

19 March 2010

Company Announcements Office  
ASX Limited  
Exchange Plaza,  
2 The Esplanade,  
Perth, WA, 6000

Dear Sir

**Re: AMENDMENT TO TECHNICAL INFORMATION INCLUDED IN THE HALF YEAR FINANCIAL REPORT 31 DECEMBER 2009**

Below is an expanded version of the section contained in the Half Year Financial Report 31 December 2009 under the sub-heading "Mineral Resources".

**Mineral Resources**

On 27 January 2010, (post reporting), Alliance Resources Limited (Alliance) announced that the total inferred + indicated mineral resource estimate for the Four Mile Uranium Project had increased by more than 16% to 9.8 million tonnes @ 0.33% uranium oxide (U<sub>3</sub>O<sub>8</sub>) containing 71 million lb of U<sub>3</sub>O<sub>8</sub>, classified in accordance with the JORC Code.

This 16% increase in the total resource base is due to an updated inferred + indicated mineral resource estimate for the Four Mile West (FMW) deposit of 5.7 million tonnes @ 0.33% uranium oxide (U<sub>3</sub>O<sub>8</sub>) containing 42 million lb of U<sub>3</sub>O<sub>8</sub>. Refer Table 1.

**Table 1 - Four Mile Uranium Project - Mineral Resource Estimate\***

Deposit	GT Cut-off %	Ore Mass tonnes	U <sub>3</sub> O <sub>8</sub> %	U <sub>3</sub> O <sub>8</sub> Tonnes	U <sub>3</sub> O <sub>8</sub> Mlb	JORC Classification
Four Mile West	0.10	4,100,000	0.34	14,000	32	Indicated
Four Mile West	0.10	1,500,000	0.31	4,700	9	Inferred
<b>Four Mile West</b>	<b>0.10</b>	<b>5,700,000</b>	<b>0.34</b>	<b>19,000</b>	<b>42</b>	
<b>Four Mile East</b>	<b>0.10</b>	<b>4,100,000</b>	<b>0.31</b>	<b>13,000</b>	<b>29</b>	Inferred
<b>TOTAL</b>	<b>0.10</b>	<b>9,800,000</b>	<b>0.33</b>	<b>32,000</b>	<b>71</b>	

\*These estimates are classified in accordance with the Joint Ore Reserves Committee Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2004 edition) (JORC Code). Minor apparent multiplication mismatches are due to post-computational rounding of all entries to 2 significant figures.

**Background:** An initial Inferred mineral resource of 3.9 million tonnes @ 0.37% uranium oxide (U<sub>3</sub>O<sub>8</sub>) containing 32 million lb of U<sub>3</sub>O<sub>8</sub> was announced for FMW on 8 May 2007, when drill spacing was approximately 100 m square. Subsequently, an initial Inferred mineral resource of 4.1 million tonnes @ 0.31% U<sub>3</sub>O<sub>8</sub> containing 29 million lb of U<sub>3</sub>O<sub>8</sub> was announced for **Four Mile East (FME)** on 25 June 2009, when drill spacing for that deposit was in the range 50-100 m square. With approximate doubling of defining drill holes at FMW from 200 to 400, including both expansion to the west and significant infill, it was considered appropriate to update the FMW deposit estimate.

Resource estimates were made at a number of grade x thickness (GT) cut-offs, applied to drill intercepts of 0.5 m minimum thickness and 0.05% minimum U<sub>3</sub>O<sub>8</sub> grade, with up to 1 m of internal dilution allowed. The intercept parameters are the same as those used for prior resource estimates at FMW/FME and similar to those used at Beverley, but varied slightly to match the individual geometry of these deposits.

For 0.10 m%U<sub>3</sub>O<sub>8</sub> GT cut-off, the total updated *Inferred and Indicated Mineral Resource* at FMW is:

**5.7 million tonnes @ 0.34% U<sub>3</sub>O<sub>8</sub> containing 19,000 t (42 million lb) of U<sub>3</sub>O<sub>8</sub> at 1.9 m average thickness and 0.65 m%U<sub>3</sub>O<sub>8</sub> GT in each of two superposed layers.** A dry bulk density of 1.85t/m<sup>3</sup> was used for the conversion of volume to tonnes.

All mineral resource estimates to-date at Four Mile have been addressed as amenable to In Situ Recovery (ISR) as the only mining method. However, at FMW, additional mineralization has been identified above or within about 20m of the water table in the western area, which has the potential to add to the FMW mineral resources, if this mineralisation is proved recoverable by ISR or mineable by other means.

Significant potential exists for expansion of the mineral resource base with further evaluation and estimation of a mineral resource for the western area mineralisation at FMW and with additional drilling, at:

- FMW where mineralization remains open to west with several hundred metres of untested ground to a sub vertical faulted contact with outcropping crystalline basement
- FME where mineralisation remains open to the west and northeast, and
- Approximately 30 kilometres of largely untested range-front within joint venture tenement where the younger cover sequences contact the crystalline basement

## Competent Person's Statement

The information in this report that relates to Mineral Resources for the Four Mile Uranium project is based on information compiled by Mr Ken 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.

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).

**Steve Johnston**  
Chief Executive Officer