

16 October 2018

ASX Code: AGS

ALLIANCE INCREASES INTEREST IN WILCHERRY PROJECT TO 79.01%

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 79.01% at 30 September 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 20.99%.

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

Steve Johnston
Managing Director

Peter Taylor
Investor Relations
0412 036 231
peter@nwrcommunications.com.au

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 79.01%), 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**.

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.