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CHAIRMAN'S ADDRESS ANNUAL GENERAL MEETING

It gives me great pleasure to present the 2018 Annual Report for Alliance Resources Limited (ASX: AGS) and update you on our progress over the past year.

Throughout the year our efforts have been focused on the Wilcherry Project Joint Venture in which we increased our interest as at 30 June 2018 to 75.01% (Tyranna Resources Ltd, 24.99%). I note that as announced in our recent quarterly report this is now 79.1% at 30 September 2018, and we expect to be at 83.6% by 30 June 2019 if we expend the full budget approved for the financial year.

Weednanna is the most advanced gold prospect at Wilcherry and is a shallow high-grade gold system under thin cover.

Post period, the delivery of a maiden Mineral Resource of 1.097Mt @ 5.1 g/t gold for 181,000 ounces was a significant milestone for the Company and confirms Weednanna as a quality gold deposit with outstanding economic potential.

The high-grade gold mineralisation at Weednanna is open at depth or down plunge and there is the potential for both extensions to existing gold shoots and for the discovery of new gold shoots within the immediate Mineral Resource area.

The maiden Mineral Resource is the first step towards establishing the Wilcherry Project area as an emerging gold-producing district in South Australia. We are excited not only by the commercial potential we see at Weednanna, but by the broader gold potential in the entire project area which has seen very little systematic historic gold exploration.

I would like to thank the Board of Directors for their guidance over the past year and our staff, contractors, Shareholders and stakeholders for their support. Special thanks and appreciation go to our Managing Director, Steve Johnston, and Exploration Manager, Anthony Gray, and his team under whose guidance we have refined the methods of exploration used to prove up this deposit, and also for drilling our graphite prospect post period (announced 4 October 2018)

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 on Alliance Resources Ltd please visit the Company's website at www.allianceresources.com.au.