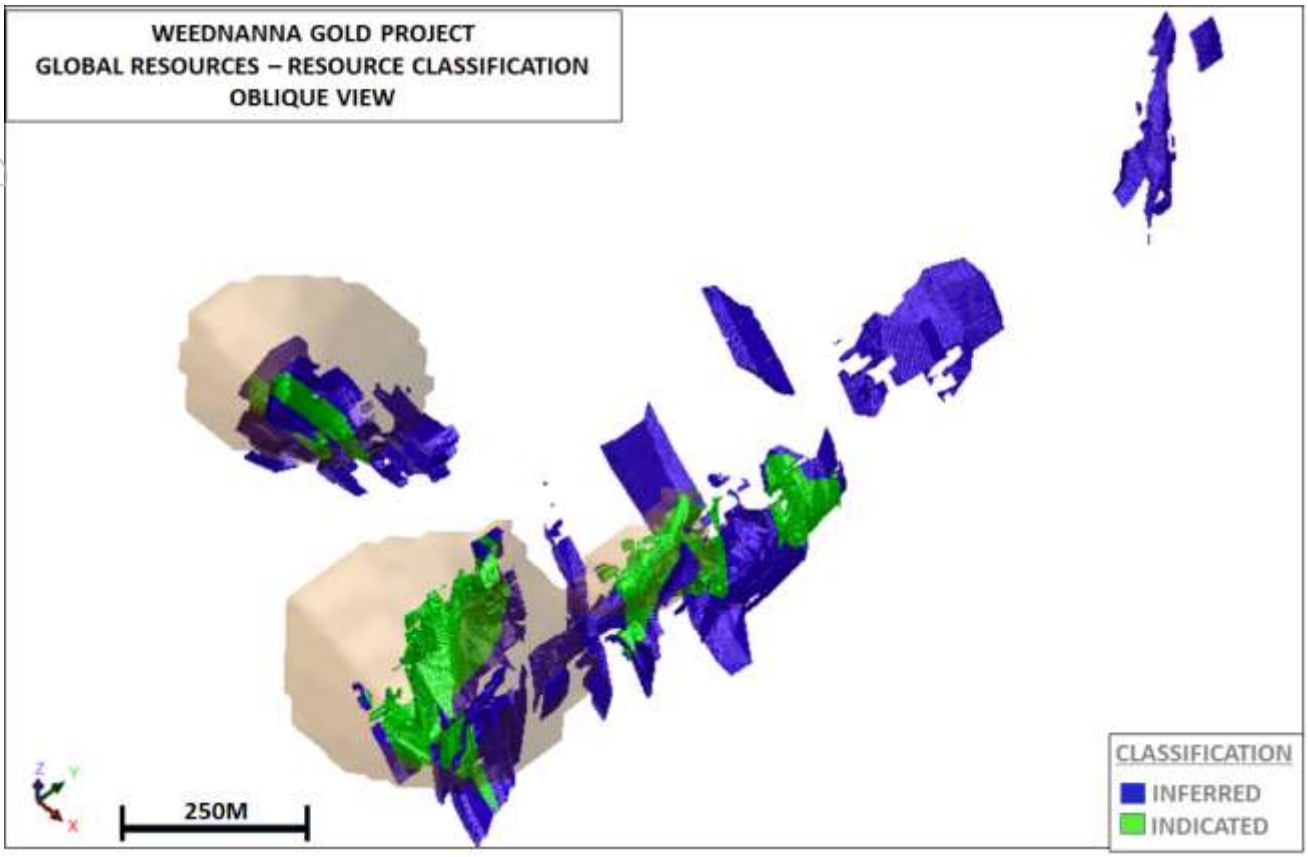


**Figure 1. Mineral Resource block model >0.5 g/t Au showing Indicated and Inferred classifications**

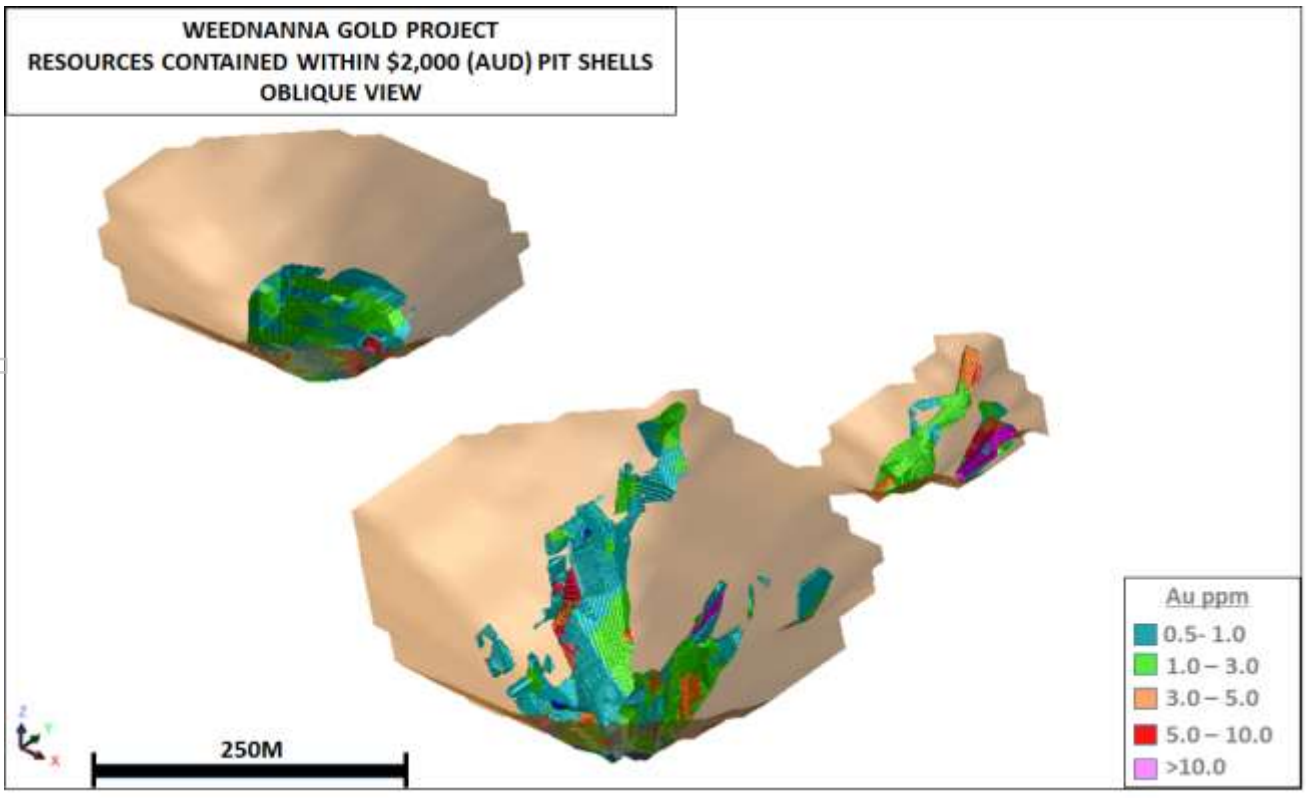


**Figure 2. Mineral Resource Blocks (Au ppm) within $2000 AUD Pit Shells - Oblique View**

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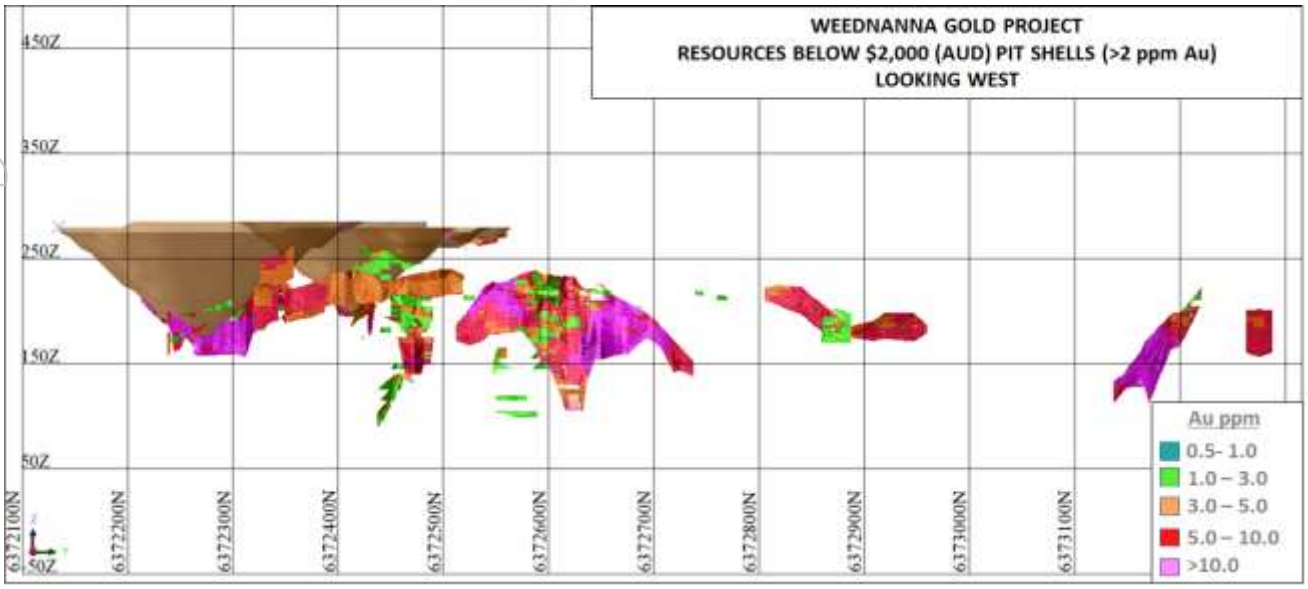


**Figure 3. Mineral Resource Blocks (Au ppm) below $2000 AUD Pit Shell - Looking West**

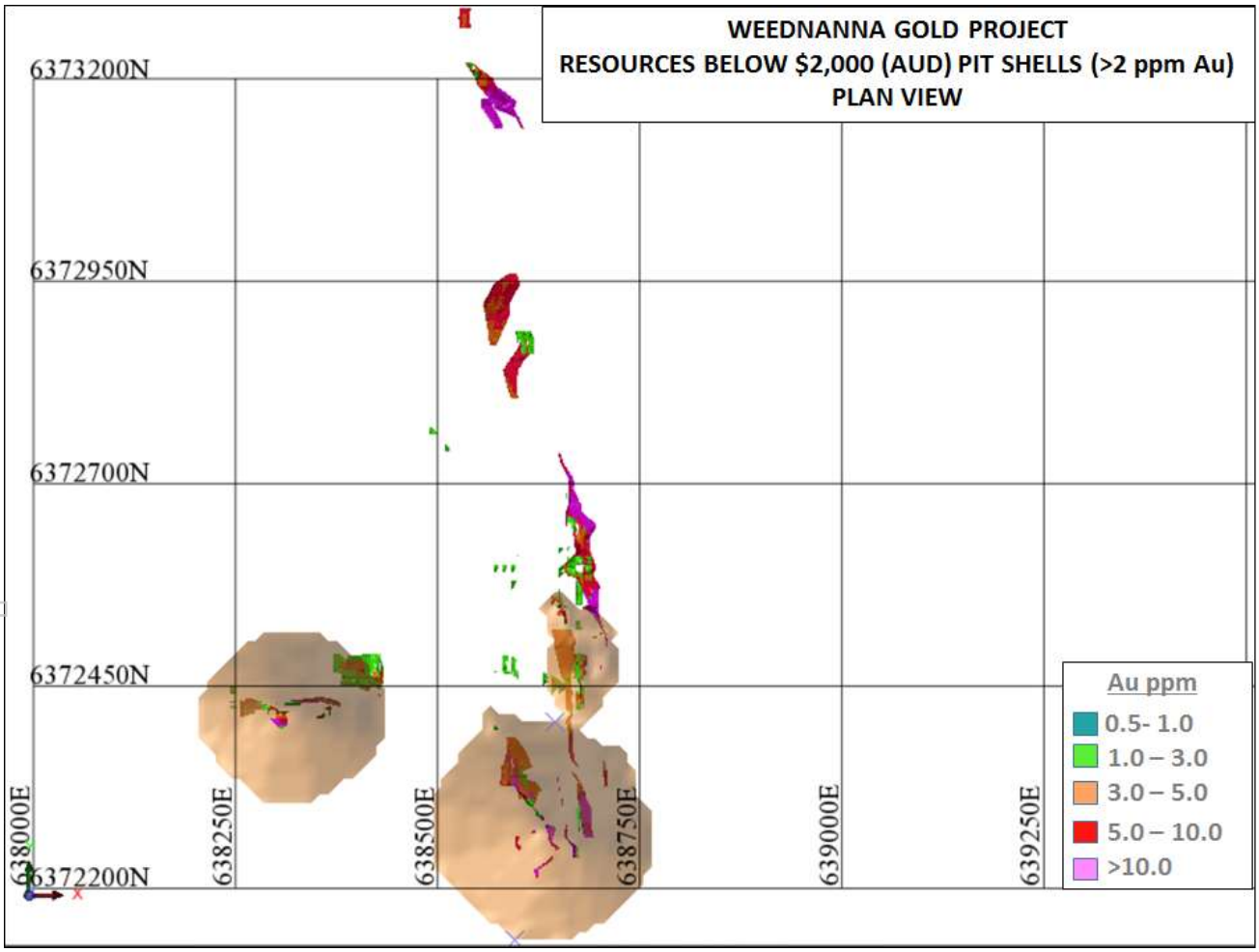


**Figure 4. Mineral Resource Blocks (Au ppm) below $2000 AUD Pit Shell - Plan View**

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**Weednanna Gold Deposit**

The Weednanna Gold Deposit is located 105 km WNW of Whyalla and 40 km NNE of the township of Kimba, South Australia (Figure 5).

The Project area is accessible from Kimba via a combination of sealed and unsealed all weather roads to Wilcherry Hill, then 4 km of pastoral station tracks to Weednanna.

Extensive environmental studies were previously completed for the former Wilcherry Hill Iron Project (IronClad Mining) between 2008 and 2011, including but not limited to, flora & fauna, hydrological and heritage studies. These will provide a valuable resource for the purpose of future mining and processing studies and for the statutory approvals process.

Between 1997 and present, 147 RAB holes, 23 aircore holes, 442 RC holes, and 41 diamond holes have been drilled at the Weednanna Prospect to test for economic concentrations of gold and iron ore.

During 2017 and 2018 Alliance has systematically completed re-logging of all available RC chips and diamond core from Weednanna to provide detailed data for geological interpretation and 3D modelling. Where drill chips or diamond core were not available for re-logging, historic geological logging sheets were re-digitised to ensure the capture of all available geological data.

In total, 256 RC holes for 20,889 metres and 40 diamond holes for 4,779.6 metres were re-logged in addition to the 92 RC holes for 14,341 metres drilled by Alliance during 2017-18.

Cross-sectional interpretation was completed on 25 metre spaced traverses along the 1,325 metre strike length of the prospect.

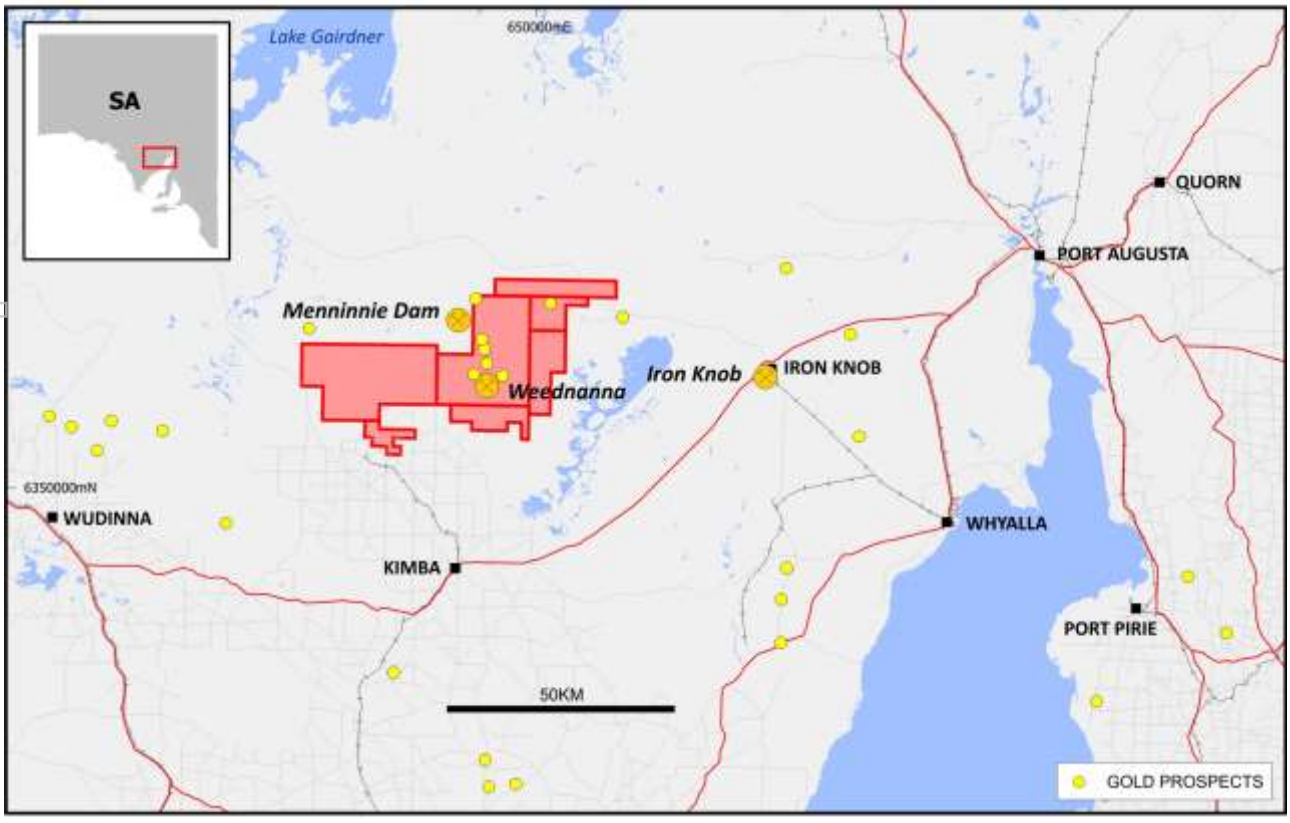


**Figure 5. Project Location**

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**Geology**

In general, the Weednanna Prospect is characterised by a north striking and moderate to steep east-dipping unit of Paleo-Proterozoic Hutchinson Group sediments, consisting of marl and dolomite with lesser sandstone and minor basalt, which have been metamorphosed under upper-amphibolite facies conditions and altered to produce interleaving calc-silicate and magnetite skarn with lesser gneiss and minor amphibolite.

This altered meta-sedimentary package is bounded to the east and west by Archaean Sleaford Complex granite and gneiss. The Archaean rocks appear to truncate the meta-sediments at depth at the northern and southern ends of the prospect, with the meta-sediments extending below current drilling in the central area of the prospect.

A keel of north-striking weathered granite of uncertain age occurs near-surface within the Hutchinson Group sediments along most of the prospect area. Pink potassium feldspar-rich granites, potentially of the Hiltaba Granite suite, intrude the Sleaford Complex on the eastern side of the prospect area and minor later stage granites cut the meta-sedimentary package.

**Gold Mineralisation**

Gold mineralisation occurs within both the Archaean Sleaford Complex granite and gneiss and Paleo-Proterozoic Hutchinson Group meta-sediments and is associated with the intrusion of Hiltaba Granites and skarn alteration.

Gold was deposited in favourable structural and lithological areas during both the peak metamorphic event and as the host rocks have cooled.

Due to the high regional metamorphic temperature during gold emplacement, shoots are relatively discrete and high-grade.

Thirteen gold shoots were identified during the 3D modelling process, including Shoots 1 to 4 that have been the focus of Alliance's drilling activities during 2017-18 (Figure 6).

These shoots are interpreted to be open in at least one direction and have the potential to increase in size with further drilling.

Potential exists for new gold shoots along strike and at depth, e.g. a major quartz vein up to 20m thick has been identified in the immediate hangingwall to gold mineralisation at Shoot 1, which is mineralised as follows: **48m @ 2.0 g/t Au from 54m in 00WDRC072, including 7m @ 5.4 g/t Au from 69m and 2m @ 16.0 g/t Au from 98m**.

This quartz vein mineralisation does not form part of the Mineral Resource Estimate and further drilling is warranted to test for extensions to these gold bearing zones within this structure.

Refer to Alliance ASX announcement dated 16 July 2018.

**Drilling, Sampling and Assaying**

Details of the drilling, sampling and assaying techniques are provided in the JORC Code (2012 Edition) Tables (Appendix 1).

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**Geological and 3D Modelling**

Strings were created on regular sections throughout the deposit to enable creation of the 3D domain shapes to constrain the geology and mineralisation. A combination of geology, drill assays and general confidence level in continuity were used as the basis for the domain boundary.

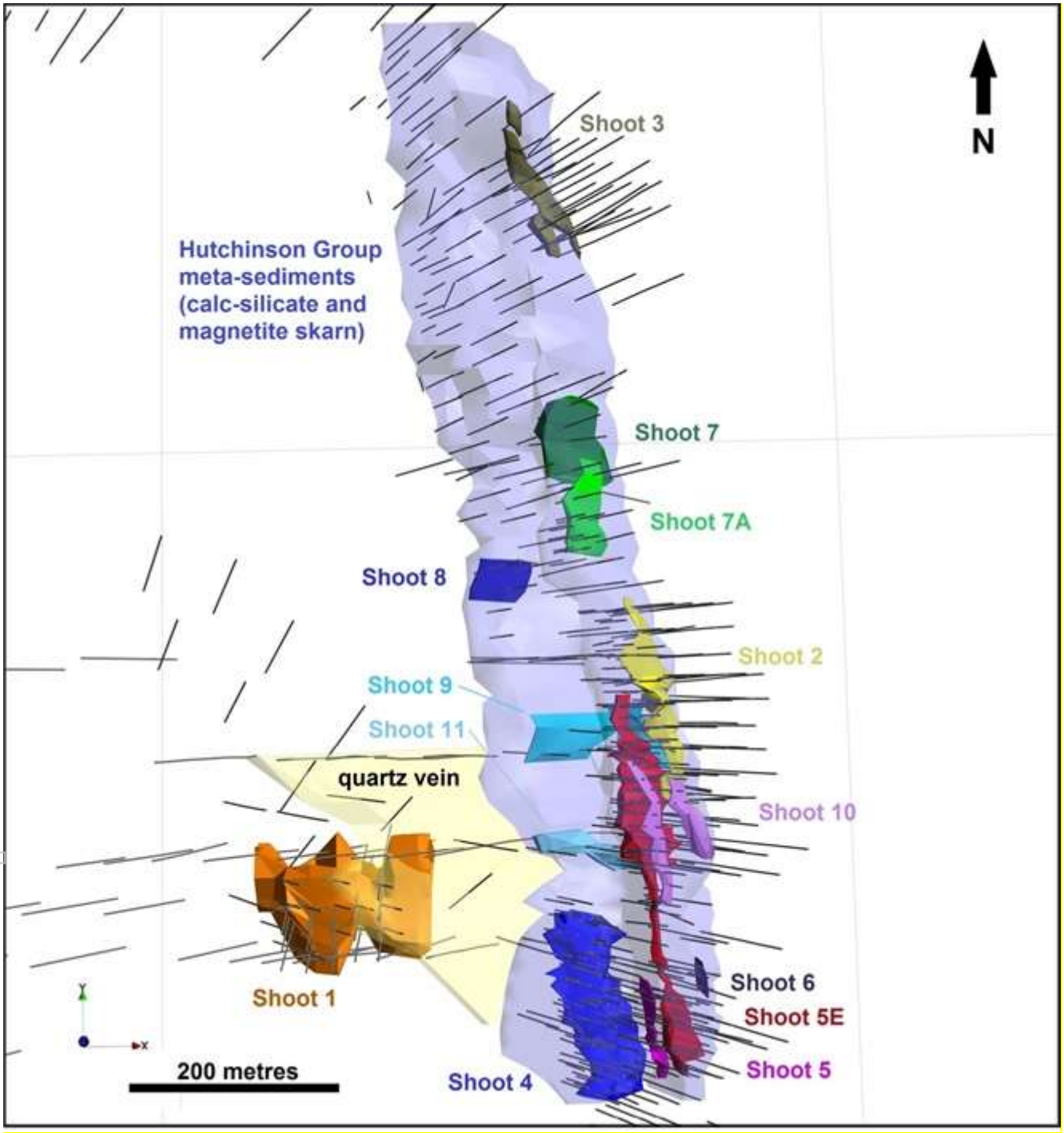


**Figure 6. Weednanna 3D Model showing gold mineralised shoots and calc-silicate and magnetite skarn**

Interpretations for geology, base of transported cover, base of saprolite, base of saprock and gold mineralisation (gold shoots) were undertaken in cross-section by Alliance personnel using all available data including, but not limited to, lithology, mineralisation & oxidation state from geological logs and assay data.

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The DXF files of the interpretations were imported into Micromine and 3D modelled using the Wireframing module.

The 3D models for the gold shoots were intersected with the surfaces for saprolite and saprock to create separate saprolite, saprock and fresh rock domains for each gold shoot. The resulting component wireframes were validated and checked against the parent gold shoot models.

The gold shoots were interpreted using a 0.2 g/t gold lower cut-off grade based on a statistical analysis which indicated an anomalous grade population at that threshold.

Intersections within gold shoots were permitted to have a maximum of two metres of internal waste.

Separate block models were produced for each shoot or sub-shoot, using only the assays tagged as belonging to that shoot or sub-shoot.

**Grade Estimation**

The resource block model was constructed using Surpac software after importing the DXF files of the interpreted gold shoots. A minimum domain width of 2m was used, corresponding to the minimum practical mining width within an underground mining scenario.

The model parent block size was 10m(X), 10m(Y) 5m(Z) and chosen based on a factor of the drill spacing and overall potential open pit and underground mining methods for the deposit. Sub-blocking was also used to ensure appropriate block definition on the boundaries of the modelled domains and was 0.312m(X), 0.312m(Y) and 0.156m(Z).

Duplicate analysis of drilling samples, preliminary metallurgical testing, and thin section analysis has demonstrated that gold at the Weednanna deposit is fine grained and reasonably homogenous.

Given the fine nature of the gold particles it was appropriate to restrict the search influence of high grade outliers instead of applying a top cut. An analysis was completed within each high grade shoot to determine the high grade outlier threshold. These thresholds were then applied to each domain to limit the influence of grades above this during the estimation process.

A composite file was created using a composite length of 1m. The median sample length within the assay dataset is also 1m.

Valid variograms were not possible for the majority of the domains.

The assessment therefore directed the estimation process to use inverse distance squared instead of ordinary kriging to estimate Au ppm into the block model. The domain boundaries for the mineralised zone were honored by the estimate as a hard boundary; that is no composite data from outside of each individual domain was used to inform the grade estimation of blocks within the model.

The estimation process was validated by comparing global block grades with the average composite grades, visual checks comparing block grades with raw assay data, volume checks of the ore domain wireframe vs the block model volume.

The validation steps taken indicate that the block estimates are a realistic representation of the source assay data and that the block model volumes are valid in comparison to the modelled interpretation.

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**Tonnes Estimation**

Weathering surfaces supplied by Alliance to represent the base of the cover sequence, base of saprolite and base of saprock were coded into the resource block model.

Average bulk densities were assigned to each geological and gold domain, estimated from the Weednanna bulk density database that consists of 1,123 specific gravity measurements collected from ore and waste rock types using a combination of the Archimedes method, that is (Dry Weight / (Dry Weight – Wet Weight), waxed and non-waxed, pycnometer and downhole geophysical methods. Density values were coded into the block model based on domain and oxidation state types.

**Classification**

The Mineral Resource has been classified into Indicated and Inferred categories in accordance with the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* (the 'JORC Code 2012 Edition'). The classifications were determined based on drill hole spacing, geological confidence and grade continuity.

**Reporting**

The Mineral Resource reported by Alliance is that proportion of gold contained within $2,000 AUD pit shells (>0.5 g/t gold) and >2.0 g/t gold underground potential. This satisfies the *"reasonable prospect of eventual economic extraction criteria"* in accordance with the JORC Code.

For further information on Alliance Resources Ltd please visit the Company's website at www.allianceresources.com.au or contact:

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**Competent Persons Statements**

The information in this report that relates to the Mineral Resource Estimate is based on information compiled by Mr Stuart Hutchin. Mr Hutchin is a Member of the Australian Institute of Geoscientists and is a full-time employee of Mining One Pty Limited. Mr Hutchin 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 Hutchin consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to the Exploration Results is based on information compiled by Mr Anthony Gray and Mr Stephen Johnston. Mr Gray is a Member of the Australian Institute of Geoscientists and is a part-time contractor to Alliance Resources Ltd. Mr Johnston is a Member of the Australasian Institute of Mining and Metallurgy and is a full-time employee of Alliance Resources Ltd. Mr Gray and Mr Johnston have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Gray and Mr Johnston consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

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# Appendix 1

## Weednanna Deposit – JORC 2012 Tables

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| 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.* | Reverse circulation (RC) and diamond drilling programs have been completed at Weednanna since 1997.<br>Weednanna drill hole naming convention is: ddWDttnnn where dd = last two digits of the year, tt = Drilling Method, and nnn = hole number.<br>Drilling Method codes are: DH = diamond hole, RC = RC hole, GC = iron ore grade control RC hole.<br>Sample type for RC holes is drill cuttings.<br>Sample type for diamond holes is NQ to PQ sized drill core. |
| | *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 laboratory has applied appropriate QA-QC to sample preparation and appropriate calibration 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'* | RC drilling was used to obtain 1m samples from which approximately 3kg was pulverised to produce a 40g or 50g charge (depending on laboratory) for fire assay.<br>Diamond core was cut using fillet, 1/16, 1/8, 1/4, 1/2, or hole core as appropriate to obtain 0.1 to 3.8m samples (average ~1m) from which ~3kg was pulverised to produce a 40g or 50g charge (depending on laboratory) 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.).* | Reverse circulation drilling since 1997 was completed using face sampling percussion hammers with either 4", 4 ½" and 5¾ " bits. All RC drilling completed since January 2017 uses a 5¾ " sized bits.<br>Diamond drilling was completed using NQ to PQ sized core. |
| *Drill sample recovery* | *Method recording and assessing core and chip sample recoveries and results assessed.* | Sample recovery and quality was logged for 2017 and 2018 RC holes. Sample recovery and quality is recorded for some RC holes drilled between 1997 and 2017.<br>Lost core in diamond holes is recorded during geological logging. |
| | *Measures taken to maximise sample recovery and ensure representative nature of the samples.* | Ground conditions at Weednanna for drilling is generally good. Drilling is undertaken using auxiliary compressors and boosters to keep the hole dry and maximise sample lift.<br>Diamond holes may be drilled using RC pre-collars or triple tube to ensure good sample recovery of poorly or semi-consolidated rock. |
| | *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.* | There is no observable relationship between sample recovery and grade. Metallurgical test work indicates that there is unlikely to be a sample bias based on preferential loss/gain of fine/coarse material as the gold is fine-grained and well distributed across all size fractions. |
| *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.* | During 2017 and 2018 Alliance has systematically completed re-logging of all available RC chips and diamond core to provide detailed data for geological interpretation and 3D modelling. Where drill chips or diamond core were not available for re-logging historic geological logging sheets were re-digitised to ensure the capture of all available geological data. |
| | *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* | RC and diamond core logging is both qualitative and quantitative in nature depending on the feature being logged and includes downhole depth, colour, oxidation state, lithology, texture, mineralogy, mineralisation, alteration and structure. |
| | *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.* | Diamond core was cut with a diamond saw to produce 1/16, 1/8, 1/4, 1/2 and whole core samples as appropriate for the core size and length sampled to obtain ~3kg for analysis. Half core sampling is the preferred technique over ~1m intervals for NQ and HQ sized core. |
| | *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* | One metre RC samples were split (from 2017 using a cone splitter) on the drilling rig to produce ~3kg sub-samples for submission to an analytical laboratory. The majority of samples were logged as dry. |
| | *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* | The sample preparation techniques described above are appropriate to provide representative samples to a laboratory |

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| Section 1 – Sampling Techniques and Data | | |
|---|---|---|
| **Criteria** | **JORC Code explanation** | **Commentary** |
| | | for drying, crushing, pulverising, and sub-sampling for gold analysis using the fire assay technique. |
| | *Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.* | Company submitted standards, blanks, and duplicates were inserted for the 2006 - 2012 drilling programs.<br>For the 2017 and 2018 drilling programs 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 measures described above ensured the sampling was representative of the in-situ material. |
| | *Whether sample sizes are appropriate to the grain size of the material being sampled.* | The samples 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 laboratory used for the 1997 drilling program is uncertain, but thought to be AMDEL at Thebarton, SA. AMDEL was used for all other historical drilling programs to 2017.<br>Alliance has used ALS in Pooraka, SA for all sample preparation and ALS in Perth, WA for all gold analysis since January 2017.<br>Sample preparation of historic iron ore pulps later used for gold re-assay by Tyranna at AMDEL and Alliance at ALS were prepared by SGS laboratory in Perth, WA.<br>Sample preparation at AMDEL and ALS consisted of drying, crushing and pulverising <3kg samples to 85-90% passing -75µm.<br>Gold analysis was completed using the fire assay technique with AAS finish. Most analyses used a 40g charge (AMDEL) or 50g charge (ALS), however some historic iron ore sample pulps were analysed using a 30g charge due to sample size.<br>While the use of a larger charge is preferred metallurgical test work suggests that this is unlikely to have a significant effect on assay results as the gold is fine grained and relatively homogeneous.<br>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.* | At AMDEL standard QC procedures include routine analysis of blanks, standards, and duplicate samples with each batch and re-assay of anomalous results.<br>At ALS each fire (usually 84 pots) contains one blank and a minimum of two standards and three replicates to monitor accuracy and precision of results from the individual fire.<br>During 2010 Tyranna completed repeat analysis at AMDEL on 1,195 sample pulps from 2007, 2010 and 2012 drilling programs and during 2017 Alliance completed repeat analysis at ALS on 199 (~3%) of RC sample pulps from the 1997 and 1998 drilling programs.<br>Both programs of repeat analyses confirmed the accuracy and precision in the original results. |
| *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 tabled 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 is 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 down hole drill hole 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.* | All holes drilled since January 2006 have been surveyed by registered surveyors using a DGPS. Expected horizontal and vertical accuracy is +/- 25cm.<br>The survey method of holes drilled prior to 2006 is unknown, however in 2007 the collar location of 19 holes drilled between 1997 and 1999 were located and surveyed by a registered surveyor. These holes returned an average error between the |

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| Section 1 – Sampling Techniques and Data | | |
|---|---|---|
| **Criteria** | **JORC Code explanation** | **Commentary** |
| | | original and surveyed data of less than 1m in the northing and easting supporting the accuracy of the 1997-1999 collar locations.<br>The elevation of historic drill hole collars whose survey method is uncertain was determined by a registered surveyor in 2017.<br>All holes drilled between 1997 and 2000 and RC holes 06WDRC001-007 and 07WDRC001-008 were down hole surveyed using a single shot camera.<br>Holes 06WDDH001-002, 06WDRC008-009 & 021, 07WDDH002, and all holes drilled during 2008, 2010, 2017 and 2018 have been accurately down hole surveyed using a gyroscope.<br>Holes 06WDRC010-019 & 022-027, 07WDDH001, and all holes drilled during 2002, 2009, and 2012 were not down hole surveyed.<br>The holes drilled during 2002 will not contribute to a Mineral Resource Estimate. The holes drilled during 2009 and 2012 are relatively short, or intersect gold at a relatively shallow depth and shouldn't have a significant impact on the spatial accuracy of a Mineral Resource Estimate. |
| | *Specification of the grid system used.* | GDA94, MGA Zone 53. |
| | *Quality and adequacy of topographic control.* | The elevation (mRL) of all hole locations, including historic holes for which survey accuracy is uncertain have been accurately surveyed by a registered surveyor using a DGPS. |
| *Data spacing and distribution* | *Data spacing for reporting of Exploration Results.* | RC drill holes were drilled on a nominal spacing of 25m x 20m with wider spacing in areas of reconnaissance drilling. Closer drill spacing down to 12.5m x 10m occurs in selected areas.<br>Diamond drill holes were drilled selectively, for both metallurgical purposes for iron (IronClad) and for stratigraphic and structural purposes for gold. |
| | *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 to support the estimation of a Mineral Resource. |
| | *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 sampling has been planned with a view to achieving minimal sampling bias of gold shoots.<br>Gold mineralisation at Weednanna is fine-grained and should not be biased by drilling orientation.<br>Due to the varying geometry of multiple shoots at Weednanna some shoots will be intersected by drilling at a steeper angle than others. |
| | *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 Weednanna, indicated by high magnetism, strikes broadly north-south and hence most drilling is oriented east-west. As drilling has progressed it has become apparent that the calc-silicate stratigraphy dips moderately to steeply east and hence most holes are oriented -60 degrees towards the west. Drilling at Shoot 1 is oriented predominantly to the north as earlier drilling suggested that this mineralisation strikes east-west. |
| *Sample security* | *The measures taken to ensure sample security.* | RC and diamond sub-samples are stored on-site prior to being transported to the laboratory for analysis. Sample pulps are returned to the Company and stored in a secure location.<br>All diamond drilling core is stored in secure locations either by the Company or at the South Australian Drill Core Reference Library. |
| *Audits or reviews* | *The results of any audits or reviews of sampling techniques and data.* | In May 2018, Mining One completed a site visit to review site protocols; discuss technical aspects with site team and JORC Code requirements; review the technical dataset that will support the mineral resource, including but not limited to, drilling and sampling QAQC, density measurements and assaying methodologies. Mining One's report indicated that all activities associated with the inputs to the mineral resource were conducted to a standard that allows Mining One to report the mineral resource in accordance with the JORC Code 2012. |

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| Section 2 – Reporting of Exploration Results | | |
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| **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 is located on EL6188 which forms part of the Wilcherry Project Joint Venture (Project) tenements, owned by Alliance Craton Explorer Pty Ltd (75.01%) and Trafford Resources Pty Ltd (24.99%). 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 with 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 Co. of Australia Ltd (later Acacia Resources Ltd), WMC Resources Ltd, Anglogold Australia Ltd, Aquila Resources Ltd, Trafford Resources Ltd, Ironclad Mining Ltd (later Tyranna Resources Ltd).<br>RC and diamond drilling has been completed at Weednanna by the following exploration companies-<br>1997-1998: Acacia Resources<br>1999: Acacia Resources and Anglogold<br>2000: Anglogold<br>2002: Aquila Resources<br>2006: Trafford Resources<br>2007: Ironclad Mining and Trafford Resources<br>2008-2010: Ironclad Mining<br>2012: Ironclad Mining and Trafford Resources<br>2017-present: Alliance |
| *Geology* | *Deposit type, geological setting and style of mineralisation.* | The geology at Weednanna is characterised by a north striking and moderate to steep east-dipping unit of Paleo-Proterozoic Hutchinson Group sediments, consisting of marl and dolomite with lesser sandstone and minor basalt, which have been metamorphosed under upper-amphibolite facies conditions and altered to produce interleaving calc-silicate and magnetite skarn with lesser gneiss and minor amphibolite.<br>This altered meta-sedimentary package is bounded to the east and west by Archaean Sleaford Complex granite and gneiss. The Archaean rocks appear to truncate the meta-sediments at depth at the northern and southern ends of the prospect, with the meta-sediments extending below current drilling in the central area of the prospect.<br>A keel of north-striking weathered granite of uncertain age occurs near-surface within the Hutchinson Group sediments along most of the prospect area. Pink potassium feldspar-rich granites, potentially of the Hiltaba Granite suite, intrude the Sleaford Complex on the eastern side of the prospect area and minor later stage granites cut the meta-sedimentary package.<br>Gold mineralisation occurs within both the Archaean Sleaford Complex granite and gneiss and Paleo-Proterozoic Hutchinson Group meta-sediments and is associated with the intrusion of Hiltaba Granites and skarn alteration.<br>Gold was deposited in favourable structural and lithological areas during both the peak metamorphic event and as the host rocks have cooled.<br>Due to the high regional metamorphic temperate during gold emplacement, shoots are relatively discrete and high-grade.<br>The Prospect was assessed for economic concentrations of iron ore by Ironclad Mining (2007-2012) and also contains sub-economic concentrations of 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:*<br>• *easting and northing of the drill hole collar;*<br>• *elevation or RL (reduced Level - elevation above sea level in* | The previous Alliance ASX announcements report tabulated Exploration Results, including a tabulation of the required information, for all Material drill holes, as follows:<br><br>3 April 2017 |

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| Section 2 – Reporting of Exploration Results | | |
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| **Criteria** | **JORC Code explanation** | **Commentary** |
| | *metres) of the drill hole collar;*<br>• *dip and azimuth of the hole;*<br>• *down hole length and interception depth;*<br>• *hole length.*<br>*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.* | 10 April 2017<br>28 August 2017<br>30 November 2017<br>17 January 2018<br>4 April 2018<br>23 April 2018<br>16 July 2018 |
| *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 intervals of greater than 1 g/t Au. The mineralised intervals for all Material drill holes may be found in the above ASX announcements. |
| | *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 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.*<br>*If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>*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 gold shoots at Weednanna vary greatly in geometry due to the skarn-style of mineralisation. The interpretation of the geometry of these shoots is shown in the figures in the body of this report. Assay results in previous ASX announcements are reported as down hole lengths because 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.* | Representative appropriate maps and sections and tabulations of Material Exploration results used in the estimation of this Mineral Resource have been reported in previous ASX announcements. |
| *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 mineralised intervals for all Material drill holes have been reported in previous ASX announcements. |
| *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.* | Preliminary metallurgical test work has been completed on samples collected from Shoots 1, 2, 3 and 4. This test work has revealed that gold at Weednanna is fine grained and evenly distributed across all size fractions. The mineralisation contains minor deleterious elements and is not refractory. Good gold recoveries in excess of 85-90% should be achievable by processing through a conventional cyanide leach circuit. Alliance and previous explorers have compiled a comprehensive density database for the Wilcherry Project. This database consists of more than 6,400 measurements collected across all rock types relevant for a Mineral Resource estimate at Weednanna. |
| *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.* | Further work will consist of<br>1. Continued RC and diamond drilling to better define the geometry and extent of all gold shoots and test for new gold shoots;<br>2. Metallurgical test work to determine the most appropriate process route for gold recovery;<br>3. Complete an initial Scoping Study on the economics of developing a gold producing operation at Weednanna;<br>4. Completion of a 3D induced polarisation survey across the prospect area to test for chargeable anomalies potentially associated with gold mineralisation;<br>5. Fly a close spaced aeromagnetic survey over the prospect area;<br>6. Complete a detailed review of magnetic and gravity data to identify conceptual structural targets for drill testing; and |

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| Section 2 – Reporting of Exploration Results | | |
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| **Criteria** | **JORC Code explanation** | **Commentary** |
| | | 7. Define and test regional gold targets to support a potentially commercially viable gold producing operation at the Wilcherry Project. |

| Section 3 Estimation and Reporting of Mineral Resources<br>(Criteria listed in section 1, and where relevant in section 2, also apply to this section) | | |
|---|---|---|
| **Criteria** | **JORC Code explanation** | **Commentary** |
| ***Database integrity*** | • *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*<br>• *Data validation procedures used.* | • *The survey, sampling and logging data was electronically imported into the resource database. A visual check was also made of the drill traces, assay and logging data in the 3D environment of Surpac to ensure that results correlated between drillholes and were in line with the geological interpretation and mineralization continuity.* |
| ***Site visits*** | • *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*<br>• *If no site visits have been undertaken indicate why this is the case.* | • *A site visit was completed by Stuart Hutchin between the 1st May and 3rd May 2018 where the Weednanna site and core samples located within the core storage facility were inspected.* |
| ***Geological interpretation*** | • *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.*<br>• *Nature of the data used and of any assumptions made.*<br>• *The effect, if any, of alternative interpretations on Mineral Resource estimation.*<br>• *The use of geology in guiding and controlling Mineral Resource estimation.*<br>• *The factors affecting continuity both of grade and geology.* | • *The confidence in the overall geological interpretation is moderate given the often irregular distribution of the skarn style of mineralisation, this is normal for this type of deposit. The interpretation on section does however generally show good continuity between the average 20m x 20m drill spacing coverage.*<br>• The mineralisation occurs with a skarnified calc silicate unit. Grades vary based on the extent of alteration strength within the mineralised zones. Mineralisation is defined high grade steeply dipping shoots and also a broader lower grade halo. |
| ***Dimensions*** | • *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.* | • *The strike length of the mineralised domain modelled is approximately 1,100m long by 500m wide with an average thickness of 3-5m for the high grade shoots and up to 20m average thickness for the low grade halo domains. The resource domain is located from near the surface topography and extends to a depth of 250m below surface.* |
| ***Estimation and modelling techniques*** | • *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.*<br>• *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*<br>• *The assumptions made regarding recovery of by-products.*<br>• *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).*<br>• *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.*<br>• *Any assumptions behind modelling of selective mining units.*<br>• *Any assumptions about correlation between variables.*<br>• *Description of how the geological interpretation was used to control the resource estimates.*<br>• *Discussion of basis for using or not using grade cutting or capping.*<br>• *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.* | • *The resource model was constructed using Surpac software. Mineralised domain wireframes were constructed using the geology boundary of the skarn geology to guide the interpretation separated in low grade, high grade, quartz vein an calc silicate domains. A minimum domain thickness of 2m was used, this corresponds to the minimum practical mining width within an underground mining scenario.*<br>• *After review of the assay dataset statistics it was assessed that given the fine nature of the gold particles it was appropriate to restrict the search influence of high grade outliers instead of applying a top cut. An analysis was completed within each high grade shoot to determine the high grade outlier threshold, these thresholds were then applied to each domain to limit the influence of grades above this during the estimation process.*<br>• *A composite file was created using a composite length of 1m. The median sample length within the assay dataset is also 1m.*<br>• *Valid variograms were not possible for the majority of the domains given the lack of sample pairs.*<br>• *An inverse distance squared estimate was run for Au ppm.*<br>• *The estimation process was validated by comparing global block grades with the average composite grades, visual checks comparing block grades with raw assay data, volume checks of the ore domain wireframe vs the block model volume.*<br>• *The validation steps taken indicate that the block* |

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| Section 3 Estimation and Reporting of Mineral Resources (Criteria listed in section 1, and where relevant in section 2, also apply to this section) | | |
|---|---|---|
| **Criteria** | **JORC Code explanation** | **Commentary** |
| | | *estimates are a realistic representation of the source assay data and that they block model volumes are valid in comparison to the modelled interpretation.* |
| ***Moisture*** | • *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.* | • *The resource tonnages have been estimated on a dry basis* |
| ***Cut-off parameters*** | • *The basis of the adopted cut-off grade(s) or quality parameters applied.* | • *The resources were reported above a 0.5 ppm Au cut-off and within a $2,000 AUD pit shell for the upper sections of the resource and above a 2 ppm Au and below the pit shell for the deeper resources. This is assessed as reasonable given the proposed combination of open pit and underground mining methods.* |
| ***Mining factors or assumptions*** | • *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.* | • *The resources have been estimated using a minimum thickness of 2m for the domain shapes, this minimum thickness therefore accounts for any dilution in zones that are less than this thickness. The proposed mining method is via open pit and underground mining techniques, the model parameters are therefore deemed to be suitable for this type of potential mining operation.* |
| ***Metallurgical factors or assumptions*** | • *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.* | • *Metallurgical test work has been completed by AMTEC. The test work was completed on three composites and determined that gold particles are typically very fine (<45 micron). Further work is required to determine the potential metallurgical recoveries of the gold mineralisation.* |
| ***Environmental factors or assumptions*** | • *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.* | • *A mining license approval will need to be granted prior to mining activities taking place that would include the positioning of a waste dump and other infrastructure.* |
| ***Bulk density*** | • *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.*<br>• *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.*<br>• *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.* | *A total of 1,123 bulk densities for the ore and waste rock types were estimated using a combination of the Archimedes method, that is (Dry Weight / (Dry Weight – Wet Weight), waxed and non-waxed, pycnometer and downhole geophysical methods. Density values were coded into the block model based on domain and oxidation state types. The values used are summarised in Table 6-1 of the report entitled "JORC Resource Estimation of the Weednanna Deposit for Alliance Craton Explorer Pty Ltd" by Mining One Pty Ltd, dated 4th September 2018.* |
| ***Classification*** | • *The basis for the classification of the Mineral Resources into varying confidence categories.*<br>• *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).*<br>• *Whether the result appropriately reflects the Competent Person's view of the deposit.* | • *The resources have been classified according to the drill density and the modelled continuity of both the thickness and grade of the mineralized zones in the view of the competent geologist. Indicated and Inferred blocks have been reported for the resource.*<br>• *The resource classification is deemed appropriate in relation to the drill spacing and geological continuity of the mineralized domains.* |
| ***Audits or reviews*** | • *The results of any audits or reviews of Mineral Resource estimates.* | • *No audits or reviews are available for the Weednanna gold* |

| Section 3 Estimation and Reporting of Mineral Resources<br>(Criteria listed in section 1, and where relevant in section 2, also apply to this section) | | |
|---|---|---|
| **Criteria** | **JORC Code explanation** | **Commentary** |
| | | *deposit.* |
| ***Discussion of relative accuracy/ confidence*** | • *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.*<br>• *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.*<br>• *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.* | • The resource estimate is deemed to be an accurate reflection of both the geological interpretation and tenure of mineralization within the deposit. |

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