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## CHAIRMAN'S ADDRESS ANNUAL GENERAL MEETING

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On behalf of the Board of Directors, I would like to welcome you to the Alliance Resources Ltd Annual General Meeting for 2017.

It gives me great pleasure to present the 2017 Annual Report for Alliance Resources Limited (ASX: AGS), a year in which we have started a fresh chapter in our Company's life, switching our focus to a new project with strong potential and producing some exciting results to date.

Having disposed of our interest in the Four Mile Uranium Mine in 2015, we spent some time searching for a flagship asset with upside potential.

In September, we announced the acquisition of a 51% interest in the Wilcherry Project in South Australia from Trafford Resources Pty Ltd, a subsidiary of Tyranna Resources (ASX: TYX). This deal presented Alliance with an opportunity to lead a joint venture on an advanced project in the mineral-rich Gawler Craton that has been the subject of about \$55 million in exploration for the modest price of \$2 million. Our aim principally is to gain exposure to a gold project with near-term potential for mineral resources, as well as promising regional exploration potential for base metals. We acquired a 17.9% interest in TYX at the same time.

The Weednanna gold prospect has a strike length of 1.3km and some exceptionally high-grade zones that are open in at least one direction. Our approach is to systematically review past exploration and to initially focus on three high grade areas (Targets 1, 2 and 3) and to drill out those areas in sufficient detail to enable a mineral resource estimate to be established. Our results at Weednanna during the year included bonanza gold grades of:

49m @ 6.3 g/t Au from 45m (incl. 21m @ 10.7 g/t Au from 48m)  
14m @ 36.1 g/t Au from 118m (incl. 5m @ 95.6 g/t Au from 120m)  
16m @ 7.7 g/t Au from 81m (incl. 8m @ 12.9 g/t Au from 88m)  
60m @ 5.6 g/t Au from 47m (incl. 9m @ 15.6 g/t Au from 63m and 8m @ 13.4 g/t Au from 99m)

Recent follow-up drilling at Weednanna was completed in October-November and this has enhanced our understanding of the geology and the gold mineralisation. We are excited that the new Target 4 at Weednanna returned high grade gold intercepts including 16m @ 22.11 g/t and 4m @ 16.7 g/t. This confirms prospectivity at yet another target site at Weednanna. The potentially mineable "string of pearls" continues to develop with this discovery at Target 4, and may grow further as other targets are tested.

Alliance also drill tested the Zealous tin prospect and the Telephone Dam zinc-lead-silver prospect.

Alliance has several other projects in Western Australia's Eastern Goldfields which are prospective for gold and nickel. At the Nepean South Project, located southwest of Coolgardie, we have defined two large, coherent gold anomalies which are scheduled for aircore drilling in January 2018.

Steve Johnston will discuss these projects in more detail in his presentation.

Having completed two capital returns totalling 14 cents per share to our shareholders in recent years, Alliance remains well funded to advance its exploration projects in 2018.

We also completed a share consolidation based on one share for every four shares held. This was approved by shareholders at the 2016 AGM and completed in December. We believed this would put us on par with our peers in terms of issued capital and eliminate some of the disadvantages of having a large number of shares on issue.

I would like to thank our Shareholders for your support in these activities.

It has been my first full year as Alliance's Chairman, having taken over from John Dunlop in June 2016, and I thank my fellow Board members for their support over the past year. I also thank our Management team and staff for their efforts as we have worked to successfully shift Alliance's focus to new projects.

The year ahead holds plenty of promise for Alliance as we further explore the Wilcherry Project as well as others in our portfolio, and I look forward to sharing our successes with you.

**Ian Gandel**  
Chairman

## **About Alliance Resources**

Further information relating to the Company and its various mining and exploration projects can be found on the Company's website at [www.allianceresources.com.au](http://www.allianceresources.com.au).