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ASX Code: **AGS**

HIGH GRADE GOLD INTERCEPTS AT MALDON HIGHLIGHT POTENTIAL OF EAGLEHAWK REEF

- Significant gold mineralisation intersected in diamond hole DDH163 at Maldon, as follows:
 - 3.55m @ 15.95g/t, and
 - 1.35m @ 3.24g/t, and
 - 1.35m @ 7.38g/t
- Union Hill exploration decline 91% complete to end of June with 78 metres required before the first cross cut is commenced to the Alliance South lode, for the purpose of trial mining.

DETAILS OF ANNOUNCEMENT

The Directors of Alliance Resources Limited (“Alliance”) are pleased to announce further high-grade gold intercepts at the Maldon Gold Project (100% Alliance).

A recent diamond drill hole (DDH163) was drilled east from the Union Hill Decline, targeting Eaglehawk reef, just south of the historical Alliance mine (Figures 1 and 2).

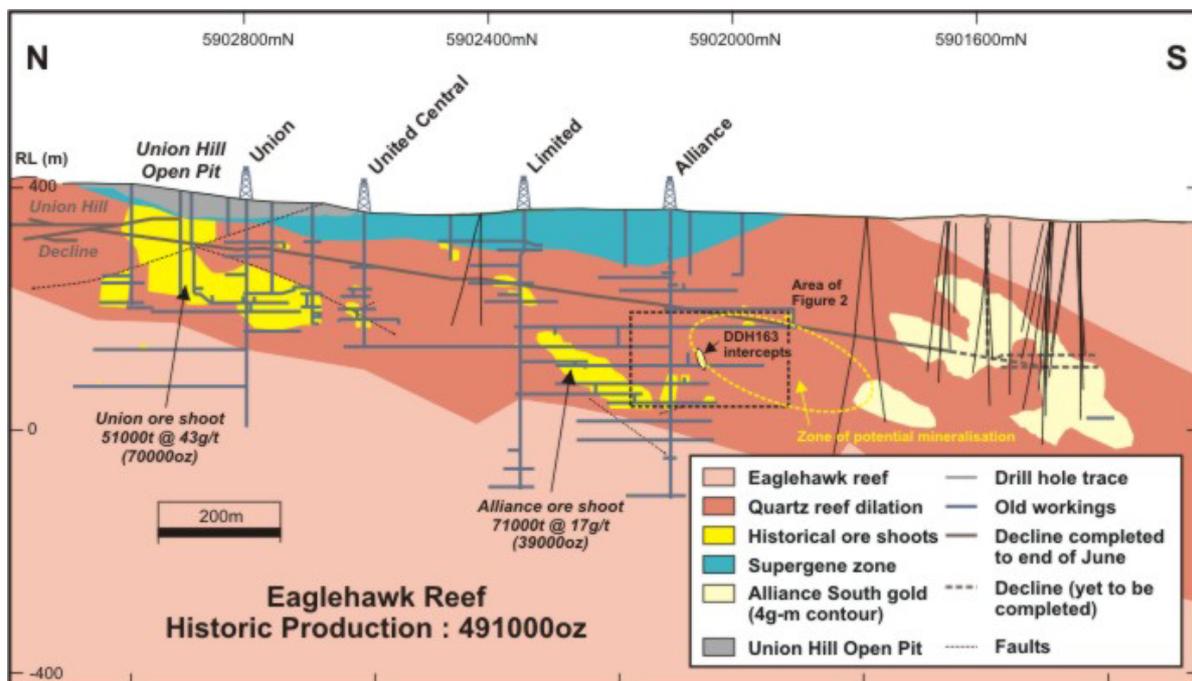


Figure 1: Long projection showing Eaglehawk Reef, decline progress and location of DDH163 intercepts.

Gold assays were recently received that identify a significant mineralised zone in Eaglehawk reef, associated with its west-bounding (“wall”) fault. The intercepts are located 88 metres east of and 75 metres below the decline. The mineralisation is near an exploratory drive

from the historical Alliance mine but is in an area where only a small amount of stoping was carried out.

The western mineralised zone comprises heavily mineralised laminated and breccia quartz veining that returned assays of **3.55m @ 15.95 g/t gold**. A lower grade interval of **1.35m @ 3.24g/t gold** is present in the central part of the reef, whilst a spurry quartz vein zone of **1.35m @ 7.38g/t gold** is closely associated with the east bounding wall fault. Samples were analysed using the Bulk Leach Extractable Gold process.

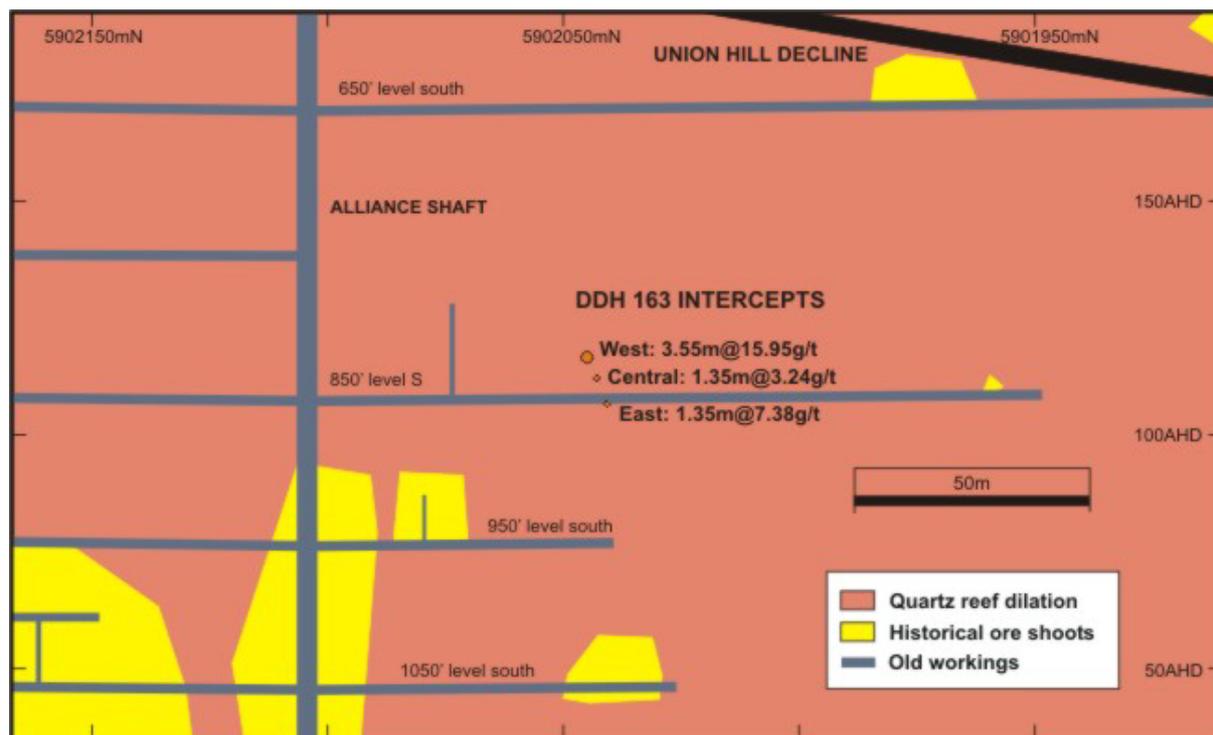


Figure 2: Alliance mine workings area showing location of gold mineralisation.

Collar details of DDH163 are presented in Table 1 and assay data in Table 2.

DDH163	MGA East	MGA North	AHD	Total depth	Azimuth (grid)	Dip
	239457.2	5902084.3	202.6	148.3m	130°	-54°

Table 1. Collar details for DDH163.

The high grade intercepts in DDH163 highlight the potential for further mineralisation in Eaglehawk Reef, between the historic workings of the Alliance mine, and the northern extent of mineralisation previously identified by drilling at the Alliance South prospect. This zone has around 250 metres of along strike potential, where mineralised lodes could be readily accessed from the Union Hill Decline. Drilling is planned to explore this zone in the next Quarter.

	From (m)	To (m)	Drill interval (m)	Estimated true width (m)	Weighted average grade (g/t Au)	Description
DDH163	120.90	124.45	3.55	2.2	15.95	Laminated and breccia quartz veining associated with the W-bounding (wall) fault. Common to abundant sulphides.
	127.20	128.55	1.35	0.8	3.24	Breccia and spurry quartz veins in the central part of the reef. Common sulphides.
	134.95	136.30	1.35	0.8	7.38	Quartz spur veins closely associated with the E-bounding (wall) fault. Common sulphides.

Table 2. Assay details for DDH163.

At the end of June 2008, the Union Hill exploration decline had advanced a total of 1680 metres from the portal. A further 78 metres of the decline remain to be completed before commencing the first cross cut to the Alliance South lode, for the purpose of trial mining.

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.

Further information relating to the Company and its various exploration projects can be found on the Company's website at www.allianceresources.com.au

Steve Johnston
Chief Executive Officer

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Stephen Johnston who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Johnston is a full-time employee of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity 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 Johnston consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.