

21 February 2014

ALLIANCE RESOURCES LTD

ASX: AGS

ABN: 38 063 293 336

Market Cap: A\$58 M (A\$0.17)

Shares on issue: 341,172,309

Cash: \$22.6 M (31 Dec 2013)

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Projects:

Four Mile (25%): uranium

**East Frome: copper, base-
metals**

**Cabeza de Vaca, Chile:
copper-gold**

Share Registry:

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FOUR MILE PROJECT CONSTRUCTION STATUS

Alliance Resources Ltd advises the status of engineering and construction at the Four Mile Uranium Project.

The information set out below is taken from Quasar Resources Pty Ltd's (**Quasar's**) report to Alliance Craton Explorer Pty Ltd (**ACE**) for December 2013.

Pump installation into production wells at Four Mile East (**FME**) FME001 was completed and at FME002 was 50% completed. Surface infrastructure and development for wellfields FME001 and FME002 was 30% complete. Figure 1 shows installation of pipework from the wellhouses to the FME wellfields. Figure 2 shows the progression of installation of FME Wellhouse 1 and its associated filter skids.

Installation of the trunkline and creek crossings commenced during the reporting period. Figures 3 and 4 illustrate the progress of this work.

All bund related work was completed for the ferric dosing and booster facility (Figures 5 and 6). Work commenced on installation of the tanks, filter skids and ancillary equipment for this facility.

Environmental and Native Title Work Area Clearance approvals were received for installation of the overhead power line from the Beverley power station to the Four Mile East wellfield.

Steve Johnston
Managing Director

The Four Mile Uranium Project area is located 550 kilometres north of Adelaide in South Australia. Alliance's 100% owned subsidiary, ACE is the registered holder of 25% of ML6402 and EL5017. Quasar is the registered holder of 75% and acts as the manager of the Project.



Figure 1: Installation of pipework (“lateral spiders”) from the wellhouses to the FME wellfields



Figure 2: Installation of FME Wellhouse 1 and filter skids



Figure 3: Preliminary laying of FME trunkline, prior to welding



Figure 4: Creek crossing trunkline supports – Pannikan Creek



Figure 5: Injection booster and filter skids



Figure 6: Ferric holding tanks and bund