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CHAIRMAN'S ADDRESS – AGM – 25 NOVEMBER 2009

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

THIS YEAR HAS SEEN THE GLOBAL FINANCIAL CRISIS UNDERMINING THE SHARE PRICE OF ALL LISTED COMPANIES. ALLIANCE HAS NOT BEEN IMMUNE TO THIS EXTERNAL INFLUENCE.

DESPITE THE VOLATILE SHARE MARKET THE COMPANY WAS SUCCESSFULLY ABLE TO RAISE FUNDS OF \$44.7MILLION. THIS HAS PUT ALLIANCE IN A VERY STRONG FINANCIAL POSITION TO MEET DEVELOPMENT AND OPERATIONAL COSTS OF THE FOUR MILE URANIUM PROJECT.

THE BOARD WAS PLEASED, DURING THE REPORTING PERIOD, TO WELCOME PATRICK MUTZ AS MANAGING DIRECTOR. PATRICK HAS BEEN AN INVALUABLE ADDITION TO THE MANAGEMENT OF THE COMPANY.

DURING THE YEAR THE BOARD HAS CONTINUED TO FOCUS ON THE DEVELOPMENT OF THE FOUR MILE PROJECT. TO THIS END, THE DECISION WAS MADE TO SELL THE MALDON GOLD PROJECT ENABLING THE BOARD TO FOCUS ITS EFFORTS IN THE URANIUM INDUSTRY. AS ANNOUNCED, THE COMPANY HAS SIGNED AN AGREEMENT UNDER WHICH DRUMMOND GOLD LIMITED WILL ACQUIRE THE MALDON PROJECT.

IN JULY OF THIS YEAR THE HON. PETER GARRETT MP, MINISTER FOR THE ENVIRONMENT, HERITAGE AND THE ARTS ANNOUNCED THAT THE AUSTRALIAN GOVERNMENT HAD APPROVED THE FOUR MILE URANIUM PROJECT. HOWEVER, AS YOU WILL HAVE SEEN THROUGH RECENT COMPANY ANNOUNCEMENTS, THE FOUR MILE PROJECT IS NOT WITHOUT ITS CHALLENGES AND MR PATRICK MUTZ, THE MANAGING DIRECTOR, WILL ADDRESS THESE ISSUES AND GIVE AN UPDATE ON THE FOUR MILE PROJECT AT THE COMPLETION OF THE FORMAL PROCEEDINGS OF THE AGM.

AS ANNOUNCED, ALLIANCE RECENTLY COMMENCED SEVERAL LEGAL PROCEEDINGS AGAINST QUASAR RESOURCES IN RELATION TO THE NATIVE TITLE AGREEMENT (WHICH SUBSUMES THE BEVERLEY MINE'S EXISTING AGREEMENT) AND TO OBTAIN ACCESS TO JOINT VENTURE RECORDS.

THE PURPOSE OF THE FIRST ACTION IS TO PLACE ALLIANCE, AT NEARLY AS POSSIBLE WITHOUT REOPENING NEGOTIATIONS WITH THE NATIVE TITLE PARTY, IN THE POSITION IT WOULD HAVE BEEN IN HAD THE AGREEMENT ONLY RELATED TO FOUR MILE.

THE PURPOSE OF THE SECOND ACTION IS TO OBTAIN ACCESS TO RECORDS TO ENABLE ALLIANCE TO ASCERTAIN WHETHER CASH CALLS MADE ON ALLIANCE ACCORD WITH THE JOINT VENTURE AGREEMENT.

NOTWITHSTANDING THESE ACTIONS, THE COMPANY REMAINS COMMITTED TO THE FOUR MILE PROJECT COMING ON STREAM AT THE EARLIEST POSSIBLE OPPORTUNITY.

THE COMPANY HAS RECEIVED SOME CRITICISM OVER ITS LACK OF INDEPENDENT DIRECTORS AND THE LACK OF A REMUNERATION AND NOMINATION COMMITTEE. AS REPORTED IN OUR ANNUAL REPORT THE REMUNERATION AND NOMINATION COMMITTEES HAVE NOW BEEN ESTABLISHED AND THE CHARTERS FOR BOTH OF THESE COMMITTEES CAN BE FOUND ON THE COMPANY'S WEB SITE. THE DIRECTORS ARE ADDRESSING THE LACK OF INDEPENDENCE. ONE STEP TOWARDS THIS WAS THAT DURING THE YEAR NO NON-EXECUTIVE DIRECTOR HAS RECEIVED SHARE OPTIONS. THE BOARD HAS ALSO RECOMMENDED THE RAISING OF THE FEE CAP THEREBY INCREASING THE COMPANY'S ABILITY TO ATTRACT ONTO THE BOARD INDEPENDENT NON-EXECUTIVE DIRECTORS OF THE APPROPRIATE CALIBRE. THE DIRECTORS ARE COMMITTED TO ENSURE THE HIGHEST STANDARDS OF CORPORATE GOVERNANCE GIVEN THE SIZE OF THE COMPANY.

ON BEHALF OF THE BOARD OF DIRECTORS, WE ACKNOWLEDGE THE CONTRIBUTIONS OF ALL STAFF AND THE CONTINUING SUPPORT OF STAKEHOLDERS.

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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.



Ian Pamensky
Company Secretary