

11 October 2018

ALLIANCE RESOURCES LTD

ASX: AGS

ABN: 38 063 293 336

Market Cap: \$14M @ \$0.135

Shares on issue: 104,293,923

Principal Office:

Suite 3, 51-55 City Road
Southbank Victoria 3006
AUSTRALIA

Tel: +61 3 9697 9090

Fax: +61 3 9697 9091

Email:

info@allianceresources.com.au

Web:

www.allianceresources.com.au

Projects:

Wilcherry JV, SA (75.01%): gold
and base metals

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

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

Share Registry:

Computershare Investor
Services

GPO Box 2975

Melbourne Victoria 300

AUSTRALIA

Tel: 1300 850 505

Fax: +61 3 9473 2500

AIRCORE DRILLING COMMENCES ON REGIONAL GOLD TARGETS Wilcherry Project JV

The Board of Alliance Resources Ltd (Alliance) is pleased to announce that aircore drilling has commenced on the regional gold targets proximal to the Weednanna Gold Deposit, part of the Wilcherry Project Joint Venture between Alliance (75.01%) and Tyranna Resources Ltd (24.99%).

The first regional gold exploration target to be tested is the Weednanna East gold prospect.

A total of 85 holes for 5,525 metres is planned to be completed with the aim of defining gold in regolith anomalism.

Drilling will consist of four lines of 50m x 200m spaced holes designed to test around the existing gold in soil and regolith anomalism, extend coverage to the west to existing RAB drilling at Weednanna and east to cover a series of northwest striking faults. Refer Figure 1.

Holes will be drilled vertically to blade refusal and sampled over 4 metre composite intervals for gold and base metals. Any composite samples returning anomalism will be re-sampled and analysed over 1 metre intervals.

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

Steve Johnston
Managing Director
T: +61 3 9697 9090

Peter Taylor
Investor Relations
T: 0412 036 231

E: info@allianceresources.com.au E: peter@nwrcommunications.com.au

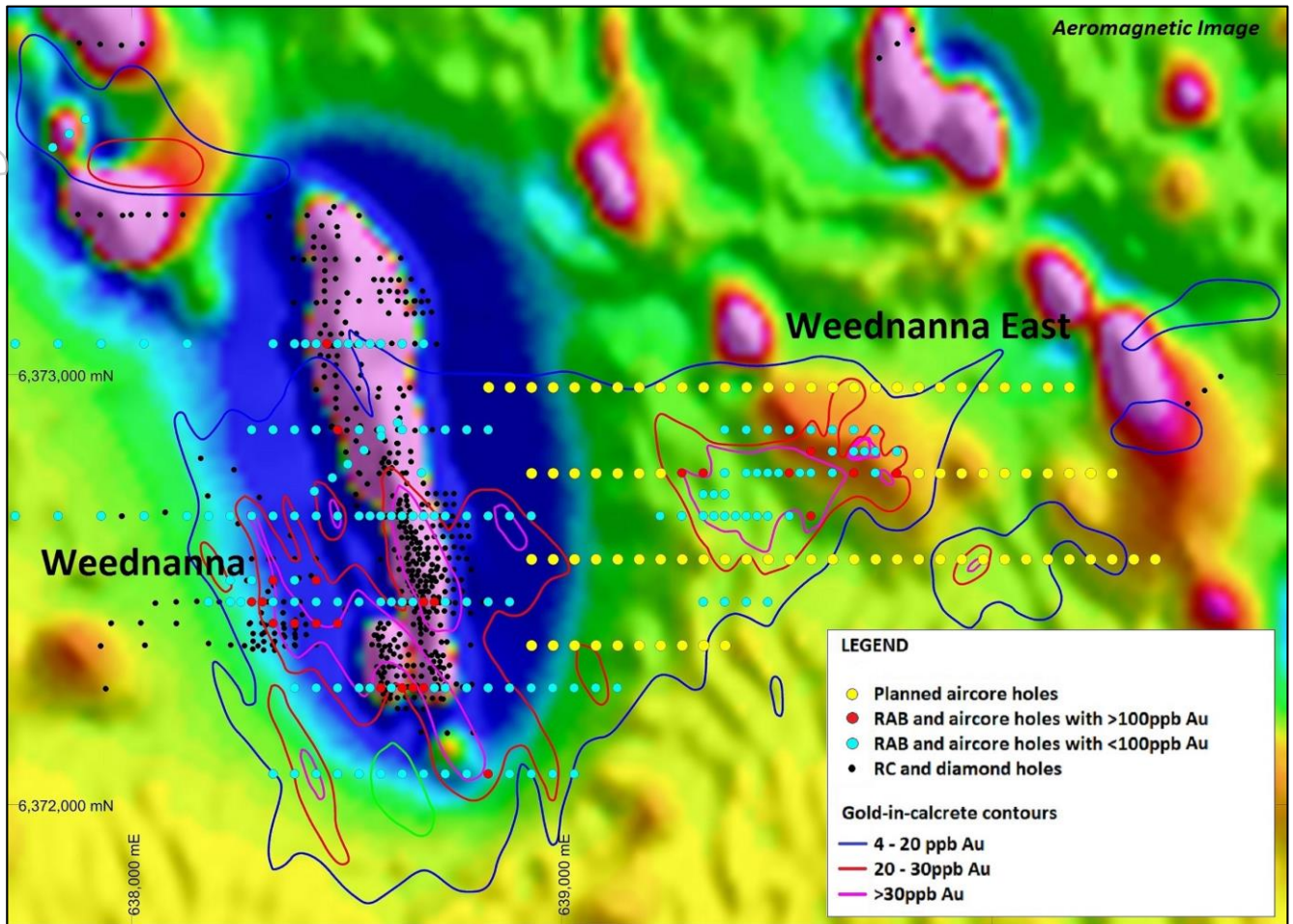


Figure 1. Weednanna East Prospect - Planned aircore holes with gold in calcrete contours

About Alliance

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

The Company’s flagship project is the Wilcherry Project Joint Venture (Alliance 75.01%), located within the southern part of the Gawler Craton in the northern Eyre Peninsula of South Australia.

On 6 September 2018, Alliance announced a maiden **Mineral Resource** estimate for the **Weednanna Gold Deposit**, part of the Wilcherry Project, of **1.097 Mt grading 5.1 g/t gold for 181,000 oz gold**.

There is significant potential to increase the size of this Mineral Resource with further drilling as all gold shoots comprising this mineral resource are open in at least one direction.

On 4 October 2018, Alliance announced the discovery of graphite at the **Yeltana Prospect**, 20 km west of the Weednanna Gold Deposit, including 21.05m @ 9.28% total graphitic carbon (TGC) from 171.75m, 17.1m @ 8.54% TGC from 148m and 17.2m @ 5.05% TGC from 234.1m.

An Exploration Target has been estimated for the Yeltana Graphite Prospect of between 24.5 million and 59 million tonnes grading between 5.5% and 10.2% total graphitic carbon. The potential quality and grade of this Exploration Target is conceptual in nature as there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

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