

24 July 2018

ASX Code: AGS

ALLIANCE INCREASES INTEREST IN WILCHERRY PROJECT TO 75.01%

The Board of Directors of Alliance Resources Limited advises that wholly owned subsidiary Alliance Craton Explorer Pty Ltd (ACE) has increased its interest in the Wilcherry Project Joint Venture (WPJV) Exploration Area to 75.01% at 30 June 2018. Trafford Resources Pty Ltd (Trafford), a wholly owned subsidiary of Tyranna Resources Limited (ASX: TYX) has diluted its interest in the WPJV Exploration Area to 24.99%.

The current change in interests is a result of ACE sole funding expenditure for the quarter ended 30 June 2018.

Trafford has elected not to contribute to the WPJV approved Programme and Budget for the period 1 July 2018 to 30 June 2019 (FY2019 P&B) totalling \$3.2 million, including administration and overheads.

ACE's interest in the WPJV Exploration Area may increase to 83.64% by 30 June 2019, should actual expenditure reach the approved FY2019 P&B expenditure.

For and on behalf of the Board.

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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.

Weednanna is the most advanced gold prospect at the Wilcherry Project Joint Venture, where high grade gold shoots are associated with a calc-silicate and magnetite skarn system.

A maiden mineral resource estimate is scheduled for 2H 2018, together with a staged program of metallurgical work on Weednanna gold mineralisation with the aim of optimising gold recovery and culminating in process design criteria and capital and operating costs for the processing base case.

The outcomes of both work streams, if positive, will feed into a scoping study in 2H 2018.