

24 August 2017

ASX Code: AGS

ALLIANCE LOOKS TO INCREASE INTEREST IN WILCHERRY PROJECT JOINT VENTURE

The Board and Directors of Alliance Resources Limited (“Alliance” the Company) (ASX: AGS) advises that Trafford Resources Pty Ltd (“Trafford”), a wholly owned subsidiary of Tyranna Resources Ltd (“Tyranna”) has elected not to contribute to the Wilcherry Project Joint Venture (“WPJV”) approved Financial Year 2018 Programme and Budget (“FY2018 P&B”) for the period 1 July 2017 to 30 June 2018. The impacts of this decision are:

- Alliance’s wholly owned subsidiary, Alliance Craton Explorer Pty Ltd (“ACE”), expects to make up Trafford’s contribution shortfall to the FY2018 P&B*, as well as maintaining its own contribution. Accordingly, ACE’s interest in the WPJV Exploration Area is expected to increase from 51% to approximately 80% by 30 June 2018 (based on the FY2018 P&B forecast expenditure);
- The forecast total exploration expenditure for the FY2018 P&B that was approved at a recent WPJV Committee meeting is approximately \$3.2 million. ACE is able to meet this expenditure requirement from its current cash reserves; and
- Trafford’s interest in the WPJV Exploration Area is expected to reduce from 49% to approximately 20% by 30 June 2018 (based on the FY2018 P&B forecast expenditure).

Commenting on the decision by Trafford, Alliance Managing Director, Steve Johnston stated, “The Board and Management of Alliance remain confidently committed to the project and encouraged by its mineral potential. We thank Trafford for its contributions to date and look forward to a successful joint venture going forward.”

*Under the Joint Venture Agreement, ACE has 7 days to consider whether it will replace the contributions not being made by Trafford as the Diluting Joint Venturer and is expecting it will sole fund the FY2018 P&B.

For and on behalf of the Board.

Steve Johnston
Managing Director