

27 November 2015

ASX Code: AGS

No. of pages: 2

## CHAIRMAN'S ADDRESS ANNUAL GENERAL MEETING

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On behalf of the Board of Directors, I would like to welcome you to Alliance Resources Limited Annual General Meeting.

2015 has been a challenging but pivotal year for the Company's shareholders.

During the year, we achieved our first full year of uranium production at the Four Mile Uranium Project in South Australia (Project) under difficult circumstances.

Constrained by limited capital in the first half, we undertook a non-renounceable rights issue announced in December 2014 and received total applications, including placement of shortfall shares, of 59,644,110 shares (\$4,771,529) representing 96.1% of the total Rights Issue securities offered.

I would like to thank those shareholders who supported the rights issue and welcome those new shareholders who participated in the shortfall.

On 13 July 2015, the Company announced that it had accepted an offer from Quasar Resources Pty Ltd to purchase all of Alliance Craton Explorer Pty Ltd's interest in the Project, including ACE's share of uranium oxide concentrates already mined, for a total consideration of \$73.975 million.

A General Meeting of Alliance was held in Melbourne on 11 September 2015 at which shareholders approved the Sale and a return of capital of 12 cents per share for each share held on the Record Date.

The sale was completed on 18 September 2015 and, as a consequence, a notice of discontinuance of the proceedings in the Supreme Court of South Australia was filed on the same day.

On 12 October 2015, trading in Alliance shares began on an 'ex Capital return basis'. The Record Date for the Capital Return was 14 October 2015 and payment processing of payments commenced on 28 October 2015.

The Company also announced that the Australian Taxation Office issued a Class Ruling (CR 2015/81) that confirms the full amount of the distribution represents a Capital Return with no portion deemed to be a dividend from profits.

The Monardes copper-gold-uranium project in Chile represents a growth opportunity for a new exploration target in one of the world's most prospective porphyry copper belts.

We have been successful in acquiring an option to purchase a strategic tenement holding along strike from the Monardes copper-uranium project from Mantos Exploration Pty Ltd. The option expands the total area under option to Alliance from 18 km<sup>2</sup> to approximately 200 km<sup>2</sup> within a major metallogenic province and increases the prospective strike length available to Alliance to 22 km. An initial program of ten reverse circulation drill holes for 2,000 metres is scheduled for early 2016 to test for copper-uranium mineralisation along strike and down dip within the eastern anomalous unit.

In addition, we have recently lodged two exploration licence applications with potential for nickel-copper-gold in Western Australia's Eastern Goldfields. A short presentation on the Company's projects will follow this meeting.

Looking to the year ahead, Alliance is well funded to pursue exploration in Chile and other acquisition opportunities in the resource sector.

I look forward to your continued support in the coming year.

**John Dunlop**  
Chairman

## **About Alliance Resources**

Further information relating to the Company and its various mining and exploration projects can be found on the Company's website at [www.allianceresources.com.au](http://www.allianceresources.com.au).