

21 September 2009

## DEVELOPMENT SCHEDULE UPDATE FOR FOUR MILE URANIUM PROJECT IN SOUTH AUSTRALIA

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- Alliance's Joint Venture partner and project manager Quasar Resources declares delay in development of Four Mile Uranium Project
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### Four Mile Project Development Timeline

Alliance Resources Limited ("Alliance") (ASX code: **AGS**) has been informed by joint venture partner and manager Quasar Resources Pty Ltd ("Quasar") that the schedule for commissioning of the Four Mile Uranium Project in South Australia has been delayed to April 2010 or beyond.

The delay is due to Quasar's inability to begin on-site construction at Four Mile and placing project development activities on hold due to a delay in the grant of a mining lease. The offer of a mining lease by PIRSA is pending registration of the Native Title Mining Agreement (NTMA) covering the Four Mile uranium mine.

Alliance continues to work to progress the registration of the NTMA and subsequent grant of the mining lease.

For further information regarding this announcement, contact:

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### About Alliance Resources

The Four Mile Joint Venture Area is located 550 kilometres north of Adelaide in South Australia. Alliance holds a 25% participating interest in the joint venture. Quasar Resources Pty Ltd (Quasar), an affiliate of Heathgate Resources Pty Ltd (Heathgate), which owns and operates the Beverley Uranium Mine located 8 kilometres southeast of the Four Mile Joint Venture Area, holds a 75% interest in the joint venture and is the manager of the project.

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In September 2008, Quasar Resources notified Alliance of its “decision to mine” and provided Alliance with a feasibility study recommending uranium mining using ISR technology, with production then anticipated to commence in early 2010 at a projected rate of 2.6 Mlb U<sub>3</sub>O<sub>8</sub> per annum, increasing to 3 Mlb U<sub>3</sub>O<sub>8</sub> per annum within three months.

The combined mineral resource inventory for Four Mile East and West deposits is 61 million pounds U<sub>3</sub>O<sub>8</sub> (28,000 tonnes) at an average grade of 0.35% (3,500 ppm) U<sub>3</sub>O<sub>8</sub>, with a further increase in the resource inventory anticipated in the fourth quarter 2009.

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

## **Compliance Statement**

The information in this report that relates to Mineral Resources is based on information compiled by Mr K Bampton who is a Corporate member of both the Australian Institute of Geoscientists and The Australasian Institute of Mining & Metallurgy. Mr Bampton trades as Ore Reserve Evaluation Services. Mr Bampton has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to 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 Bampton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.