

3 December 2014

Dear Shareholder

### **Alliance Resources Limited Non-Renounceable Entitlement Offer**

The Board of Directors of Alliance Resources Limited ("**Alliance**" or "**Company**") announces that the Company will be conducting a non-renounceable entitlement offer to shareholders of approximately 62,031,329 new shares on the basis of 2 new shares for every 11 shares held at the record date at \$0.08 each ("**New Shares**") to raise approximately \$4.96 million (before costs) ("**Entitlement Offer**"). Each shareholder will also be entitled to receive one (1) attaching New Option for every New Share subscribed for, each exercisable into one share at an exercise price of 15 cents per Share and expiring on 30 September 2015, for no additional cash consideration.

The Entitlement Offer is not underwritten.

Eligible Shareholders (other than Directors and related parties of the Company) may, in addition to taking up their entitlement to New Shares under the Entitlement Offer in full, apply for additional New Shares, subject to availability and the discretion of the Board of Directors. Any additional New Shares not taken up by existing shareholders will comprise the shortfall which may be placed by the Company.

The Entitlement Offer is being made pursuant to a Prospectus ("**Prospectus**"). The Prospectus was lodged with the ASX on 2 December 2014 and contains further information about how to take up your entitlement under the Entitlement Offer. The Prospectus will be available on the Company's website at [www.allianceresources.com.au](http://www.allianceresources.com.au) and on the ASX website and will be mailed to Shareholders after the Record Date.

### **Indicative Timetable**

<b>Event</b>	<b>Date</b>
Announcement of Issue	2 December 2014
Lodgment Date (Appendix 3B and Prospectus)	2 December 2014
Notice of Issue sent to Shareholders	3 December 2014
"Ex" Date	4 December 2014
Record Date	8 December 2014
Opening Date (Dispatch of Prospectus to Shareholders)	11 December 2014
Closing Date	22 December 2014
Securities quoted on a deferred settlement basis	23 December 2014
Notify ASX of under subscriptions	29 December 2014
Issue of New Shares and dispatch of shareholding statements	31 December 2014
Share Trading Date	2 January 2015

The above dates are indicative only and the Company reserves the right to vary them in accordance with the requirements of the ASX Listing Rules.

### **Use of Funds from Entitlement Offer**

The Company intends to use the funds raised under this Offer for:

- Four Mile Uranium Project November 2014 cash call (due in December) to maintain its participating interest in the Project;
- Costs awarded to Quasar and Heathgate in 2012 and 2013 in the Court proceedings commenced by Alliance concerning access to books, records and agreements pertaining to the Four Mile Joint Venture which are currently the subject of assessment by the Court;
- Costs of the Offer; and
- General working capital, including legal fees in relation to matters currently before the Court.

### **Overseas Shareholders**

The Entitlement Offer is not available in any jurisdiction where, or to any person to whom, it would be unlawful to issue the New Shares. It is the responsibility of any applicant under the Entitlement Offer to ensure compliance with any laws of a country relevant to their application.

For further information relating to the Entitlement Offer, please contact the Company Secretary on (03) 9697 9090.

Yours faithfully



Bob Tolliday  
Company Secretary