

18 June 2008

## FOUR MILE URANIUM PROJECT HIGH GRADE DRILLING INTERCEPTS - MARCH & APRIL 2008

- Significant uranium intercepts ( $GT > 0.8m\%U_3O_8$ ) from Four Mile East, include:

2.4m @ 1.09%  $pU_3O_8$  (AK721)

2.0m @ 0.53%  $pU_3O_8$  (AK723)

1.6m @ 0.52%  $pU_3O_8$  (AK740)

4.0m @ 0.23%  $pU_3O_8$  (AK746)

1.3m @ 1.04%  $pU_3O_8$  (AKC069)

5.9m @ 1.41%  $pU_3O_8$  (AKC069)

(GT = grade x thickness ( $m\%U_3O_8$ ).  $pU_3O_8$  refers to the  $U_3O_8$  grade as estimated from PFN logging and may be subject to revision by application of calibration correction factors).

- Drilling continuing at Four Mile East ahead of the initial mineral resource estimate.

### DETAILS OF ANNOUNCEMENT

Alliance Resources Limited ("Alliance") is pleased to announce an exploration update and preliminary drilling results for March and April 2008, provided by joint venture partner and operator Quasar Resources Pty Ltd ("Quasar") at the Four Mile Uranium Project in South Australia (Figure 1).

A total of 119 holes for 25,404 metres were drilled within the Four Mile Project during the period. Significant drilling intercepts results are shown in Table 1 and a plan of drill collars as Figure 2.

Drilling continued at Four Mile East (FME) to delineate mineralisation in the most northern, central and southern parts of the prospect. In total, 35 diamond core holes were completed for 7,201 m and 69 rotary mud holes were completed for 15,399m.

The geological interpretation and modeling of the proposed area for the proposed First Stage Mining (FSM) area is progressing. This area is approximately 200m X 200m and contains over 50 drill holes. Geological surfaces have been interpreted based on the geophysical logs and logged geology. These surfaces will constrain the mineralisation in the resource model.

Interpretation of the area outside the FSM area is also progressing. Eleven sections spaced 100m apart (covering a 1km strike length) are being interpreted over FME. This will better define the relationships between lithology and uranium mineralisation.

The proposed FSM area at FME will continue to be the focus of exploration and development activities until the end of June.

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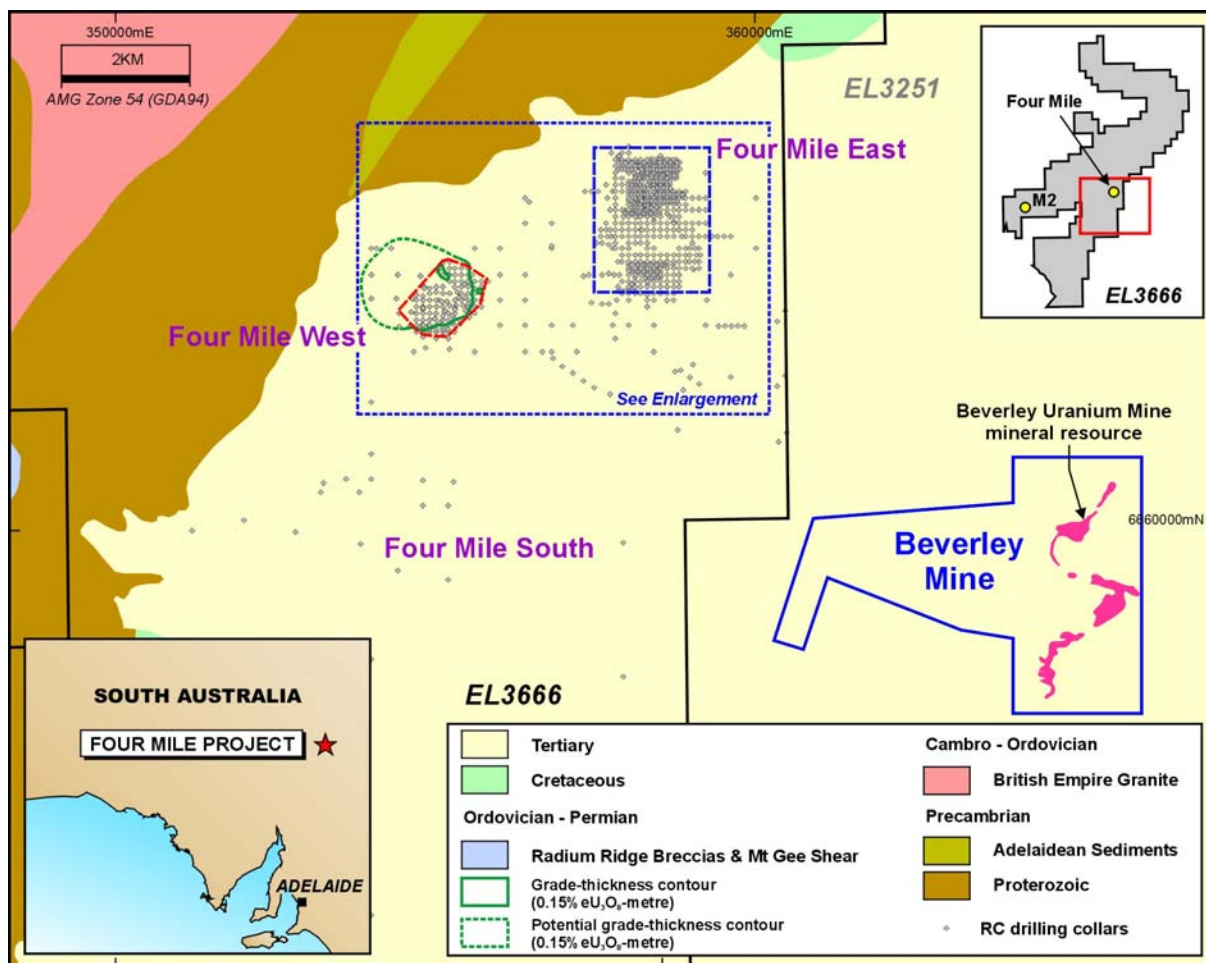


Figure 1: Four Mile Uranium Project

## Four Mile East

### Rotary Mud Drilling

During the period, drilling was concentrated on the most northern and southern parts of FME as well the central part of the prospect, just south of the proposed FSM site. Drilling continues on spacings of 50m with the aim of defining a mineral resource.

The geological model at FME indicates up to four upward fining stratigraphic units hosting mineralisation, grading from a coarse basal sand/gravel to silt/claystone and ranging from 2-10m in thickness. The major mineralised zone is generally between 200m to 210m in depth, and varies from 1m to 8m in thickness. Mineralisation has been intersected in both coarse and fine-grained layers of each unit. Higher grade mineralisation is commonly separated by thin bands of lower grade mineralisation. Average grades are variable from hole to hole, but are typically greater than 0.1%  $\text{pU}_3\text{O}_8$ , and more commonly around 0.3%  $\text{pU}_3\text{O}_8$ . Values above 1%  $\text{pU}_3\text{O}_8$  have also been intersected.

Drill hole stability continues to be an issue, with a number of holes requiring multiple washouts before the geophysical logging can be completed. In some cases the holes have

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had to be abandoned and redrilled. Four drilling contractors are currently operating at Four Mile East. Drill hole cementing and rehabilitation is a priority, and is being completed as soon as practical after the holes have been logged and the data checked.

The next drilling program is planned to 'close off' or extend areas of mineralisation that remain open. These holes have been planned on spacings ranging from 50m to 100m, with core holes representing over 25-30% of completed holes.

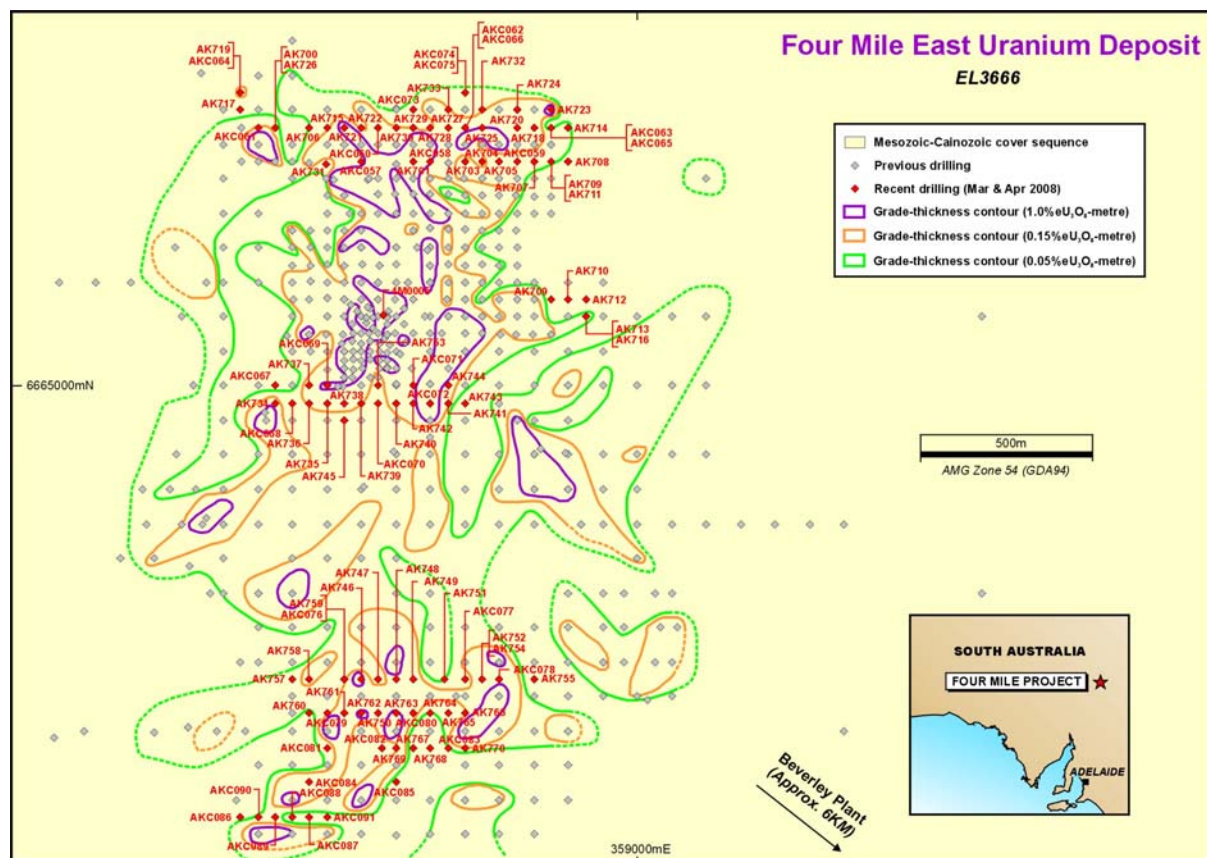


Figure 2: Four Mile East uranium deposit

## Diamond Core Drilling

Thirty-five diamond core holes were completed at FME during the period. The processing of core includes cutting, photographing, geological logging, sampling for assay and metallurgy, and recording scintillometer values. In addition graphic logs of the lithology are being generated to assist in understanding the relationship between geophysical logs and the geology/mineralisation.

Drill core samples are being submitted for geochemical assay and metallurgical test work. Results are pending.

## Monitor Wells

One monitor bore was completed for 218m.

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## **Four Mile West**

No drilling was carried out at Four Mile West during the period. Three drill sections for core drill holes are currently being planned.

## **About Alliance Resources**

Alliance Resources Limited is an emerging uranium and gold producer. Alliance has a 25% free carried interest in the Four Mile uranium discovery in South Australia. Its 75% joint venture partner and operator, Quasar Resources Pty Ltd, is an affiliate of Heathgate Resources Pty Ltd, which owns and operates the Beverley Uranium Mine, located immediately east of Four Mile. Alliance is also developing the Maldon Gold Project in Victoria and exploring for copper-gold near Coober Pedy in South Australia, and for copper and base metals near Broken Hill in New South Wales.

## **For information about Alliance Resources please contact:**

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Or consult Alliance's website: [www.allianceresources.com.au](http://www.allianceresources.com.au)

**Table 1: Four Mile East Uranium Deposit Summary Drilling Data**

Notes: These figures are provisional and may be subject to revision by calibration correction factors. Cut-off grade: 0.05 %U3O8. Minimum width: 0.5m. Maximum internal dilution: 1.0m. GT= grade x thickness. GT>1m%pU<sub>3</sub>O<sub>8</sub> highlighted.

Hole Details		Gamma					PFN				
Hole ID	T_Depth	From	To	Interval	eU3O8(%)	GT-eU3O8	From	To	Interval	pU3O8(%)	GT-PFN
AK700	194.0						Requires redrill				
AK701	225.0	191.0	191.7	0.7	0.069	0.05	Grade below cutoff				
AK703	240.0						159.1	159.6	0.5	0.187	0.09
AK703	240.0	197.0	198.1	1.1	0.125	0.13	197.7	198.5	0.8	0.324	0.26
AK704	242.0	164.1	166.0	1.9	0.157	0.30	164.1	166.0	1.9	0.177	0.34
AK704	242.0	202.2	203.4	1.2	0.285	0.33	202.3	203.5	1.2	0.509	0.61
AK705	245.0	165.9	166.7	0.8	0.055	0.04	No PFN				
AK706	230.0	Grade below cutoff					No PFN				
AK707	246.0	182.0	182.6	0.5	0.060	0.03	182.0	182.7	0.7	0.082	0.06
AK707	246.0						184.6	185.1	0.5	0.067	0.03
AK707	246.0						186.0	186.6	0.6	0.065	0.04
AK708	258.0	Grade below cutoff					No PFN				
AK709	253.0	205.6	206.4	0.9	0.078	0.07	205.3	206.5	1.2	0.106	0.13
AK709	253.0	227.4	227.9	0.5	0.064	0.03					
AK710	258.0	Grade below cutoff					No PFN				
AK711	242.0	Grade below cutoff					No PFN				
AK712	264.0	Grade below cutoff					No PFN				
AK713	254.0	Grade below cutoff					No PFN				
AK714	250.0						178.8	179.3	0.5	0.179	0.09
AK714	250.0	199.6	201.1	1.5	0.054	0.08					
AK715	220.0	177.9	179.4	1.5	0.060	0.09	178.5	179.5	1.0	0.063	0.06
AK716	252.0	209.4	209.9	0.5	0.074	0.04	Grade below cutoff				
AK716	252.0	210.8	211.3	0.5	0.062	0.03	Grade below cutoff				
AK717	234.0	Grade below cutoff					No PFN				
AK718	174.0						Requires redrill				
AK719	234.0	157.6	160.2	2.6	0.202	0.52	157.8	160.0	2.2	0.314	0.69
AK719	234.0	194.2	194.8	0.6	0.057	0.03					
AK719	234.0	195.6	197.6	2.1	0.416	0.85	195.9	197.7	1.8	0.518	0.93
AK719	234.0	198.3	199.2	1.0	0.056	0.05					
AK720	258.0	191.9	192.4	0.6	0.098	0.05	192.0	192.5	0.5	0.135	0.07
AK721	200.0	183.8	186.3	2.5	0.921	2.30	183.6	186.0	2.4	1.092	2.62
AK722	228.0	171.8	172.7	0.9	0.109	0.10					
AK722	228.0	176.3	177.2	0.9	0.074	0.07					
AK722	228.0	179.7	180.5	0.9	0.147	0.13	179.8	180.6	0.8	0.132	0.11
AK723	228.0	184.0	184.5	0.6	0.094	0.05	183.9	184.6	0.7	0.141	0.10
AK723	228.0	190.9	193.0	2.1	0.274	0.58	191.0	193.0	2.0	0.529	1.06
AK724	244.0	177.7	180.3	2.6	0.079	0.21					
AK724	244.0	185.7	186.4	0.7	0.071	0.05	185.6	186.4	0.8	0.110	0.09
AK724	244.0	188.6	189.2	0.6	0.065	0.04	188.5	190.2	1.7	0.071	0.12
AK724	244.0	193.3	194.7	1.4	0.064	0.09					
AK725	230.0	195.0	199.5	4.5	0.095	0.43	195.1	196.6	1.5	0.197	0.30
AK726	210.0	167.4	168.4	1.0	0.060	0.06	Grade below cutoff				
AK727	228.0	182.3	184.7	2.5	0.093	0.23	No PFN				
AK728	228.0	Grade below cutoff					No PFN				
AK729	222.0	173.9	174.9	1.0	0.069	0.07					
AK729	222.0	177.1	177.9	0.8	0.124	0.09	177.0	177.8	0.8	0.166	0.13
AK730	198.0	Grade below cutoff					Grade below cutoff				
AK731	158.0						Abandoned				
AK732	223.0	182.9	184.1	1.2	0.097	0.12	Grade below cutoff				
AK733	234.0	169.1	170.7	1.6	0.182	0.29	168.1	171.1	2.0	0.211	0.42
AK734	184.0	Grade below cutoff					Grade below cutoff				
AK735	222.0	Grade below cutoff					Grade below cutoff				
AK736	228.0	Grade below cutoff					Grade below cutoff				
AK737	212.0	187.2	188.1	1.0	0.084	0.08	188.1	188.6	0.5	0.174	0.09
AK737	212.0	192.5	196.0	3.5	0.154	0.54	193.0	196.5	3.5	0.195	0.68

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**Table 1: Four Mile East Uranium Deposit Summary Drilling Data (continued)**

Notes: These figures are provisional and may be subject to revision by calibration correction factors. Cut-off grade: 0.05 %U3O8. Minimum width: 0.5m. Maximum internal dilution: 1.0m. GT= grade x thickness. GT>1m%pU<sub>3</sub>O<sub>8</sub> highlighted.

Hole Details		Gamma					PFN				
Hole ID	T_Depth	From	To	Interval	eU3O8(%)	GT-eU3O8	From	To	Interval	pU3O8(%)	GT-PFN
AK738	240.0			Grade below cutoff					Grade below cutoff		
AK739	222.0			Grade below cutoff					Grade below cutoff		
AK740	218.0	194.9	197.1	2.2	0.063	0.14	195.0	195.5	0.5	0.102	0.05
AK740	218.0	198.7	200.4	1.8	0.312	0.55	198.8	200.4	1.6	0.516	0.83
AK741	246.0						206.5	207.3	0.8	0.113	0.09
AK742	237.0			Grade below cutoff					Grade below cutoff		
AK743	236.0			Grade below cutoff					No PFN		
AK744	234.0	209.0	210.6	1.6	0.116	0.18	210.2	210.7	0.5	0.402	0.20
AK745	210.0	161.3	161.9	0.6	0.097	0.06	161.2	162.0	0.8	0.177	0.14
AK746	234.0	182.7	183.4	0.7	0.307	0.22	182.7	183.2	0.5	0.290	0.15
AK746	234.0	185.5	191.5	6.0	0.199	1.19	185.5	189.5	4.0	0.232	0.93
AK747	212.0	187.5	189.4	1.9	0.061	0.12	188.3	189.0	0.7	0.091	0.06
AK748	222.0			Grade below cutoff					No PFN		
AK749	220.0					Requires redrill					
AK750	214.0			Grade below cutoff					Grade below cutoff		
AK751	220.0			Grade below cutoff					No PFN		
AK752	214.0			Grade below cutoff			187.7	188.3	0.6	0.132	0.08
AK752	214.0						195.0	195.7	0.7	0.230	0.16
AK753	234.0			Grade below cutoff					Grade below cutoff		
AK754	214.0	189.4	190.8	1.5	0.100	0.14	189.2	190.7	1.5	0.145	0.22
AK754	214.0	198.7	201.3	2.7	0.075	0.20					
AK755	218.0			Grade below cutoff					No PFN		
AK757	205.0	181.2	181.9	0.7	0.142	0.09	181.1	181.6	0.5	0.223	0.11
AK758	202.0	183.9	184.8	0.9	0.233	0.20			Grade below cutoff		
AK759	202.0			Grade below cutoff					Grade below cutoff		
AK760	207.0			Grade below cutoff			181.9	183.0	1.1	0.252	0.28
AK761	206.0			Grade below cutoff			183.2	183.8	0.6	0.117	0.07
AK762	206.0	185.4	189.1	3.8	0.374	1.40			Grade below cutoff		
AK763	210.0			Grade below cutoff			187.1	188.3	1.2	0.144	0.17
AK764	210.0			Grade below cutoff			191.7	192.4	0.7	0.354	0.25
AK765	210.0	194.2	194.9	0.7	0.141	0.09	194.3	194.8	0.5	0.181	0.09
AK766	210.0					Requires redrill					
AK767	210.0			Grade below cutoff					Grade below cutoff		
AK768	210.0			Grade below cutoff					Grade below cutoff		
AK769	210.0			No gamma			184.7	185.7	1.0	0.137	0.14
AK770	206.0	191.9	192.9	1.0	0.283	0.27	192.1	193.0	0.9	0.545	0.49
AKC057	215.7	182.3	183.7	1.4	0.403	0.54	182.5	183.6	1.1	0.282	0.31
AKC058	214.0					Abandoned					
AKC059	237.4	170.4	171.4	1.0	0.072	0.07	170.4	171.4	1.0	0.127	0.13
AKC059	237.4						185.7	186.4	0.7	0.091	0.06
AKC060	220.1	178.3	180.8	2.5	0.179	0.44	179.1	180.7	1.6	0.198	0.32
AKC061	203.7	168.5	169.1	0.6	0.154	0.09	168.5	169.1	0.6	0.145	0.09
AKC062	215.9					Abandoned					
AKC063	162.0					Abandoned					
AKC064	227.0	161.5	162.1	0.6	0.119	0.07	161.8	162.5	0.7	0.233	0.16
AKC065	205.0			Grade below cutoff					No PFN		
AKC066	154.0					Abandoned					
AKC067	225.4			Grade below cutoff					Grade below cutoff		
AKC068	232.7	153.9	155.1	1.2	0.146	0.18	154.1	155.1	1.0	0.146	0.15
AKC069	231.0	189.0	190.9	1.8	0.635	1.16	189.3	190.6	1.3	1.043	1.36
AKC069	231.0	193.4	200.6	7.1	0.895	6.38	193.6	199.5	5.9	1.413	8.34
AKC069	231.0	201.0	202.3	1.3	0.054	0.07					
AKC070	238.7	190.1	192.6	2.5	0.085	0.21	190.1	191.0	0.9	0.137	0.12
AKC071	237.4	204.2	206.1	1.9	0.156	0.30			No PFN yet		
AKC072	220.4			Grade below cutoff			207.2	207.7	0.5	0.248	0.12

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Hole Details		Gamma						PFN				
Hole ID	T_Depth	From	To	Interval	eU3O8(%)	GT-eU3O8	From	To	Interval	pU3O8(%)	GT-PFN	
AKC073	205.3	168.4	170.8	2.5	0.162	0.40	168.6	170.9	2.3	0.288	0.66	
AKC074	135.4						Requires redrill					
AKC075	154.4						Abandoned					
AKC076	207.6			Grade below cutoff			181.0	181.5	0.5	0.135	0.07	
AKC077	219.0			Grade below cutoff			193.2	194.1	0.9	0.104	0.09	
AKC078	216.4	186.0	186.6	0.6	0.127	0.08	185.8	186.6	0.8	0.503	0.40	
AKC078	216.4	193.9	194.4	0.5	0.072	0.04	193.5	194.1	0.6	0.358	0.22	
AKC078	216.4	195.2	196.7	1.5	0.065	0.10						
AKC079	212.0	181.8	182.3	0.5	0.107	0.05	181.8	182.3	0.5	0.133	0.07	
AKC080	217.6						187.9	188.4	0.5	0.083	0.04	
AKC080	217.6	193.4	194.2	0.8	0.325	0.24	193.3	194.0	0.7	0.569	0.40	
AKC081	214.0	180.8	181.4	0.7	0.150	0.10	181.2	181.7	0.5	0.222	0.11	
AKC082	210.4	184.1	184.6	0.6	0.152	0.08			Grade below cutoff			
AKC083	189.4			Grade below cutoff					Grade below cutoff			
AKC084	201.4			Grade below cutoff			177.0	177.9	0.9	0.755	0.68	
AKC085	200.0			Grade below cutoff					Grade below cutoff			
AKC086	201.4			Grade below cutoff					Grade below cutoff			
AKC087	195.4			Grade below cutoff					No PFN			
AKC088	198.5			Grade below cutoff					No PFN			
AKC089	201.5	179.8	180.4	0.6	0.129	0.07	179.9	180.6	0.7	0.130	0.09	
AKC089	201.5	181.8	182.7	0.9	0.078	0.07	182.3	182.8	0.5	0.065	0.03	
AKC090	171.0						Abandoned					
AKC091	198.4			Grade below cutoff					No PFN			
4M0005	218.0	204.4	208.3	3.9	0.244	0.95			No PFN			
4M0005	218.0	209.6	210.1	0.5	0.060	0.03			No PFN			

## Compliance Statement

The information in this report that relates to Uranium Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Andrew Bowden who is a Chartered Geologist and Fellow of the Geological Society of London, a Recognised Overseas Professional Organisation included in a list promulgated by the ASX from time to time. Mr Andrew Bowden is employed by GeoDec Consulting. Mr Bowden has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Andrew Bowden consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.