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## FOUR MILE PROJECT - UPDATE

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Alliance Resources Limited (**Alliance**), through its wholly owned subsidiary, Alliance Craton Explorer Pty Ltd (**ACE**), today issued proceedings in the Federal Court of Australia in South Australia against Quasar Resources Pty Ltd (**Quasar**) and Heathgate Resources Pty Ltd (**Heathgate**) for an order, by way of pre-action discovery, giving ACE access to books, records and agreements pertaining to the Four Mile Joint Venture with which ACE and Quasar are involved.

On 9 October 2009 ACE formally requested Quasar and Heathgate to provide ACE with access to joint venture documentation. While Quasar agreed to provide copies of some records, Quasar's response was inadequate as Alliance believes that it should be permitted to have access to all joint venture documentation. Heathgate, which Alliance believes holds joint venture documents in its capacity as "proposed mine manager", elected not to respond to the request at all.

Alliance has consistently reserved its rights with respect to cash calls issued by Quasar. It is anticipated that access to the joint venture books, records and agreements is essential for enabling Alliance and ACE to understand the original and revised programmes and budgets for the Joint Venture – something that has to date been denied to Alliance and to ACE.

**For further information regarding this announcement, contact:**

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### **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).