

7 November 2014

ASX Code: AGS

FOUR MILE URANIUM MINE 2015 PROGRAM AND BUDGET APPROVED

Alliance Resources Limited advises that Quasar Resources Pty Ltd (**Quasar**), with Alliance Craton Explorer Pty Ltd (**ACE**) dissenting, approved by majority vote the Four Mile Program and Budget for the period 1 December 2014 to 31 December 2015 (**2015 Program and Budget**) on 6 November 2014.

The 2015 Program and Budget is summarised as follows (all costs in AUD):

- Production of 2.640 million pounds (**lbs**) of uranium ore concentrates (**UOC**).
- Cash expenditure of \$107.75 million (ACE's share \$26.937 million), including capital development of \$23.73 million.
- Cash operating costs (includes mining, processing, shipping, marketing and royalties) of \$31.83 per lb UOC produced with development costs of \$8.99 per lb UOC produced (includes capital development). Total costs are estimated at \$40.81 per lb UOC.

ACE elected to vote against the 2015 Program and Budget.

ACE is concerned at the lack of any projected revenue in the 2015 Program and Budget. Quasar has made it clear that it intends to stockpile all Four Mile production from both the 2014 Program and Budget (which had included projected sales of 1.5 million lbs of UOC in 2014) and the 2015 Program and Budget.

Total production (100%) since commencement of mining to 30 November 2014 is forecast to be 1,397,476 lbs of UOC (**ACE's share of UOC is 349,369 lbs with an estimated value of \$15.9 million¹**, assuming a spot indicator price of US\$39.25 per lb at 6 November 2014 and 1 AUD = 0.86 USD).

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

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, Alliance Craton Explorer Pty Ltd (**ACE**) is the registered holder of 25% of ML6402 and EL5017 (Project). Quasar Resources Pty Ltd (Quasar) is the registered holder of 75% and acts as the manager of the Project.

¹ Excludes royalties, marketing fees and shipping costs.