

26 June 2014

ALLIANCE RESOURCES LTD

ASX: AGS

ABN: 38 063 293 336

Market Cap: A\$61.4 M (A\$0.18)

Shares on issue: 341,172,309

Cash: \$19.8 M (31 Mar 2014)

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Projects:

Four Mile (25%): uranium

Cabeza de Vaca, Chile:
copper-gold

East Frome: copper, base-
metals

Share Registry:

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FOUR MILE URANIUM MINE OPENING

Alliance Resources Ltd advises that Four Mile Uranium Mine was officially opened by the Premier of South Australia the Hon. Jay Weatherill MP and the Minister for Mineral Resources and Energy the Hon. Tom Koutsantonis MP on 25 June 2014.

Alliance representatives attended the opening.

Attached is the media release as issued by the Premier's department yesterday.

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.

Premier Jay Weatherill

Minister Tom Koutsantonis

Treasurer

Minister for Mineral Resources and Energy

Wednesday, 25 June, 2014

Resources sector shows strength as Four Mile uranium mine opens

Premier Jay Weatherill today officially opened the first stage of the Four Mile Uranium Mine in the State's Far North, highlighting the continued importance of job creation through the State's minerals and energy resources sector.

Congratulating the Joint Venturers, Quasar Resources Pty Ltd and Alliance Craton Explorer Pty Ltd, Mr Weatherill said the high grade and scale of the Four Mile uranium deposit is of world-wide significance.

"This is one of the most substantial uranium discoveries anywhere in the world in the past 25 years," Mr Weatherill said.

"Following on from the successful mining method of the nearby Beverley and Beverley North deposits, the new Four Mile Mine represents another important chapter in continuing uranium mining in this world class region.

"The project has already involved a private sector investment of more than \$120 million and demonstrates the strength of the South Australian mineral resources and energy sector."

The initial stage of mining operations will collect information and assess mining conditions of the Four Mile East section of the deposit while the joint venturers make use of existing capabilities and minimise environmental disturbance by processing the resource at the nearby Beverley facilities.

Heathgate, an affiliate to Joint Venturer Quasar Resources, will provide services to the mine and operation of its nearby plant.

Heathgate employs 140 people and actively promotes employment opportunities to the Adnyamathanha people. Aboriginal employment in operational staff at the Beverly mine site has been greater than 20 per cent over the past decade. Traditional owners will receive native title payments as well as opportunities for employment with the mine.

The broader South Australian community will benefit from royalties, and through a boost in the procurement of goods and services locally and interstate.

Treasurer and Minister for Mineral Resources and Energy Tom Koutsantonis said our extensive resources, mining expertise and stewardship has enabled South Australia to be a world leader in the uranium industry.

"Our home-grown Plan for Accelerated Exploration (PACE) collaborative drilling initiative made a valuable contribution to the original discovery of the Four Mile deposit," Mr Koutsantonis said.

“Over the next 15 years, South Australia’s resources and energy sector will create around 35,000 jobs.

“Our 2014-15 State Budget invests \$44 million over four years to bring forward investment and jobs.

“We are delivering on our election commitments to develop a world-class resources precinct at Tonsley with a new State Drill Core Reference Library at its heart as well as expanding our PACE scheme.

"This State Government recognises the vital role the resources sector will play in the State's future prosperity which is why we are committed to supporting the sector from discovery to development."

South Australian uranium miners over the last decade have exported their product around the world, including; United Kingdom, France, Sweden, Belgium, Japan, China, South Korea, Taiwan, Canada, the United States and Spain.

Facts about Four Mile uranium mine:

- A joint venture between Quasar Resources Pty Ltd and Alliance Craton Explorer Pty Ltd.
- First discovered April 2005
- Located 550km north east of Adelaide in the Frome Basin
- Named after the nearby Four Mile Creek
- Mining lease approved by State and Federal regulators in April 2012
- More than \$120 million has been invested in the project so far
- Planned to produce up to 1.6 million pounds from Four Mile in 2014 from the multi-million pound deposit.