

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public. Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

**ALLIANCE RESOURCES LIMITED**

ABN

**38 063 293 336**

We (the entity) give ASX the following information.

### Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- |  |   |
|--|---|
| 1 +Class of +securities issued or to be issued   | ▪ Deferred Share Rights   |
| 2 Number of +securities issued or to be issued (if known) or maximum number which may be issued  | ▪ Deferred Share Rights means the right to be issued 59,735,223 fully paid ordinary shares in the Company or 14.9% of the issued shares in Alliance Craton Explorer Pty Ltd ( <b>ACE</b> ) (on a fully diluted basis) |
| 3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | ▪ Refer attached – <b>APPENDIX A</b>  |

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+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<ul style="list-style-type: none"> <li>• Shares issued as the result of the conversion of the Deferred Share Rights into ordinary shares in the company will rank equally with fully paid ordinary shares from the date of allotment</li> </ul>
<p>5 Issue price or consideration</p>	<ul style="list-style-type: none"> <li>• \$10</li> </ul>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<ul style="list-style-type: none"> <li>▪ As per ASX announcement of 23 May 2012, Deferred Share Rights Deed formalised and established the basis of the strategic alliance between ITOCHU Corporation<sup>1</sup> and the Company; and</li> <li>▪ Funds to be put towards the capital requirements of ACE and the Company in respect of the Four Mile Uranium Project.</li> </ul>
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<ul style="list-style-type: none"> <li>▪ 29 August 2012</li> </ul>

<sup>1</sup> ITOCHU Corporation is a *Fortune Global 500* company based in Japan.

+ See chapter 19 for defined terms.

8	Number and +class of all +securities quoted on ASX ( <i>including</i> the securities in clause 2 if applicable)	Number	+Class
		<ul style="list-style-type: none"> <li>341,172,309</li> </ul>	Fully paid ordinary shares
9	Number and +class of all +securities not quoted on ASX ( <i>including</i> the securities in clause 2 if applicable)	Number	+Class
		<ul style="list-style-type: none"> <li>1,000,000</li> </ul>	Managing Director's options exercisable at \$0.30 Expiry: 30 April 2014
		<ul style="list-style-type: none"> <li>1,000,000</li> </ul>	Managing Director's options exercisable at \$0.50 Expiry: 30 April 2015
		<ul style="list-style-type: none"> <li>Refer to clause 2 above</li> </ul>	Deferred Share Rights
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

## Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	<ul style="list-style-type: none"> <li>N/A</li> </ul>
12	Is the issue renounceable or non-renounceable?	<ul style="list-style-type: none"> <li>N/A</li> </ul>
13	Ratio in which the +securities will be offered	<ul style="list-style-type: none"> <li>N/A</li> </ul>
14	+Class of +securities to which the offer relates	<ul style="list-style-type: none"> <li>N/A</li> </ul>
15	+Record date to determine entitlements	<ul style="list-style-type: none"> <li>N/A</li> </ul>
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	<ul style="list-style-type: none"> <li>N/A</li> </ul>
17	Policy for deciding entitlements in relation to fractions	<ul style="list-style-type: none"> <li>N/A</li> </ul>

+ See chapter 19 for defined terms.

18	Names of countries in which the entity has +security holders who will not be sent new issue documents	<ul style="list-style-type: none"> <li>▪ N/A</li> </ul>
	<p>Note: Security holders must be told how their entitlements are to be dealt with.</p> <p>Cross-reference: rule 7.7.</p>	
19	Closing date for receipt of acceptances or renunciations	<ul style="list-style-type: none"> <li>▪ N/A</li> </ul>
20	Names of any underwriters	<ul style="list-style-type: none"> <li>▪ N/A</li> </ul>
21	Amount of any underwriting fee or commission	<ul style="list-style-type: none"> <li>▪ N/A</li> </ul>
22	Names of any brokers to the issue	<ul style="list-style-type: none"> <li>▪ N/A</li> </ul>
23	Fee or commission payable to the broker to the issue	<ul style="list-style-type: none"> <li>▪ N/A</li> </ul>
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	<ul style="list-style-type: none"> <li>▪ N/A</li> </ul>
25	If the issue is contingent on +security holders' approval, the date of the meeting	<ul style="list-style-type: none"> <li>▪ N/A</li> </ul>
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	<ul style="list-style-type: none"> <li>▪ N/A</li> </ul>
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	<ul style="list-style-type: none"> <li>▪ N/A</li> </ul>
28	Date rights trading will begin (if applicable)	<ul style="list-style-type: none"> <li>▪ N/A</li> </ul>
29	Date rights trading will end (if applicable)	<ul style="list-style-type: none"> <li>▪ N/A</li> </ul>
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	<ul style="list-style-type: none"> <li>▪ N/A</li> </ul>

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- 31 How do +security holders sell *part* of their entitlements through a broker and accept for the balance?  N/A
- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?  N/A
- 33 +Despatch date  N/A

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities  
(tick one)

(a)  Securities described in Part 1

(b)  All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37  A copy of any trust deed for the additional +securities

#### Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

+ See chapter 19 for defined terms.

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

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42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

Number	+Class

### Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and

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that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:  
Print name:

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

Date: 29 August 2012

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## APPENDIX A

### Principal terms of the securities

Under the Deferred Share Rights Deed, NURA 3 Pty Ltd (**NURA**) will be granted Deferred Share Rights which may be converted into 59,735,223 fully paid ordinary shares (**Shares**) in Alliance Resources Limited (**Company**) or a number of shares in Alliance Craton Explorer Pty Ltd (**ACE**) equal to 14.9% of the issued share capital in ACE (on a fully diluted basis).

#### (i) Conversion of Deferred Share Rights

The conversion of the Deferred Share Rights to Shares will occur 40 business days after NURA provides the Company with a notice of conversion. The notice may only be provided to the Company during the 6 months after the Four Mile Uranium Project Litigation is "finally determined". "Finally determined" means that the claims the subject of the current Federal Court litigation have been admitted or satisfied by the defendant, withdrawn by ACE and not reinstated, settled or a judgement has been delivered which is not appealable or reviewable.

#### (ii) The issue price of the securities and the conversion cost:

The consideration for the Deferred Share Rights is a subscription price of \$10 and the transfer of \$20,000,000 to the Company to be held in trust and applied in accordance with the Deferred Share Rights Deed.

The price for conversion of the Deferred Share Rights into Shares will be at a discount of 10% to the two month volume weighted average price (**VWAP**) of the Shares. For the purposes of calculating the two month VWAP per Share, the two month period will be the 2 months commencing 1 month after the date on which the Four Mile Uranium Project Litigation is finally determined.

#### (iii) Other key terms of the Deferred Share Rights:

- If there is a reorganisation of capital in the Company (such as a consolidation or subdivision of Shares), the Conversion Shares will be consolidated or subdivided (as applicable) in the same ratio and the price adjusted at the time of the reorganisation.
- Except in limited circumstances, the Deferred Share Rights may not be transferred without the prior consent of the Company.
- Except in limited circumstances, NURA may not dispose of any Shares to Quasar Resources Pty Ltd or Heathgate Resources Pty Ltd or a related body corporate of either of them.
- The Deferred Share Rights may only be exercised by NURA giving the Company written notice during the 6 months following the date the Four Mile Uranium Project Litigation is finally determined (**Conversion Period**) or with the consent of the Company if a takeover bid is made for the Company.
- NURA may redeem the Deferred Share Rights if:
  - (A) the Conversion Period has elapsed without NURA exercising the Deferred Share Rights; or
  - (B) the Four Mile Uranium Project Litigation has not been finally determined by 23 December 2015; or
  - (C) an event of default has occurred which entitles NURA to terminate the Deferred Share Rights Deed.
- The Company may redeem the Deferred Share Rights if:
  - (A) NURA increases its relevant interest in the Company to more than 5% of the total issued Shares other than through the conversion of the Deferred Share Rights; or



- (B) NURA makes a takeover offer for the Company; or
  - (C) NURA notifies the Company that it does not require the Deferred Share Rights to be converted into either shares in the Company or ACE; or
  - (D) an event of default has occurred which entitles the Company to terminate the Deferred Share Rights Deed.
- The Company must redeem the Deferred Share Rights if 6 months has elapsed after the Four Mile Uranium Project Litigation is finally determined and NURA has:
    - (A) notified the Company that it does not require the Deferred Share Rights to be converted; or
    - (B) not exercised its right to convert the Deferred Share Rights in accordance with the Deferred Share Rights Deed; or
    - (C) not elected to redeem the Deferred Share Rights in accordance with the Deferred Share Rights Deed.
  - Upon redemption of the Deferred Share Rights, the Company must return the \$20,000,000 payment (and any accrued interest) to NURA.