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SOUTH AUSTRALIAN GOVERNMENT ANNOUNCEMENT OF ARKARoola PROTECTION AREA DOES NOT AFFECT FOUR MILE

The Premier of South Australia, the Hon Mike Rann MP, last Friday announced the establishment of the Arkaroola Protection Area (Area) that will, as a first step, be reserved from operation under the South Australian Mining Act by proclamation. In due course it is proposed to enact legislation protecting the Area and an application for World Heritage Listing will follow.

As a consequence, future exploration and mining titles will not be granted in the designated Area.

The Four Mile (both East and West) deposits and the area of the mining licence application are outside the Area and are not affected by this announcement.

However the Area does cover approximately 38% of exploration licence (EL) 3666 in which Alliance has a 25% interest. Based on the announcement, that area will not be available when EL 3666 is renewed late this year.

While Alliance is pleased that the Four Mile Project is unaffected, it is disappointed that it will be denied the opportunity to more fully explore a significant part of EL 3666 which is highly prospective for primary uranium, copper, gold, tin and base metals.

For and on behalf of the Board.

Steve Johnston
Chief Executive Officer

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.