

22 October 2009

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## NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

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The annual general meeting will be held:

- at Level 41, 600 Bourke Street, Melbourne 3000;
- on 25 November 2009 at 11.00am.

Yours faithfully

**Ian Pamensky**  
**Company Secretary**  
**ALLIANCE RESOURCES LIMITED**

Email: [info@allianceresources.com.au](mailto:info@allianceresources.com.au)

### 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](http://www.allianceresources.com.au).



# ALLIANCE RESOURCES LIMITED

ABN 38 063 293 336

('Alliance' or 'Company')

## NOTICE OF ANNUAL GENERAL MEETING and EXPLANATORY STATEMENT

### THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR ATTENTION

If you are in any doubt as to how to deal with it,  
please consult your financial or other professional adviser.

#### The annual general meeting will be held:

- at HWL Ebsworth Lawyers, Level 41, 600 Bourke Street, Melbourne;
- on 25 November 2009 at 11.00am.

#### You can vote by:

- attending and voting at the meeting; or
- appointing someone as your proxy to attend and vote at the meeting on your behalf, by completing and returning the proxy form to Alliance in the manner set out in section 6(a) of this notice of meeting. The proxy form (and any power of attorney under which it is signed) must be received by Alliance no later than 11.00am on 23 November 2009. Any proxy form received after that time will not be valid for the meeting.

**ALLIANCE RESOURCES LIMITED**  
**ABN 38 063 293 336**

**NOTICE OF ANNUAL GENERAL MEETING**

The annual general meeting of the shareholders of **Alliance Resources Limited** will be held:

- on **Wednesday, 25 November 2009**
- at **11.00am**
- at **HWL Ebsworth Lawyers, Level 41, 600 Bourke Street, Melbourne**

**1. RESOLUTIONS**

**A. Financial statements and reports**

To table the following statements and reports and provide shareholders with the opportunity to raise any issues or ask questions generally of the directors concerning those financial statements or the business operations of the Company:

- (a) the financial report of the Company and of the controlled entities for the year ended 30 June 2009;
- (b) the directors' report; and
- (c) the independent auditor's report thereon.

**B. Ordinary resolutions**

To consider and, if thought fit, to pass the following Resolutions each as ordinary resolutions:

**Resolution 1: Adoption of Remuneration Report**

*"THAT the Remuneration Report for the year ended 30 June 2009 be adopted by the Company."*

**Resolution 2: Re-election of Director**

*"THAT Mr Tony D. Lethlean, a Director retiring by rotation in accordance with rule 58.1 of the Company's Constitution, being eligible for re-election and having signified his candidature for the office, be re-elected as a Director of the Company."*

**Resolution 3: Ratification of previous share placement**

*"THAT for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders approve and ratify the allotment and issue of 41,077,000 fully paid ordinary shares at \$0.68 each on 3 June 2009 to institutional and sophisticated investors, for the purposes and on the terms set out in the Explanatory Statement which accompanies this notice convening the meeting."*

**Resolution 4: Increase in Directors' Fees**

*"THAT for the purposes of ASX Listing Rule 10.17, clause 61.1 of the Company's constitution and for all other purposes, the maximum sum that may be collectively paid to the Non-Executive Directors of the Company as fees for their services as Directors be increased from \$250,000 per annum to \$400,000 per annum for the period commencing 1 July 2009."*

**2. VOTING RESTRICTIONS**

For the purposes of ASX Listing Rule 7.5, the Company will disregard any votes cast on Resolution 3 by any person who participated in the issue, or any associate of the aforementioned persons.

The Company will disregard any votes cast on Resolution 4 by:

- (a) a director of the Company; and
- (b) an associate of that person.

However, the Company need not disregard a vote in respect of Resolutions 3 or 4 if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### **3. VOTING ENTITLEMENT**

The Company has determined, in accordance with Regulation 7.11.37 of the *Corporations Regulations 2001*, that the Company's shares quoted on ASX Limited at 7.00pm AEST on 23 November 2009 will be taken for the purpose of the annual general meeting to be held by the persons who held them at that time. Accordingly, those persons will be entitled to attend and vote (if not excluded) at the meeting.

### **4. HOW TO VOTE**

Shareholders entitled to vote at the Annual General Meeting may vote by attending the Meeting in person, by attorney or proxy or, in the case of corporate shareholders, by a corporate representative.

### **5. VOTING IN PERSON OR BY ATTORNEY**

Shareholders or their attorneys wishing to vote in person should attend the Meeting. Persons are asked to arrive at least 30 minutes prior to the time the Meeting is to commence, so that their shareholding may be checked against the register and their attendance recorded. Shareholders intending to attend the Meeting by attorney must ensure that they have, not later than 48 hours prior to the time the Meeting is to commence, provided the original or a certified copy of the power of attorney to the Company, in the same manner prescribed below for the giving of proxy forms to the Company.

### **6. VOTING BY PROXY**

- (a) Shareholders wishing to vote by proxy must complete, sign and deliver the enclosed personalised proxy form or forms, in accordance with the instructions on the form, prior to 11.00 am Melbourne time on 23 November 2009 by:
  - Post in the reply paid envelope provided to Computershare Investor Services Pty Limited, GPO Box 242 Melbourne, Victoria 3001 Australia
  - Hand delivery to: Alliance Resources Limited c/- Computershare Investor Services Pty Limited, 452 Johnston Street, Abbotsford, Victoria 3067 or
  - Fax to: Alliance Resources Limited C/- Computershare Investor Services Pty Limited on +61 3 9473 2555 (outside Australia) or 1800 783 447 (within Australia).
  - For Intermediary Online subscribers only (custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)
- (b) A shareholder who is entitled to vote at the meeting may appoint:
  - (1) one proxy if the shareholder is only entitled to one vote; or
  - (2) one or two proxies if the shareholder is entitled to more than one vote.
- (c) If a shareholder appoints one proxy, that proxy may vote on a show of hands. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
- (d) Where the shareholder appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not do so, each proxy may exercise one-half of the votes, and any fraction of votes will be disregarded.
- (e) A proxy need not be a shareholder of the Company. In the case of joint holders, all should sign the proxy form. In the case of corporations, proxies must be executed in accordance with the Corporations Act.
- (f) To be valid, a proxy form signed under a power of attorney must be accompanied by the signed power of attorney, or a certified copy of the power of attorney.
- (g) If the abstention box on the proxy form for the item of business is marked, the proxy will be directed not to vote on a show of hands or on a poll and the relevant shares will not be counted in calculating the required majority on a poll. If no box is marked, the proxy will not be directed as to how to vote and may vote as he or she thinks fit.

- (h) If the proxy form is signed by the shareholder but does not name the proxy or proxies in whose favour it is given, or the proxy does not attend the Annual General Meeting, the chairperson of the Meeting may either act as proxy or complete the proxy by inserting the name of one or more Directors or the Company Secretary.
- (i) The chairperson of the Annual General Meeting intends to vote all undirected proxies from shareholders (who are eligible to vote in favour of the Resolutions) in favour of the Resolutions to be voted on at the Annual General Meeting. The chairperson will not vote any undirected proxies from shareholders ineligible to vote in favour of the Resolutions.
- (j) If you require an additional proxy form, the Company will supply it on request to the undersigned.

## **7. VOTING BY CORPORATE REPRESENTATIVE**

Corporate shareholders wishing to vote by corporate representative should:

- (a) obtain an appointment of corporate representative form from the Registry;
- (b) complete and sign the form in accordance with the instructions on it; and
- (c) bring the completed and signed form with them to the Annual General Meeting.

**DATED** 22<sup>nd</sup> October 2009

By order of the Board.



**Ian Pamensky**  
**Company Secretary**

**ALLIANCE RESOURCES LIMITED**  
**ABN 38 063 293 336**

**EXPLANATORY STATEMENT**

**1. INTRODUCTION**

The purpose of this Explanatory Statement is to provide shareholders with an explanation of the business of the meeting and the Resolutions proposed to be considered at the Annual General Meeting on **25 November 2009** and to assist shareholders in determining how they wish to vote on those Resolutions. This Explanatory Statement should be read in conjunction with the Notice of Meeting and forms part of the Notice of Meeting.

**2. BUSINESS OF THE MEETING - SUMMARY**

a. To table the financial statements of the Company for the period ended 30 June 2009 and to give the shareholders the opportunity to raise issues and ask questions generally concerning the financial statements or business operations of the Company.

b. To consider and vote on the following ordinary resolutions:

*Resolution 1 - to adopt the Remuneration Report;*

*Resolution 2 - to re-elect Mr Tony D. Lethlean as a Director;*

*Resolution 3 - to ratify a previous placement of shares;*

*Resolution 4 - to approve an increase in aggregate amount of fees for non-executive directors.*

**3. WHY THE MEETING IS BEING HELD**

**a. Financial Statements and Reports**

The Board is required to lay before the meeting the financial statements, Directors' report and independent auditor's report for the year ended 30 June 2009.

Copies of the Annual Report for the period ended 30 June 2009 are being despatched to shareholders with this Notice of Meeting on or about 22 October 2009.

Shareholders can also request additional copies of the Annual Report by telephoning the Company Secretary, Mr Ian Pamensky on (+61 3) 9697 9090.

The chairperson of the meeting will take shareholders' questions and comments about the management of the Company. The auditor of the Company will be available to take shareholders' questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements or the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the meeting, written questions to the auditor about the content of the auditor's report or the conduct of the audit of the annual financial report to be considered at the meeting may be submitted not later than five business days before the meeting to:

The Company Secretary  
Alliance Resources Limited  
Suite 3, 51-55 City Road  
Southbank Victoria 3006

Facsimile: +61 3 9697 9091

E-mail: [ianp@allianceresources.com.au](mailto:ianp@allianceresources.com.au)

Copies of any questions received will be made available at the meeting. The chairperson of the meeting will allow the auditor to answer written questions submitted to the auditor before the meeting. If the auditor has prepared a written answer to a question, the chairperson of the meeting may permit the auditor to table that written answer. A written answer tabled at the meeting will be made reasonably available to shareholders as soon as practicable after the meeting.

Shareholders are not required to pass any resolution in relation to the financial statements and reports (other than Resolution 1 being the adoption of the Remuneration Report for the year ended 30 June 2009).

**b. Resolution 1 – Adoption of Remuneration Report for year ended 30 June 2009**

The Directors' report in the Annual Report for the year ended 30 June 2009 contains (in a separate and clearly defined section) a Remuneration Report which sets out the remuneration policy of the Company and reports the remuneration arrangements in place for specified executives and the Directors of the Company (all of whom are non-executive Directors).

The Company is required by the *Corporations Act* to put to the vote at the annual general meeting a resolution that the Remuneration Report be adopted. The Company is also required to inform shareholders in the notice of the annual general meeting that a resolution to this effect will be put at the meeting.

Before calling for votes in relation to this Resolution 1, the Chairman of the meeting will allow a reasonable opportunity for the shareholders present to ask questions about, or make comments on, the Remuneration Report.

It should be noted that, in accordance with section 250R(3) of the *Corporations Act*, the vote on this Resolution 1 is advisory only and does not bind the Directors or the Company. Accordingly, the Company will not be required to alter any arrangements detailed in the Remuneration Report, should the Report not be adopted. However, notwithstanding the strict legal position, the Board has determined that it will take the outcome of the vote into account when considering the remuneration practices and policy of the Company.

*The Directors make no voting recommendation to shareholders in relation to this Resolution.*

**c. Resolution 2 – Re-election of Mr Tony D. Lethlean as a Director**

Rule 58.1 of the Company's Constitution provides that at every annual general meeting one third of the Directors or, if their number is not a multiple of three, then the number nearest to but not more than one third of the Directors, must retire. The Directors retire by rotation, with the Director who has been the longest in office since being elected being the Director who must retire in any year. If two or more Directors were elected on the same day, they are required to agree among themselves or determine by drawing lots which of them must retire. Under Rule 58.4, a retiring Director is eligible for re-election as a Director at the annual general meeting at which he retires.

Mr Tony D. Lethlean has been a Director of the Company since 15 October 2003. He is a non-executive Director. Details of his experience and qualifications are set out on page 12 of the Annual Report.

Mr Lethlean will retire in accordance with the requirements of the Company's Constitution at the close of the annual general meeting. As he is entitled to, and is eligible for, re-election, he seeks re-election as a Director of the Company at the meeting.

*The Directors (other than Mr Lethlean) recommend that you vote in favour of this Resolution. Mr Lethlean makes no recommendation to shareholders.*

**d. Resolution 3 – Ratification of previous share placement**

ASX Listing Rule 7.1 requires that a listed company obtain shareholder approval prior to an issue of equity securities representing more than 15% of the issued capital of the company in any 12 month period. ASX Listing Rule 7.4 enables a company to restore its ability to issue securities within this 15% annual limit by obtaining shareholder ratification of an issue previously made within that limit.

Shareholder ratification pursuant to ASX Listing Rule 7.4 is now sought in respect of an issue of 41,077,000 fully paid ordinary shares at \$0.68 each on 3 June 2009. The issue of the 41,077,000 shares did not breach Listing Rule 7.1.

Outlined below is the information required to be provided to shareholders pursuant to ASX Listing Rule 7.5 for the purpose of obtaining Shareholder ratification under ASX Listing Rule 7.4 of the issue of the shares on 3 June 2009:

- 1) a total of 41,077,000 fully paid ordinary shares were issued;
- 2) the shares were issued at an issue price of \$0.68 each;
- 3) the shares are fully paid ordinary shares and rank *pari passu* in all respects with the Company's existing ordinary shares;
- 4) the shares were issued to sophisticated and professional investor clients of Helmsec Global Capital Limited and Bell Potter Securities Limited. None of the sophisticated and professional investor clients were related parties of Alliance; and

- 5) the proceeds from the approximate \$27.9 million capital raising were primarily utilised toward the Company's equity share of development and operating costs at the Four Mile Uranium Mine joint venture project in South Australia, on-going exploration commitments at the Company's other projects and corporate administrative costs.

*The Directors recommend that shareholders vote in favour of this Resolution.*

**e. Resolution 4 – Increase in the remuneration of the Non-Executive Directors**

Clause 61.1 of the Company's constitution provides that Directors (other than Executive Directors) may collectively be paid for their services as Directors a fixed sum not exceeding the aggregate maximum sum from time to time determined by the shareholders in general meeting and clause 61.3 provides that the aggregate maximum sum is to be divided among the Non-Executive Directors in such proportion and manner as the Directors agree and, in default of agreement, equally. Clause 61.2 provides that the notice calling a general meeting at which it is proposed that shareholders approve an increase of the aggregate maximum sum must state the amount of the increase and the aggregate maximum sum, and any other matters required by the ASX Listing Rules.

ASX Listing Rule 10.17 requires shareholder approval to increase the total amount of Directors' fees, and states that the notice of meeting must include the amount of the increase, the maximum amount that may be paid to the Directors as a whole and a voting exclusion statement.

The level of Directors' fees was last determined by shareholders on 23 November 2006 when an aggregate amount of \$250,000 per annum was approved.

At present, the Chairman of the Board receives a fee of \$70,000 per annum for his services as a Director and each of the other Non-Executive Directors receives a fee of \$50,000 per annum for their services as a Director. In addition, each of the Non-Executive Directors are separately remunerated for the provision of additional services to the Company. Full details of the remuneration of the Directors are included in the Remuneration report the subject of Resolution 1 above.

The proposed Resolution seeks to increase, by \$150,000 per annum to \$400,000 per annum, the maximum amount of fees payable to the Non-Executive Directors of the Company for their services as Directors.

The proposed increased maximum amount will provide a sufficient facility should the Board seek to appoint further Non-Executive Directors in the future. Further, it would provide flexibility to remunerate the Non-Executive Directors as their roles expand with the additional responsibilities involved as the Company moves towards becoming a mineral producer as well as a mineral explorer (including, for example, responsibilities from being involved in various sub-committees of the Board).

After taking into account current industry standards, the Board considers the proposed increase to be reasonable in the view of the increasing burden of legal duties and potential liabilities of directors of public companies and the ability for the Company to attract additional directors with suitable credentials.

*The Directors do not make any recommendation as to how you should vote on this Resolution.*

**4. QUERIES**

If you have any queries about the meeting, the Resolutions to be put to the meeting or the proposals being considered, please contact the Company Secretary, Mr Ian Pamensky, on (03) 9697 9090 or by email [ianp@allianceresources.com.au](mailto:ianp@allianceresources.com.au)



000001 000 AGS  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Lodge your vote:



### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

### For all enquiries call:

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

## Proxy Form

 **For your vote to be effective it must be received by 11.00am Monday, 23rd November 2009**

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.computershare.com](http://www.computershare.com).

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Turn over to complete the form** →



View your securityholder information, 24 hours a day, 7 days a week:

**[www.investorcentre.com](http://www.investorcentre.com)**

- Review your securityholding
- Update your securityholding

#### Your secure access information is:

SRN/HIN: I999999999



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark  to indicate your directions

### STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Alliance Resources Limited hereby appoint

the Chairman of the Meeting **OR**



**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Alliance Resources Limited to be held at HWL Ebsworth Lawyers, Level 41, 600 Bourke Street, Melbourne on Wednesday, 25th November 2009 at 11.00am and at any adjournment of that meeting.

**Important for Item 4:** If the Chairman of the Meeting is your proxy and you have not directed him/her how to vote on Item 4 below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Item 4 and your votes will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of item 4 of business.

I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if he/she has an interest in the outcome of that Item and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

### STEP 2 Items of Business



**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Director - Mr Tony D. Lethlean	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Ratification of previous share placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Increase in Directors' Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

### SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name \_\_\_\_\_

Contact Daytime Telephone \_\_\_\_\_

Date \_\_\_\_/\_\_\_\_/\_\_\_\_

000001 000 AGS  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

Dear Securityholder,

We have been trying to contact you in connection with matters arising from your securityholding in Alliance Resources Limited. Unfortunately, our correspondence has been returned to us marked "Unknown at the current address". For security reasons we have flagged this against your securityholding which will exclude you from future mailings, other than notice of meeting.

We value you as a securityholder and request that you supply your current address so that we can keep you informed about our Company. Where the correspondence has been returned to us in error we request that you advise us of this so that we may correct our records.

You are requested to include the following;

- > Security Reference Number (SRN);
- > ASX trading code;
- > Name of company in which security is held;
- > Old address; and
- > New address.

Please ensure that the notification is signed by all holders and forwarded to our Share Registry at:

Computershare Investor Services Pty Limited  
GPO Box 2975  
Melbourne Victoria 3001  
Australia

Note: If your holding is sponsored within the CHESS environment you need to advise your sponsoring participant (in most cases this would be your broker) of your change of address so that your records with CHESS are also updated.

Yours sincerely



**Ian Pamensky**  
Company Secretary