

19 November 2008

ASX Code: **AGS**

By **E-Lodgement**

No. of pages: 2

CHAIRMAN'S ADDRESS – AGM – 19 NOVEMBER 2008

ON BEHALF OF THE BOARD OF DIRECTORS, I AM PLEASED TO REPORT THE PROGRESS OF THE COMPANY'S PROJECTS.

IT HAS BEEN A DIFFICULT YEAR FOR SMALL AND MID CAP RESOURCES COMPANIES IN AUSTRALIA. TOWARDS THE END OF 2007 WE RAISED ADDITIONAL CAPITAL AT A PRICE OF \$1.30 PER SHARE, ONLY TO SEE THE URANIUM PRICE DETERIORATE IN THE NEW YEAR ALONG WITH OUR SHARE PRICE, ASSOCIATED WITH UNPRECEDENTED MARKET INSTABILITY AND SUBSEQUENT BACKWARDATION OF THE RESOURCES MARKETS THROUGHOUT 2008.

I AM DELIGHTED THAT MR PATRICK MUTZ WILL BE JOINING THE BOARD IN AN EXECUTIVE ROLE AS MANAGING DIRECTOR FROM 1 DECEMBER 2008. PAT BRINGS CONSIDERABLE EXPERIENCE IN THE URANIUM INDUSTRY, WHICH WILL BE OF GREAT VALUE TO ALLIANCE AND THE BOARD. IN ADDITION, HIS PRIOR EXPERIENCE WITH BEVERLEY AND THE FOUR MILE DISCOVERY WILL BE OF GREAT BENEFIT IN TAKING THE FOUR MILE PROJECT FORWARD INTO PRODUCTION.

ALLIANCE'S CURRENT CEO STEVE JOHNSTON WILL REMAIN WITH ALLIANCE AS GENERAL MANAGER OF THE COMPANY'S 100% OWNED PROJECTS AS WELL AS PROVIDING A SUPPORTING ROLE TO MR MUTZ IN RELATION TO THE DEVELOPMENT OF THE FOUR MILE URANIUM PROJECT. THE ALLIANCE BOARD IS APPRECIATIVE OF THE VALUABLE CONTRIBUTION STEVE HAS MADE IN BUILDING UP ALLIANCE OVER THE PAST 5 YEARS AND FOR HIS SUPPORT OF THE APPOINTMENT OF MR MUTZ.

AT OUR FLAGSHIP FOUR MILE JOINT VENTURE IN SOUTH AUSTRALIA, SEVERAL MILESTONES WERE DELIVERED BY JOINT VENTURE PARTNER AND OPERATOR QUASAR RESOURCES PTY LIMITED.

QUASAR, HAS GIVEN NOTICE OF A DECISION TO MINE IN ACCORDANCE WITH THE EXPLORATION JOINT VENTURE AGREEMENT BETWEEN ALLIANCE AND QUASAR.

URANIUM CONCENTRATE PRODUCTION IS PROPOSED TO COMMENCE IN JANUARY 2010 AT A PROJECTED PRODUCTION RATE OF 2.6M LBS U3O8 PER ANNUM AND INCREASING TO 3M LBS U3O8 PER ANNUM WITHIN THREE MONTHS.

SUBJECT TO OBTAINING ALL NECESSARY REGULATORY APPROVALS, THE FEASIBILITY STUDY RECOMMENDS INITIAL DEVELOPMENT OF THE FOUR MILE PROJECT USING ISR METHODS, INVOLVING THE CONSTRUCTION OF A SATELLITE PRE-PROCESSING PLANT CLOSE TO THE FOUR MILE DEPOSITS TO RECOVER THE URANIUM, AND UTILIZING THE EXISTING BEVERLEY URANIUM PROCESSING FACILITY FOR FURTHER PROCESSING, DRYING AND PACKAGING OF URANIUM CONCENTRATE. USE OF THE BEVERLEY PLANT IS SUBJECT TO AN APPROPRIATE AGREEMENT ON COMMERCIAL TERMS WITH HEATHGATE RESOURCES PTY LTD, THE OWNER/OPERATOR OF THAT PLANT, AND THE QUASAR-ALLIANCE JOINT VENTURE.

DURING THE YEAR ALLIANCE ANNOUNCED AN EXPLORATION TARGET RANGE AT FOUR MILE EAST OF BETWEEN 30 MLB AND 47 MLB CONTAINED U3O8. THIS EXPLORATION TARGET RANGE IS IN ADDITION TO THE INFERRED MINERAL RESOURCE ESTIMATE AT FOUR MILE WEST OF 32 MLB CONTAINED U3O8. A MINING LEASE APPLICATION WAS LODGED OVER THE FOUR MILE DEPOSITS ON BEHALF OF THE JOINT VENTURE IN APRIL 2008

AT THE MALDON GOLD PROJECT IN VICTORIA, THE COMPANY ANNOUNCED THAT IT IS SUSPENDING UNDERGROUND DEVELOPMENT AT ALLIANCE SOUTH, IN LIGHT OF THE DETERIORATING GLOBAL CAPITAL MARKETS. THE BOARD CONSIDERS IT PRUDENT TO

PRESERVE THE COMPANY'S CASH RESERVES IN PREPARATION FOR THE UPCOMING DEVELOPMENT OF THE FOUR MILE URANIUM PROJECT.

WITH THIS PRIORITY IN MIND, THE DEVELOPMENT OF THE MALDON GOLD PROJECT WILL BE SUSPENDED AND, BY AGREEMENT WITH THE MINING CONTRACTOR AVKO, THE PROJECT WILL COMMENCE A PERIOD OF CARE AND MAINTENANCE, FOLLOWING A CAREFULLY MANAGED AND MONITORED PROCESS. THE UNDERGROUND WORKINGS AND THE TREATMENT PLANT WILL BE FULLY MAINTAINED DURING THIS PERIOD OF CARE AND MAINTENANCE, WITH THE UNDERGROUND WORKINGS REMAINING TO BE DEWATERED AND MONITORED, WITH THE POTENTIAL FOR FURTHER EXPLORATION TO BE UNDERTAKEN FROM THE DECLINE WORKINGS., SHOULD BE LESS THAN 5 YEARS FROM DISCOVERY, WHICH WILL BE A COMMENDABLE ACHIEVEMENT BY QUASAR.

AT MALDON IN VICTORIA, WHERE WE ARE DEVELOPING ACCESS TO TRIAL MINE THE ALLIANCE SOUTH GOLD LODE,

ALLIANCE IS CURRENTLY DRILLING AT ITS WARRINA PROJECT IN SOUTH AUSTRALIA TO TEST FOR AN OLYMPIC DAM-STYLE COPPER-GOLD DEPOSIT. STEVE WILL HAVE FURTHER INFORMATION ABOUT THE PROGRESS OF THIS DRILLING IN HIS PRESENTATION.

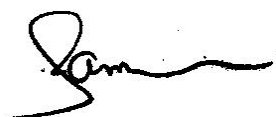
ALLIANCE HAS ALSO ACQUIRED A STRATEGIC LAND HOLDING NEAR BROKEN HILL, NEW SOUTH WALES, WHICH MANAGEMENT CONSIDERS AS UNDER EXPLORED BUT HIGHLY PROSPECTIVE. A REGIONAL GEOPHYSICAL SURVEY HAS BEEN COMPLETED TO ASSIST WITH TARGET GENERATION.

ON BEHALF OF THE BOARD OF DIRECTORS, WE THANK THE CONTRIBUTIONS OF ALL STAFF AND THE SUPPORT OF STAKEHOLDERS AND LOOK FORWARD TO PRODUCTION FROM OUR URANIUM JOINT VENTURE IN SOUTH AUSTRALIA.

- END -

About Alliance Resources

Further information relating to the Company and its various exploration projects can be found on the Company's website at www.allianceresources.com.au



Ian Pamensky
Company Secretary

The information in this report that relates to uranium Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Andrew Bowden who is a Chartered Geologist and Fellow of the Geological Society of London, a Recognised Overseas Professional Organisation included in a list promulgated by the ASX from time to time. Mr Andrew Bowden is employed by GeoDec Consulting and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Andrew Bowden consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

All other information in this report, including future proposals for development of the Four Mile Project and the information relating to Exploration Results, Mineral Resources or Ore Reserves for copper and gold is based on information compiled by Mr Stephen Johnston who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Johnston is a full-time employee of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Johnston consents to the inclusion in the report of the matters based on his information in the form and context in which it appears