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ALLIANCE RESOURCES LTD

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## Amended Announcement

### Exploration Target - Four Mile Northeast Uranium Prospect

Alliance Resources Ltd advises of corrections to its announcement dated 24 February 2015 entitled 'Exploration Target Update Four Mile Northeast uranium prospect'.

The Exploration Target for the Four Mile Northeast (FMNE) uranium prospect is:

**11 to 14 million tonnes of mineralisation at a grade range 0.27% to 0.30% uranium oxide (U<sub>3</sub>O<sub>8</sub>), containing 32,000 to 36,500 tonnes U<sub>3</sub>O<sub>8</sub> (70 to 80 million lb U<sub>3</sub>O<sub>8</sub>)<sup>(1)</sup>.**

**The potential quantity and grade is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource over the whole of the area of this Exploration Target.**

The main change in this announcement compared to the announcement dated 18 February 2014 is a significant increase in the lower limit of the contained tonnes U<sub>3</sub>O<sub>8</sub> estimate due primarily to the higher density of drilling allowing more 50m x 50m blocks to be identified as mineralised and included in the target estimate. The upper tonnes limit of the Exploration Target is not as significantly impacted. An increase in average grade results from an increase in the cut-off grade thickness used from 0.03 m% U<sub>3</sub>O<sub>8</sub> to 0.1 m% U<sub>3</sub>O<sub>8</sub>.

The Exploration Target of *in situ* uranium endowment takes no account of geological complexity, possible mining method or metallurgical recovery factors. It is acknowledged that the Exploration Target has been compiled from the accumulation, where available, of the thickness and grade of multiple uranium mineralised intersections in each drill hole and the interpolation of the resulting cumulated grade x thickness data between drillholes. No account has been taken of the continuity or lack of continuity between individual mineralised intersections in adjacent drill holes and no audit of the procedures for down hole data, data acquisition and processing was undertaken. The analysis undertaken has been essentially statistical and geostatistical with minimal reference to geology, although it is clear that stratigraphy, lithology and structure have a major impact on the continuity and grade of uranium mineralisation at FMNE.

Pending receipt of the latest drill hole database, the next step is to review the database for Exploration Target area containing the highest density of drill holes, including calibration information between gamma and PFN probes, sectional plots, lithological interpretations, analyses and other relevant information. This work is scheduled for completion in the June 2015 quarter.

The Exploration Target was estimated in order to update the market with an assessment of the potential scale of the FMNE prospect using the Exploration Results from FMNE to December 2014.

The Exploration Target is reported in accordance with Clause 17 of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition) (**JORC Code**).

- (1) Grade x thickness (GT) cutoff of mineralized drill hole intercepts of 0.5m x 0.03% U<sub>3</sub>O<sub>8</sub>. A cut-off of 0.03m% U<sub>3</sub>O<sub>8</sub> applied to polygon and block GT values for tonnage calculations. Mineralisation rounded to the nearest 1 million tonnes. Grades rounded to the nearest two decimal places. Contained metal rounded to the nearest 500 t or 1 Mlb.*
- (2) Reducing to approximately 15% by 31 December 2015 in respect of the Four Mile Mine Development Area as a result of ACE electing not to contribute to the Four Mile 2015 Program and Budget. Refer ASX announcement dated 20 November 2014. Quasar and ACE disagree about the size of the Mine Development Area (MDA). Quasar asserts it is the total area of ML6402. ACE asserts it is restricted to the footprint of the Four Mile East and Four Mile West mineral resource estimates at the time of Quasar's Decision to Mine in late 2008.*

## Background

The Four Mile Uranium Project (**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%<sup>(2)</sup> of ML6402 and EL5017. Quasar Resources Pty Ltd (**Quasar**) is the registered holder of 75% and acts as the manager of the Project.

Exploration drilling at FMNE, located 1,200 metres to the north-east of the Four Mile East uranium deposit, has been successful in the discovery of new high grade uranium mineralisation over a strike length of 2,200 metres. Additional high grade intersections have been made along strike in the far north east of ML6402 adjacent to Heathgate Resources Pty Ltd's (**Heathgate**) Pepegoona uranium deposit. The new discovery in part surrounds, and is therefore contiguous with, Heathgate's Pannikan uranium deposit to the south (see Figure 1). It is apparent from these associations that there is a regional scale roll front along which high grade uranium mineralisation is present at Four Mile West, Four Mile East, Pannikan, Pepegoona and now FMNE. Figure 1 shows the location of FMNE prospect.

Exploration results utilised in the estimation of the Exploration Target are presented in Table B.

The current area of the FMNE exploration target update amalgamates the previously defined three zones into one larger zone the boundary of which conforms in part to the boundary of ML6402 (see Figure 2).

Multiple uranium intercepts in the majority of the drill holes show that several roll front type bodies may be present. The individual bodies are likely to have ribbon style geometries arrayed along a regional north east strike although the connectivity and continuity between individual mineral intercepts has not been characterised in detail for this Exploration Target update.

It should be noted that ACE has not had the opportunity to examine and audit the data, data acquisition and processing procedures used by Heathgate and Quasar for determination of down hole thickness and grades and the information set out in this announcement is taken from Quasar's reports to ACE.

In order to provide estimates of the Exploration Target at FMNE the cumulative thickness-weighted average grade and the cumulative grade x thickness (**GT**) values from the Prompt Fission Neutron (**PFN**) down hole logs of drill holes have been used to inform a 2D dataset. Where PFN data was not available, in drill holes FMD002, FMD007 and FMD038, equivalent U<sub>3</sub>O<sub>8</sub> grade data from gamma logs has been used. Variogram analysis of the 2D dataset confirms that there is no spatial correlation between cumulative GT values over a distance of 2,000

metres, the best fit model being linear with a flat sill of 3.1 close to the sample variance at 3.4. For the purpose of the Exploration Target estimate, continuity of uranium mineralisation over the area of exploration drilling has been assumed.

Several estimates of *in situ* uranium endowment based on the cumulative GT of drill hole intercepts have been made using different estimation methods. These estimates have been used to infer an Exploration Target of *in situ* uranium endowment for the area between Four Mile East and the border of ML6402 with Heathgate's ML6387. Refer Table A.

## Criteria

**Geology and geological interpretation:** The mineralisation is of the sandstone uranium type, associated with redox interfaces. The mineralisation announced today is interpreted to lie within an apparent regional roll-front type redox interface that embraces the Four Mile West, Four Mile East, Pepegooona and Pannikan deposits over a total strike length of 7.5 kilometres.

A detailed interpretation of the sedimentary sequence is not yet available for these drill holes.

Mineralisation is hosted in Mesozoic sediments of the Frome Embayment and underlain by crystalline Meso/Palaeoproterozoic basement, with Mesoproterozoic granites considered source rocks. Other deposits occur in Tertiary sands of the overlying Callabonna Sub Basin of the Lake Eyre Basin, extending over an area of approximately 25,000km<sup>2</sup> between the Mount Painter Inlier in the northwest, Olary Block to the south and Broken Hill Block to the east.

**Drilling technique (and data spacing):** Drill holes are drilled vertically using the rotary mud method. Depth to top of mineralisation varies from 150.3 to 278.7 metres down hole depth (DHD). Depth to base of mineralisation varies from 150.8 to 279.3 metres DHD. Maximum depth drilled was 397 metres. Drill hole fences over the central south of the area are mostly 100m apart with hole locations spaced at 100m intervals along the fences. Elsewhere, there are exceptions to this spacing due to the shape of Mineral Lease 6402 and the mineralisation encountered.

**Sampling and sub-sampling techniques:** The principal sampling method was by downhole geophysical Prompt Fission Neutron (PFN) and gamma probes in rotary mud drill holes for both grade and lithological logging, with in-situ sample intervals varying in the range 1-10cm. The natural gamma tool is calibrated for uranium grade at the 'Adelaide Model' geophysical calibration pits. The PFN is calibrated at the purpose built calibration facility located at Beverley. Sub-samples of the chip cuttings are stored in chip trays as a physical record of the intersection sequence. Handheld XRF analyses of chip tray samples are collected. The rotary mud chip cuttings are collectively photographed at the drill site.

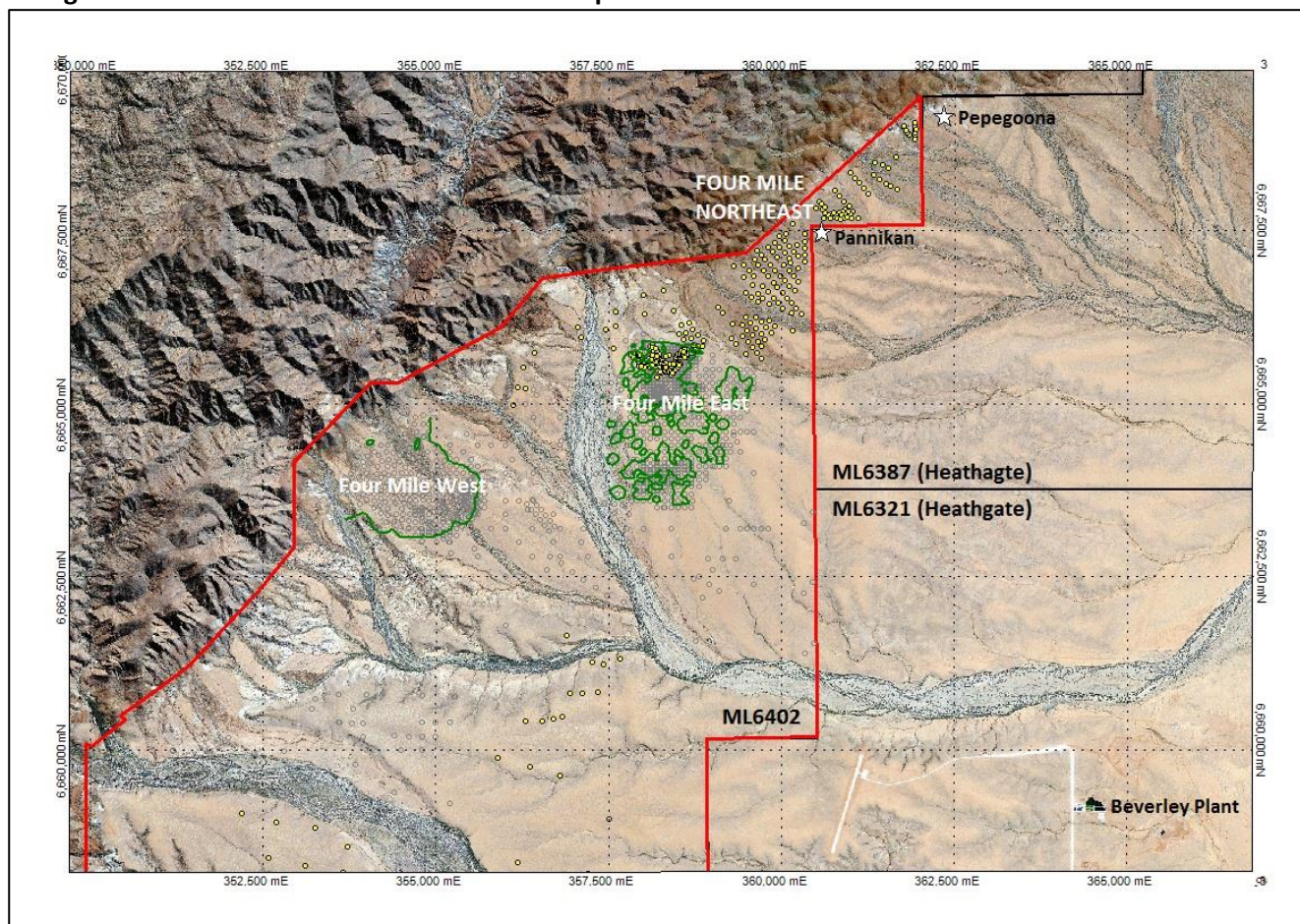
**Sample analysis method:** The majority of PFN grade logging directly measures in-situ uranium grade, thus avoiding the issue of variable radiometric disequilibrium that can affect results from gamma, which measures daughter products. Both natural gamma and PFN grade tools were calibrated at the SA government (DWLBC) 'Adelaide Model' pits at Frewville and later (PFN only) in a purpose-built facility at Beverley.

**Estimation Methodology:** Several estimation methods have been used to provide a range of Exploration Target estimates:

- Unconstrained polygonal using Voronoi-Direchlet tessalation to define an area of influence for each cumulative grade x thickness value.
- Restricted polygonal – as above with polygon areas greater than 40,000 m<sup>2</sup> cut to 40,000 m<sup>2</sup>.
- Block Kriging, 50 x 50m blocks: 200m radius circular search area. A minimum of 1 data value required within the search area to inform a block.

- Block Kriging, 50 x 50m blocks: 200m radius circular search area. A minimum of 3 data values required within the search area to inform a block.
- Inverse Distance Weighting (IDW) block model, 50 x 50m blocks: 200m radius circular search area. A minimum of 1 data value required within the search area to inform a block.
- Inverse Distance Weighting (IDW) block model, 50 x 50m blocks: 200m radius circular search area. A minimum of 3 data values required within the search area to inform a block.

**Figure 1: Location of Four Mile Northeast Prospect**



**Cut-off grade, including the basis for the selected cut-off grade:** Estimates were made at a GT cut-off, applied to drill intercepts of 0.5 m minimum thickness and 0.03% minimum  $U_3O_8$  grade, with up to 1 m of internal dilution allowed. A cut-off factor of 0.1m%  $U_3O_8$  was applied to the output block GT values following processing using the kriging and IDW algorithms. A dry bulk density factor of 1.8 tonnes/m<sup>3</sup> was used for the conversion of volume to mass.

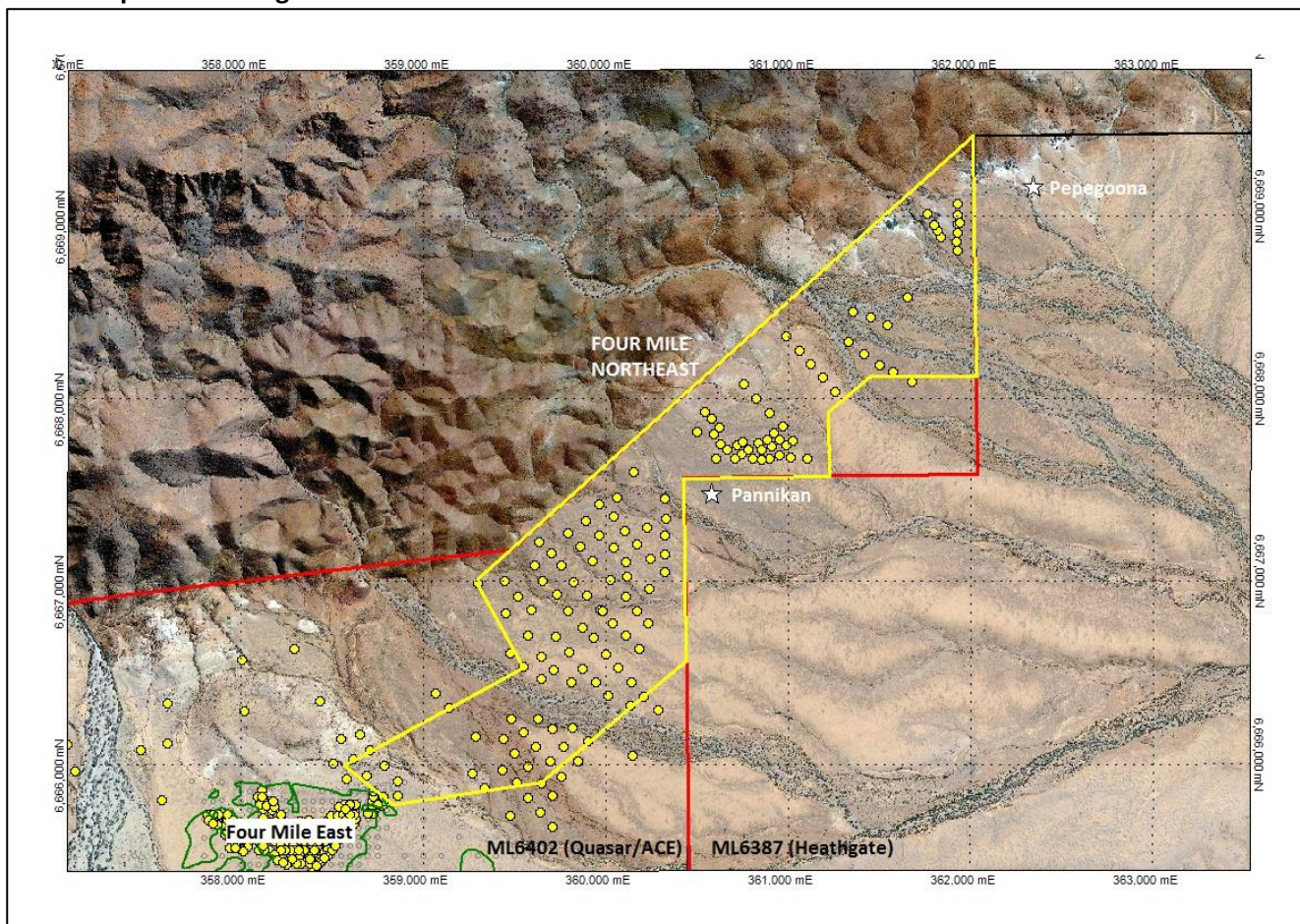
**Criteria use for classification, including drill and data spacing and distribution:**

A classification is not applicable for an Exploration Target. Drill and data spacing is described elsewhere.

**Mining and metallurgical methods and parameters:**

As noted above, the assessment takes no account of possible mining method or metallurgical methods and parameters.

**Figure 2: Plan showing the location of Four Mile Northeast drill holes and the confining boundary (in yellow) for the Exploration Target estimations**



**Table A: Exploration Target – summary of estimates**

Method	Mineralised Mass (tonnes)	Average Grade (%U <sub>3</sub> O <sub>8</sub> )	U <sub>3</sub> O <sub>8</sub> (tonnes)	U <sub>3</sub> O <sub>8</sub> (lb)
<b>Upper Bound</b>				
Polygonal unconstrained	14,000,000	0.26	36,500	80,000,000
Block Kriging	13,000,000	0.28	36,500	80,000,000
IDW block model	12,250,000	0.29	35,500	78,000,000
<b>Lower Bound</b>				
Polygonal restricted (40K m <sup>2</sup> )	12,500,000	0.27	33,500	74,000,000
Block Kriging	11,000,000	0.29	33,000	73,000,000
IDW block model	11,000,000	0.30	32,000	70,000,000

\*Minor apparent multiplication mismatches are due to post-computational rounding of all entries to 2 significant figures.

**Table B: Significant intersections above cut-off criteria of 0.03% pU<sub>3</sub>O<sub>8</sub>, minimum width of 0.5 metres and maximum internal dilution of 1 metre.** Drill hole collar locations based on handheld GPS coordinates. Intercepts >0.5m% (GT-PFN) highlighted. Dip is -90 degrees and azimuth 0 (i.e. all holes are drilled vertically).

ID	GDA94_E	GDA94_N	RL (m)	TD(m)	Gamma					PFN				
					From (m)	To (m)	Interval (m)	eU3O8 (%)	GT-Gam	From (m)	To (m)	Interval (m)	pU3O8 (%)	GT-PFN
FED0249	358860	6665830	144.0	260.0	180.9	181.5	0.6	0.03	0.02	180.9	181.5	0.6	0.10	0.06
FED0249					185.9	186.9	1.0	0.09	0.09	185.9	186.9	1.0	0.12	0.12
FED0249					190.7	194.5	3.8	0.10	0.38	190.7	194.5	3.8	0.16	0.61
FED0249	358860	6665830	144.0	260.0	195.7	196.3	0.6	0.18	0.11	195.7	196.3	0.6	0.25	0.15
FED0253	358865	6665909	140.0	216.0	174.9	176.1	1.2	0.09	0.11	174.9	176.1	1.2	0.10	0.12
FED0262	358790	6665990	138.0	168.0	No significant grade									
FED0269	358710	6666077	140.0	138.0	No significant grade									
FED0274	358690	6665940	143.0	196.0	150.3	150.8	0.5	0.07	0.04	150.3	150.8	0.5	0.13	0.07
FED0278	358726	6665729	146.0	234.0	193.4	194.6	1.2	0.14	0.17	193.4	194.6	1.2	0.23	0.29
FED0281	358730	6665853	147.0	233.0	176.8	177.9	1.1	0.16	0.18	176.8	177.9	1.1	0.48	0.53
FED0281					190.9	192.2	1.3	0.10	0.13	190.9	192.2	1.3	0.23	0.30
FMC001	359981	6666836	131.6	284.0	238.6	241.4	2.8	0.21	0.59	238.6	241.4	2.8	0.18	0.50
FMC001					238.8	241.5	2.7	0.21	0.57	238.8	241.5	2.7	0.27	0.73
FMC001					246.3	254.9	8.6	0.39	3.35	246.3	254.9	8.6	0.44	3.78
FMC001					246.4	254.8	8.4	0.39	3.28	246.4	254.8	8.4	0.65	5.46
FMD0001	360329	6667342	128.9	276.0	221.6	225.3	3.7	0.21	0.78	221.6	225.3	3.7	0.14	0.52
FMD0001					227.2	232.2	5.0	0.21	1.05	227.2	232.2	5.0	0.18	0.90
FMD0001					253.6	256.4	2.8	0.20	0.56	253.6	256.4	2.8	0.26	0.73
FMD0002	359900	6666924	132.0	282.0	219.8	221.0	1.2	0.05	0.06	219.8	221.0	1.2	0.05	0.06
FMD0002					241.4	243.1	1.7	0.05	0.08	241.4	243.1	1.7	0.05	0.08
FMD0002					247.0	254.9	8.0	0.37	2.95	247.0	254.9	8.0	0.37	2.95
FMD0003	359827	6666996	135.5	276.0	216.8	218.8	2.0	0.03	0.06	216.8	218.8	2.0	0.07	0.14
FMD0003					249.0	256.0	7.0	0.74	5.18	249.0	256.0	7.0	1.19	8.33
FMD0004	359760	6667090	139.8	282.0	258.9	259.8	0.9	0.18	0.16	258.9	259.8	0.9	0.13	0.12
FMD0005	359574	6666706	138.0	276.0	251.0	252.0	1.0	0.04	0.04	251.0	252.0	1.0	0.03	0.03
FMD0006	359972	6666845	131.4	270.0	246.0	255.0	9.0	0.60	5.40	246.0	255.0	9.0	0.85	7.65
FMD0007	359650	6666591	136.7	276.0	243.0	244.0	1.0	0.04	0.04	243.0	244.0	1.0	0.04	0.04
FMD0007					251.0	252.0	1.0	0.06	0.06	251.0	252.0	1.0	0.06	0.06
FMD0008	359072	6666389	141.4	110.0	No significant grade									
FMD0009	359142	6666311	139.4	137.0	No significant grade									
FMD0010	359714	6666518	135.0	276.0	No significant grade									
FMD0011	360041	6666771	130.7	276.0	234.0	239.3	5.3	0.05	0.27	234.0	239.3	5.3	0.05	0.28
FMD0011					245.0	247.4	2.4	0.15	0.36	245.0	247.4	2.4	0.16	0.38
FMD0012	359286	6666153	135.8	220.0	No significant grade									
FMD0013	360327	6667450	129.7	276.0	256.6	258.4	1.8	0.21	0.38	256.6	258.4	1.8	0.15	0.27
FMD0014	360325	6667150	127.4	276.0	230.0	233.7	3.7	0.04	0.13	230.0	233.7	3.7	0.04	0.15
FMD0014					237.7	239.4	1.7	0.02	0.03	237.7	239.4	1.7	0.03	0.05
FMD0015	360325	6667250	128.5	270.0	222.0	224.6	2.6	0.03	0.06	222.0	224.6	2.6	0.03	0.08
FMD0015					243.6	249.5	5.9	0.11	0.65	243.6	249.5	5.9	0.14	0.85
FMD0015					249.5	256.0	6.5	0.37	2.41	249.5	256.0	6.5	0.54	3.51
FMD0016	360175	6667201	132.1	276.0	217.8	219.5	1.7	0.04	0.07	217.8	219.5	1.7	0.06	0.10
FMD0016					230.9	231.5	0.6	0.06	0.04	230.9	231.5	0.6	0.06	0.04
FMD0016					232.5	233.3	0.8	0.05	0.04	232.5	233.3	0.8	0.05	0.04
FMD0016					241.4	246.2	4.8	0.06	0.29	241.4	246.2	4.8	0.06	0.29
FMD0017	360107	6667278	135.6	276.0	238.5	239.1	0.6	0.06	0.04	238.5	239.1	0.6	0.07	0.04
FMD0017					242.0	242.5	0.5	0.04	0.02	242.0	242.5	0.5	0.05	0.03
FMD0017					254.3	254.8	0.5	0.10	0.05	254.3	254.8	0.5	0.11	0.06
FMD0017					258.0	261.7	3.7	0.22	0.81	258.0	261.7	3.7	0.39	1.44
FMD0018	359638	6667215	148.5	282.0	253.8	257.0	3.2	0.48	1.54	253.8	257.0	3.2	0.45	1.44
FMD0018					258.6	263.1	4.5	0.04	0.18	258.6	263.1	4.5	0.05	0.23
FMD0018					263.8	265.5	1.7	0.17	0.29	263.8	265.5	1.7	0.30	0.51
FMD0018					268.4	271.0	2.6	0.42	1.09	268.4	271.0	2.6	0.39	1.01
FMD0019	360243	6667125	129.0	276.0	222.0	232.0	10.0	0.08	0.80	222.0	232.0	10.0	0.10	1.00
FMD0020	360109	6666701	129.3	276.0	219.0	220.0	1.0	0.16	0.16	219.0	220.0	1.0	0.20	0.20
FMD0020					229.6	230.7	1.1	0.02	0.02	229.6	230.7	1.1	0.05	0.06
FMD0021	359707	6666190	132.3	276.0	255.6	256.7	1.1	0.03	0.03	255.6	256.7	1.1	0.07	0.08

ID	GDA94_E	GDA94_N	NRL (m)	TD(m)	Gamma					PFN				
					From (m)	To (m)	Interval (m)	eU3O8 (%)	GT-Gam	From (m)	To (m)	Interval (m)	pU3O8 (%)	GT-PFN
FMD0022	359850	6666019	128.8	272.0	No significant grade									
FMD0023	360182	6666629	128.0	272.0	219.0	220.8	1.8	0.07	0.13	219.0	220.8	1.8	0.08	0.14
FMD0024	360155	6667598	137.5	346.0	258.8	259.4	0.6	0.02	0.01	258.8	259.4	0.6	0.03	0.02
FMD0025	359962	6667425	142.0	282.0	258.0	258.8	0.8	0.16	0.13	258.0	258.8	0.8	0.11	0.09
FMD0025					266.4	273.4	7.0	0.17	1.19	266.4	273.4	7.0	0.12	0.84
FMD0026	359703	6667153	143.1	378.0	233.7	234.2	0.5	0.04	0.02	233.7	234.2	0.5	0.05	0.03
FMD0026					260.4	261.3	0.9	0.11	0.10	260.4	261.3	0.9	0.09	0.08
FMD0027	359299	6666988	153.7	104.0	No significant grade									
FMD0028	360043	6667353	138.7	294.0	245.2	246.0	0.8	0.04	0.03	245.2	246.0	0.8	0.06	0.05
FMD0028					247.8	248.7	0.9	0.06	0.05	247.8	248.7	0.9	0.08	0.07
FMD0028					264.1	266.5	2.4	0.04	0.10	264.1	266.5	2.4	0.06	0.14
FMD0028					269.6	270.5	0.9	0.04	0.04	269.6	270.5	0.9	0.05	0.04
FMD0029	360325	6667050	125.9	276.0	221.9	222.6	0.7	0.01	0.01	221.9	222.6	0.7	0.05	0.03
FMD0029					225.4	228.4	3.0	0.05	0.15	225.4	228.4	3.0	0.06	0.18
FMD0030	359450	6666824	143.8	276.0	249.8	250.8	1.0	0.13	0.13	249.8	250.8	1.0	0.06	0.06
FMD0038	361925	6668955	120.0	288.0	225.5	231.3	5.8	0.10	0.58	225.5	231.3	5.8	0.10	0.58
FMD0038					243.7	246.0	2.3	0.07	0.16	243.7	246.0	2.3	0.07	0.16
FMD0038					253.2	255.5	2.3	0.08	0.18	253.2	255.5	2.3	0.08	0.18
FMD0038					277.5	278.5	1.0	0.13	0.13	277.5	278.5	1.0	0.13	0.13
FMD0039	361925	6669005	121.6	397.0	242.0	243.1	1.1	0.11	0.12	242.0	243.1	1.1	0.07	0.08
FMD0039					248.2	252.0	3.8	0.17	0.65	248.2	252.0	3.8	0.30	1.14
FMD0039					254.1	255.6	1.5	0.41	0.62	254.1	255.6	1.5	0.53	0.80
FMD0039					260.1	261.6	1.5	0.20	0.30	260.1	261.6	1.5	0.35	0.53
FMD0040	361925	6668907	119.6	300.0	205.8	206.4	0.6	0.04	0.02	205.8	206.4	0.6	0.26	0.16
FMD0040					218.1	218.8	0.7	0.01	0.01	218.1	218.8	0.7	0.07	0.05
FMD0040					220.0	235.3	15.3	0.06	0.92	220.0	235.3	15.3	0.13	1.99
FMD0040					236.5	237.0	0.5	0.14	0.07	236.5	237.0	0.5	0.20	0.10
FMD0040					244.3	245.0	0.7	0.21	0.15	244.3	245.0	0.7	0.17	0.12
FMD0040					246.1	248.4	2.3	0.24	0.55	246.1	248.4	2.3	0.31	0.71
FMD0040					250.1	255.0	4.9	0.83	4.07	250.1	255.0	4.9	1.83	8.97
FMD0040					275.1	276.4	1.3	0.11	0.14	275.1	276.4	1.3	0.12	0.16
FMD0041	361923	6668857	118.3	294.0	226.4	228.0	1.6	0.08	0.13	226.4	228.0	1.6	0.15	0.24
FMD0041					229.2	229.8	0.6	0.05	0.03	229.2	229.8	0.6	0.07	0.04
FMD0041					236.0	237.6	1.6	0.09	0.14	236.0	237.6	1.6	0.13	0.21
FMD0041					245.0	245.5	0.5	0.12	0.06	245.0	245.5	0.5	0.13	0.07
FMD0041					254.4	255.2	0.8	0.18	0.14	254.4	255.2	0.8	0.25	0.20
FMD0042	361838	6668879	121.0	300.0	209.3	210.0	0.7	0.05	0.03	209.3	210.0	0.7	0.15	0.10
FMD0042					234.1	236.5	2.4	0.08	0.19	234.1	236.5	2.4	0.12	0.29
FMD0043	361926	6668811	115.8	300.0	233.1	234.0	0.9	0.08	0.07	233.1	234.0	0.9	0.11	0.10
FMD0043					244.8	245.8	1.0	0.08	0.08	244.8	245.8	1.0	0.09	0.09
FMD0043					251.6	254.9	3.3	0.35	1.16	251.6	254.9	3.3	0.45	1.49
FMD0043					266.5	267.5	1.0	0.22	0.22	266.5	267.5	1.0	0.30	0.30
FMD0043					269.8	270.5	0.7	0.29	0.20	269.8	270.5	0.7	0.40	0.28
FMD0044	361815	6668920	122.4	294.0	226.9	227.8	0.9	0.11	0.10	226.9	227.8	0.9	0.25	0.23
FMD0044					233.3	236.8	3.5	0.09	0.32	233.3	236.8	3.5	0.13	0.46
FMD0044					240.5	241.7	1.2	0.14	0.17	240.5	241.7	1.2	0.22	0.26
FMD0044					245.1	250.9	5.8	0.33	1.91	245.1	250.9	5.8	0.55	3.19
FMD0044					252.6	257.2	4.6	0.21	0.97	252.6	257.2	4.6	0.46	2.12
FMD0044					261.6	263.0	1.4	0.17	0.24	261.6	263.0	1.4	0.14	0.20
FMD0045	361936	6668961	120.3	294.0	221.6	229.3	7.7	0.09	0.69	221.6	229.3	7.7	0.19	1.46
FMD0045					234.1	234.7	0.6	0.09	0.05	234.1	234.7	0.6	0.14	0.08
FMD0045					243.7	245.0	1.3	0.44	0.57	243.7	245.0	1.3	0.60	0.78
FMD0045					250.5	251.1	0.6	0.06	0.04	250.5	251.1	0.6	0.09	0.05
FMD0045					252.6	253.3	0.7	0.14	0.10	252.6	253.3	0.7	0.11	0.08
FMD0045					254.6	255.3	0.7	0.11	0.08	254.6	255.3	0.7	0.17	0.12
FMD0045					276.5	277.4	0.9	0.34	0.31	276.5	277.4	0.9	0.61	0.55
FMD0046	361798	6668950	123.0	390.0	152.1	153.6	1.5	0.12	0.18	152.1	153.6	1.5	0.09	0.14
FMD0046					241.2	242.6	1.4	0.08	0.11	241.2	242.6	1.4	0.15	0.21
FMD0046					251.6	255.9	4.3	0.14	0.60	251.6	255.9	4.3	0.30	1.29
FMD0046					256.8	257.4	0.6	0.11	0.07	256.8	257.4	0.6	0.15	0.09
FMD0046					278.7	279.3	0.6	0.09	0.05	278.7	279.3	0.6	0.09	0.05

ID	GDA94_E	GDA94_N	NRL (m)	TD(m)	Gamma					PFN				
					From (m)	To (m)	Interval (m)	eU3O8 (%)	GT-Gam	From (m)	To (m)	Interval (m)	pU3O8 (%)	GT-PFN
FMD0047	361760	6669011	125.1	126.0	No significant grade									
FMD0048	361924	6669063	121.7	90.0	No significant grade									
FMD0049	360804	6667672	123.8	282.0	245.9	248.2	2.3	0.48	1.10	245.9	248.2	2.3	0.89	2.05
FMD0049					260.7	262.7	2.0	0.50	1.00	260.7	262.7	2.0	0.87	1.74
FMD0050	360896	6667671	122.2	282.0	No significant grade									
FMD0051	361016	6667675	120.3	282.0	No significant grade									
FMD0052	361105	6667671	118.5	276.0	No significant grade									
FMD0053	361026	6667771	120.1	282.0	237.5	238.1	0.6	0.16	0.10	237.5	238.1	0.6	0.16	0.10
FMD0053					239.0	239.5	0.5	0.05	0.03	239.0	239.5	0.5	0.14	0.07
FMD0054	360707	6667671	126.2	276.0	260.9	262.3	1.4	0.61	0.85	260.9	262.3	1.4	0.68	0.95
FMD0054					264.1	264.7	0.6	0.08	0.05	264.1	264.7	0.6	0.09	0.05
FMD0055	360896	6667918	122.4	282.0	264.5	265.3	0.8	0.20	0.16	264.5	265.3	0.8	0.10	0.08
FMD0056	361187	6668115	120.7	288.0	219.5	220.1	0.6	0.04	0.02	219.5	220.1	0.6	0.15	0.09
FMD0056					221.7	222.8	1.1	0.29	0.32	221.7	222.8	1.1	0.43	0.47
FMD0056					227.3	227.8	0.5	0.05	0.03	227.3	227.8	0.5	0.11	0.06
FMD0057	360972	6667849	120.5	282.0	No significant grade									
FMD0059	361123	6668188	122.1	288.0	No significant grade									
FMD0060	361254	6668035	119.2	282.0	No significant grade									
FMD0061	360607	6667671	128.8	282.0	261.5	262.3	0.8	0.31	0.25	261.5	262.3	0.8	0.52	0.42
FMD0061					264.4	265.1	0.7	0.12	0.08	264.4	265.1	0.7	0.14	0.10
FMD0062	360988	6668338	126.2	378.0	214.1	215.1	1.0	0.27	0.27	214.1	215.1	1.0	0.48	0.48
FMD0062					216.6	217.1	0.5	0.06	0.03	216.6	217.1	0.5	0.18	0.09
FMD0063	361060	6668262	123.4	294.0	No significant grade									
FMD0064	360541	6667925	132.6	282.0	217.3	217.8	0.5	0.08	0.04	217.3	217.8	0.5	0.09	0.05
FMD0064					260.9	261.9	1.0	0.39	0.39	260.9	261.9	1.0	0.53	0.53
FMD0106	360759	6668080	128.7	347.0	221.8	222.7	0.9	0.15	0.13	221.8	222.7	0.9	0.22	0.20
FMD0106					250.2	251.2	1.0	0.63	0.63	250.2	251.2	1.0	0.73	0.73
FMD0107	360225	6667293	131.9	386.0	246.7	247.9	1.2	0.22	0.26	246.7	247.9	1.2	0.24	0.29
FMD0108	359963	6667253	139.9	350.0	No significant grade									
FMD0109	360062	6667457	138.2	354.0	227.0	228.9	1.9	0.22	0.42	227.0	228.9	1.9	0.37	0.70
FMD0109					266.8	267.8	1.0	0.20	0.20	266.8	267.8	1.0	0.30	0.30
FMD0110	359892	6667329	143.9	354.0	243.1	243.6	0.5	0.10	0.05	243.1	243.6	0.5	0.08	0.04
FMD0111	360041	6667184	135.7	362.0	No significant grade									
FMD0112	360113	6667107	132.0	372.0	221.0	222.2	1.2	0.19	0.23	221.0	222.2	1.2	0.42	0.50
FMD0112					236.0	239.8	3.8	0.10	0.38	236.0	239.8	3.8	0.13	0.49
FMD0113	360117	6667027	129.1	350.0	No significant grade									
FMD0114	360242	6666959	126.9	332.0	No significant grade									
FMD0115	359930	6667112	136.6	350.0	260.9	262.2	1.3	0.03	0.04	260.9	262.2	1.3	0.05	0.07
FMD0116	359862	6667188	140.1	354.0	233.7	235.4	1.7	0.09	0.15	233.7	235.4	1.7	0.30	0.51
FMD0116					263.3	263.8	0.5	0.03	0.02	263.3	263.8	0.5	0.11	0.06
FMD0117	360027	6667006	131.7	338.0	235.7	236.8	1.1	0.10	0.11	235.7	236.8	1.1	0.11	0.12
FMD0117					237.5	238.9	1.4	0.20	0.28	237.5	238.9	1.4	0.24	0.34
FMD0118	359794	6667263	143.5	354.0	257.7	258.5	0.8	0.27	0.22	257.7	258.5	0.8	0.34	0.27
FMD0118					261.6	264.1	2.5	0.10	0.25	261.6	264.1	2.5	0.12	0.30
FMD0119	360113	6666917	128.0	348.0	221.8	232.2	10.4	0.11	1.14	221.8	232.2	10.4	0.23	2.39
FMD0120	359797	6666837	134.5	348.0	253.6	254.8	1.2	0.18	0.22	253.6	254.8	1.2	0.16	0.19
FMD0121	359655	6667005	138.7	332.0	259.5	260.1	0.6	0.13	0.08	259.5	260.1	0.6	0.14	0.08
FMD0122	359733	6666930	135.4	356.0	254.6	255.5	0.9	0.25	0.23	254.6	255.5	0.9	0.26	0.23
FMD0123	359448	6667003	147.5	339.0	No significant grade									
FMD0124	359610	6667085	142.0	360.0	No significant grade									
FMD0125	359726	6666697	135.0	326.0	246.0	246.6	0.6	0.05	0.03	246.0	246.6	0.6	0.05	0.03
FMD0125					248.6	249.2	0.6	0.27	0.16	248.6	249.2	0.6	0.19	0.11
FMD0125					253.4	255.2	1.8	0.13	0.23	253.4	255.2	1.8	0.06	0.11
FMD0126	359521	6666920	142.1	338.0	No significant grade									
FMD0127	360174	6666836	128.5	330.0	228.1	229.4	1.3	0.02	0.03	228.1	229.4	1.3	0.06	0.08
FMD0128	359593	6666846	138.6	243.0	No significant grade									
FMD0129	360234	6666768	127.9	336.0	No significant grade									
FMD0130	359480	6666604	138.9	320.0	No significant grade									
FMD0131	359800	6666611	134.1	321.0	252.9	253.9	1.0	0.27	0.27	252.9	253.9	1.0	0.33	0.33
FMD0131					254.7	262.4	7.7	0.30	2.31	254.7	262.4	7.7	0.32	2.46
FMD0132	359875	6666744	133.2	332.0	251.6	253.8	2.2	0.23	0.51	251.6	253.8	2.2	0.21	0.46



ID	GDA94_E	GDA94_N	NRL (m)	TD(m)	Gamma					PFN				
					From (m)	To (m)	Interval (m)	eU3O8 (%)	GT-Gam	From (m)	To (m)	Interval (m)	pU3O8 (%)	GT-PFN
FMD0133	359933	6666689	131.9	332.0	226.1	227.6	1.5	0.08	0.12	226.1	227.6	1.5	0.09	0.14
FMD0133					246.6	247.1	0.5	0.16	0.08	246.6	247.1	0.5	0.13	0.07
FMD0133					252.5	254.6	2.1	0.62	1.30	252.5	254.6	2.1	1.12	2.35
FMD0134	359875	6666523	132.3	288.0	242.7	243.6	0.9	0.27	0.24	242.7	243.6	0.9	0.37	0.33
FMD0135	360004	6666603	130.9	320.0	219.3	220.6	1.3	0.13	0.17	219.3	220.6	1.3	0.21	0.27
FMD0135					243.8	245.2	1.4	0.66	0.92	243.8	245.2	1.4	0.86	1.20
FMD0136	359947	6666450	130.8	321.0	227.8	229.6	1.8	0.04	0.07	227.8	229.6	1.8	0.07	0.13
FMD0137	360072	6666525	129.5	317.0	No significant grade									
FMD0138	360016	6666374	129.2	317.0	No significant grade									
FMD0139	360140	6666449	128.0	214.0	No significant grade									
FMD0140	360138	6666319	126.5	309.0	No significant grade									
FMD0141	360211	6666372	125.6	311.0	No significant grade									
FMD0142	359650	6666466	135.4	308.0	255.3	257.9	2.6	0.26	0.68	255.3	257.9	2.6	0.27	0.70
FMD0143	360287	6666294	124.1	301.0	No significant grade									
FMD0144	359816	6666448	132.4	326.0	219.4	219.9	0.5	0.06	0.03	219.4	219.9	0.5	0.08	0.04
FMD0144					243.9	249.7	5.8	0.25	1.45	243.9	249.7	5.8	0.24	1.39
FMD0145	359553	6666534	136.8	313.0	No significant grade									
FMD0146	359629	6666249	132.6	296.0	No significant grade									
FMD0147	359550	6666175	133.4	296.0	220.3	221.5	1.2	0.05	0.06	220.3	221.5	1.2	0.05	0.06
FMD0147					257.2	258.1	0.9	0.11	0.10	257.2	258.1	0.9	0.13	0.12
FMD0148	359817	6666200	131.0	299.0	No significant grade									
FMD0149	359621	6666093	132.4	290.5	221.1	222.0	0.9	0.10	0.09	221.1	222.0	0.9	0.16	0.14
FMD0149					258.9	259.4	0.5	0.17	0.09	258.9	259.4	0.5	0.20	0.10
FMD0150	359903	6666127	129.4	295.0	No significant grade									
FMD0151	359700	6666014	130.7	289.0	225.7	228.6	2.9	0.03	0.09	225.7	228.6	2.9	0.05	0.15
FMD0151					234.3	235.0	0.7	0.06	0.04	234.3	235.0	0.7	0.09	0.06
FMD0152	359481	6666249	134.8	296.5	256.4	258.7	2.3	0.20	0.46	256.4	258.7	2.3	0.27	0.62
FMD0152	359481	6666249	134.8	296.5	259.9	260.4	0.5	0.21	0.11	259.9	260.4	0.5	0.39	0.20
FMD0153	359770	6666097	130.9	295.0	No significant grade									
FMD0154	359439	6666140	134.0	292.5	242.9	243.4	0.5	0.04	0.02	242.9	243.4	0.5	0.07	0.04
FMD0155	359760	6665929	128.6	285.0	No significant grade									
FMD0156	359503	6666058	132.4	288.0	242.5	243.9	1.4	0.71	0.99	242.5	243.9	1.4	0.70	0.98
FMD0156					253.0	254.5	1.5	0.12	0.18	253.0	254.5	1.5	0.12	0.18
FMD0157	360151	6666049	125.5	287.0	No significant grade									
FMD0158	359578	6665983	130.5	285.0	221.4	222.3	0.9	0.07	0.06	221.4	222.3	0.9	0.11	0.10
FMD0158					232.6	233.8	1.2	0.07	0.08	232.6	233.8	1.2	0.15	0.18
FMD0159	359651	6665895	129.1	280.0	No significant grade									
FMD0160	359711	6665828	128.0	282.0	No significant grade									
FMD0161	359436	6665967	131.8	288.0	218.4	219.2	0.8	0.09	0.07	218.4	219.2	0.8	0.11	0.09
FMD0162	359517	6665899	130.4	278.0	No significant grade									
FMD0163	359578	6665813	128.9	279.0	No significant grade									
FMD0164	359643	6665737	127.6	276.0	No significant grade									
FMD0165	359713	6665657	126.1	280.0	No significant grade									
FMD0166	359269	6665948	134.0	270.0	212.1	214.1	2.0	0.33	0.66	212.1	214.1	2.0	0.43	0.86
FMD0166					215.8	216.3	0.5	0.10	0.05	215.8	216.3	0.5	0.15	0.08
FMD0167	359338	6665868	131.0	272.0	No significant grade									
FMD0168	359481	6665716	128.7	264.0	No significant grade									
FMD0169	360986	6667743	121.0	337.5	No significant grade									
FMD0170	360919	6667812	121.9	338.0	245.1	256.0	10.9	0.49	5.34	245.1	256.0	10.9	0.59	6.43
FMD0171	360950	6667692	121.4	334.0	221.7	224.2	2.5	0.11	0.28	221.7	224.2	2.5	0.17	0.43
FMD0172	360954	6667775	121.5	344.0	242.4	244.3	1.9	0.20	0.38	242.4	244.3	1.9	0.18	0.34
FMD0173	360912	6667736	122.4	339.0	No significant grade									
FMD0174	360884	6667774	122.9	338.0	246.3	246.8	0.5	0.14	0.07	246.3	246.8	0.5	0.10	0.05
FMD0174					254.9	261.6	6.7	0.46	3.08	254.9	261.6	6.7	0.70	4.69
FMD0175	360854	6667668	123.0	334.0	246.4	247.8	1.4	0.22	0.31	246.4	247.8	1.4	0.17	0.24
FMD0176	360834	6667757	123.9	338.0	261.7	263.3	1.6	0.17	0.27	261.7	263.3	1.6	0.21	0.34
FMD0177	360743	6667696	125.4	336.0	261.7	262.2	0.5	0.08	0.04	261.7	262.2	0.5	0.08	0.04
FMD0177					263.3	265.1	1.8	0.15	0.27	263.3	265.1	1.8	0.13	0.23
FMD0178	360857	6667719	123.4	336.0	230.3	231.4	1.1	0.12	0.13	230.3	231.4	1.1	0.10	0.11
FMD0178					252.9	254.2	1.3	0.33	0.43	252.9	254.2	1.3	0.25	0.32
FMD0178					255.0	262.5	7.5	0.09	0.68	255.0	262.5	7.5	0.10	0.75

ID	GDA94_E	GDA94_N	NRL (m)	TD(m)	Gamma					PFN				
					From (m)	To (m)	Interval (m)	eU3O8 (%)	GT-Gam	From (m)	To (m)	Interval (m)	pU3O8 (%)	GT-PFN
FMD0179	360718	6667742	126.6	338.0	265.7	266.1	0.4	0.29	0.12	265.7	266.1	0.4	0.41	0.16
FMD0180	360780	6667722	125.0	336.0	245.5	246.0	0.5	0.19	0.10	245.5	246.0	0.5	0.15	0.08
FMD0181	360665	6667719	127.6	335.0	No significant grade									
FMD0182	360750	6667765	125.7	336.0	264.2	266.2	2.0	1.08	2.16	264.2	266.2	2.0	1.38	2.76
FMD0183	360629	6667752	128.8	337.0	263.9	264.7	0.8	0.37	0.30	263.9	264.7	0.8	0.48	0.38
FMD0184	360592	6667807	129.6	336.0	213.4	214.9	1.5	0.05	0.08	213.4	214.9	1.5	0.10	0.15
FMD0184					251.9	252.8	0.9	0.08	0.07	251.9	252.8	0.9	0.09	0.08
FMD0184					259.8	260.3	0.5	0.16	0.08	259.8	260.3	0.5	0.23	0.12
FMD0184					263.2	266.4	3.2	0.19	0.61	263.2	266.4	3.2	0.21	0.67
FMD0185	360620	6667844	128.6	338.0	247.7	248.7	1.0	0.13	0.13	247.7	248.7	1.0	0.08	0.08
FMD0185					261.4	262.8	1.4	0.21	0.29	261.4	262.8	1.4	0.27	0.38
FMD0186	360501	6667820	132.2	339.0	254.6	257.0	2.4	0.06	0.14	254.6	257.0	2.4	0.06	0.14
FMD0187	360581	6667891	130.1	340.0	251.7	252.2	0.5	0.63	0.32	251.7	252.2	0.5	0.59	0.30
FMD0187					255.7	257.8	2.1	0.29	0.61	255.7	257.8	2.1	0.48	1.01
FMD0188	361414	6668245	119.3	356.0	259.2	261.1	1.9	0.21	0.40	259.2	261.1	1.9	0.32	0.61
FMD0189	361501	6668181	117.7	360.0	No significant grade									
FMD0190	361573	6668148	116.6	350.0	258.5	260.2	1.7	0.03	0.05	258.5	260.2	1.7	0.11	0.19
FMD0190					267.5	268.3	0.8	0.04	0.03	267.5	268.3	0.8	0.08	0.06
FMD0191	361330	6668310	121.2	360.0	230.9	232.6	1.7	0.12	0.20	230.9	232.6	1.7	0.11	0.19
FMD0191					235.6	236.3	0.7	0.24	0.17	235.6	236.3	0.7	0.33	0.23
FMD0191					240.5	244.1	3.6	0.15	0.54	240.5	244.1	3.6	0.16	0.58
FMD0191					244.9	247.5	2.6	0.17	0.44	244.9	247.5	2.6	0.11	0.29
FMD0191					257.0	257.9	0.9	0.31	0.28	257.0	257.9	0.9	0.38	0.34
FMD0192	361676	6668092	115.0	345.0	No significant grade									
FMD0193	361353	6668475	121.4	362.0	226.3	228.8	2.5	0.07	0.18	226.3	228.8	2.5	0.08	0.20
FMD0194	361452	6668445	119.5	360.0	238.0	239.5	1.5	0.07	0.11	238.0	239.5	1.5	0.08	0.12
FMD0195	361543	6668403	118.3	358.0	No significant grade									
FMD0196	361651	6668556	117.0	356.0	254.3	256.7	2.4	0.12	0.29	254.3	256.7	2.4	0.10	0.24
FMD0196					259.5	260.0	0.5	0.06	0.03	259.5	260.0	0.5	0.08	0.04

## JORC Code Table 1 checklist of assessment and reporting criteria

Criteria	Commentary
<i>Sampling techniques</i>	<p>The principal sampling method was by downhole geophysical PFN and gamma probes in rotary mud drill holes for both grade and lithological logging, PFN grade logging directly measures in-situ uranium grade, thus avoiding the issue of variable radiometric disequilibrium that can affect results from gamma, which measures uranium daughter products.</p> <p>The natural gamma tool is calibrated for uranium grade at the 'Adelaide Model' geophysical calibration pits. The PFN is calibrated at the purpose built calibration facility located at Beverley.</p>
<i>Drilling techniques</i>	<p>Drill holes are drilled vertically using the rotary mud method. Depth to top of mineralisation varies from 150.3 to 278.7 metres. Depth to base of mineralisation varies from 150.8 to 279.3 metres. Maximum depth drilled was 397 metres.</p>
<i>Drill sample recovery</i>	<p>Rotary mud chip cuttings are collectively photographed at the drill site. Chip tray samples are kept in storage.</p>
<i>Logging</i>	<p>Chip samples are not collected for laboratory chemical assay.</p>
<i>Sub-sampling techniques and sample preparation</i>	<p>Sub-samples of the chip cuttings are stored in chip trays as a physical record of the intersection sequence. Handheld XRF analyses of chip tray samples are collected.</p> <p>The rotary mud chip cuttings are collectively photographed at the drill site.</p>
<i>Quality of assay data and laboratory tests</i>	<p>PFN directly measures uranium grade. There is no conventional assay data and no laboratory tests were carried out.</p>
<i>Verification of sampling and assaying</i>	<p>PFN tools are regularly calibrated at a calibration facility located at Beverley. No sampling or conventional assaying was carried out.</p>
<i>Location of data points</i>	<p>Collar coordinates were determined by handheld GPS. Survey data are GDA94, MGA Zone 54.</p>
<i>Data spacing and distribution</i>	<p>Infill grid drilling to 100m spacing has been completed over the south central part of the area (see Figure 2) elsewhere drill holes are at variable separations due to the shape of Mineral Lease 6402 and discovered locations of redox/roll front mineralisation.</p>
<i>Orientation of data in relation to geological structure</i>	<p>Drill holes fences were originally oriented perpendicular to the interpreted strike of the large scale regional roll-front redox boundary. Infill drilling has been carried out to produce a 100m square grid over the south central part of the area. Vertical drilling intersects the expected sub-horizontal sediments and mineralization at close to right angles.</p>
<i>Sample security</i>	<p>Drill hole cuttings are stored at the Beverley Mine.</p>
<i>Audits or reviews</i>	<p>The raw data underpinning the information contained herein has <b>not</b> been independently reviewed by Mr Bowden and Mr Johnston as CP for Alliance and relies on information provided by Quasar Resources Pty Ltd.</p>

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	<p>Mineral Lease 6402 is held 25% by Alliance Craton Explorer Pty Ltd (a wholly owned subsidiary of Alliance Resources Limited)(<b>ACE</b>) and 75% by Quasar Resources Pty Ltd (<b>Quasar</b>)<sup>(3)</sup>, an affiliate of Heathgate Resources Pty Ltd (<b>Heathgate</b>), both wholly owned subsidiaries of private US corporation, General Atomics. Quasar as manager for the project, utilizes staff, facilities and equipment at Heathgate’s adjacent Beverley Mine site.</p> <p>A Native Title Mining Agreement is in effect with traditional owners.</p> <p>The 12,206ha mining lease was granted for a period of 10 years from 26 April 2012 and production planning is progressing for the Four Mile East deposit.</p>
<i>Exploration done by other parties</i>	<p>The Oilmin-Transoil-Petromin Group discovered Beverley in 1969 and ISL development was proposed by South Australian Uranium Corp in 1982 but did not proceed until after Heathgate acquired it in 1990 and commenced production in 2000. In 2005 Quasar resumed exploration drilling at 4,000m x 2,000m spacing on the ‘Arkaroola’ licence to the west (then held by ACE).This led to the discovery of Four Mile East in hole AK010 which returned 1m @ 0.16% eU3O8 from 181m depth.</p>
<i>Geology</i>	<p>The mineralisation is of the sandstone uranium type, associated with redox interfaces. The mineralisation announced today is interpreted to lie within an apparent regional roll-front type redox interface that embraces the Four Mile West, Four Mile East, Pepegooona and Pannikan deposits over a total strike length of 7.5 kilometres.</p> <p>A detailed interpretation of the sedimentary sequence is not yet available for these drill holes.</p> <p>Mineralisation is hosted in Mesozoic sediments of the Frome Embayment and underlain by crystalline Meso/Palaeoproterozoic basement, with Mesoproterozoic granites considered source rocks. Other deposits occur in Tertiary sands of the overlying Callabonna Sub Basin of the Lake Eyre Basin, extending over an area of approximately 25,000km<sup>2</sup> between the Mount Painter Inlier in the north west, Olary Block to the south and Broken Hill Block to the east.</p>
<i>Drill hole Information</i>	<p>Drill hole coordinates together with uranium mineralized intersections detected by PFN and gamma log probes are presented in Table B.</p>
<i>Data aggregation methods</i>	<p>PFN grade logging directly measures in-situ uranium grade and thickness. For gamma logs, the area under an anomalous gamma curve is proportional to the grade x thickness (GT) of the mineralised intercept. In both cases calibration data unique to the individual probe are used to “correct” the measured data to standard measures in purpose built calibration facilities. In order to derive an estimate of equivalent uranium grade from gamma logs it is necessary to estimate the intercept thickness (T) and calculate grade by division grade <math>G=GT/T</math>. Anomalous intersections indicated by the down hole gamma probe are expected to exceed the true width due to the “shoulder effect” whereby radiation is “recorded” by the probe as it approaches and leaves the mineralised zone. Classically, the shoulder effect is compensated in gamma logs by a deconvolution process. This process is not utilised by Quasar which, as a “rule of thumb”, applies the PFN derived thickness to the gamma log GT to obtain</p>

(3) ACE elected not to contribute to the 2015 Program and Budget and accordingly is reducing its interest in the Four Mile Mine Development Area (see note 2)

Criteria	Commentary
	gamma log equivalent grade.
<i>Relationship between mineralisation widths and intercept lengths</i>	Unless there has been significant structural disturbance the sedimentary beds are expected to be sub-horizontal and the intersected thickness is expected to be close to the true thickness.
<i>Diagrams</i>	Plan Figure 1: Distribution of regional drilling at Four Mile; Plan Figure 2: Four Mile Northeast drill hole locations showing uranium intercepts >0.03% pU <sub>3</sub> O <sub>8</sub> and Table B: Significant intersections above cut-off criteria of 0.03% pU <sub>3</sub> O <sub>8</sub> , minimum width of 0.5 metres and maximum internal dilution of 1 metre, are included in this announcement. For Exploration Target tonnage calculations a cut-off of 0.1m% U <sub>3</sub> O <sub>8</sub> was applied to the output polygon and block GT data.
<i>Balanced reporting</i>	The results for all significant intersections (i.e. intersections with significant reportable uranium equivalent grade) are shown in Table B.
<i>Other substantive exploration data</i>	Assuming no sampling or calibration errors, the difference between the gamma derived equivalent uranium grade and the PFN measured uranium grade should be a measure of disequilibrium within the mineralised intersection. Inspection of the exploration results implies significant disequilibrium is present in this area.
<i>Further work</i>	The current drill program is in progress.

**Steve Johnston**  
Managing Director

### Competent Person's Statement

The information in this report that relates to Exploration Results and the Exploration Target 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 and Mr Stephen Johnston who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Bowden and Mr Johnston are part-time and full-time employees, respectively, of Alliance Resources Ltd and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Bowden and Mr Johnston consent to the inclusion in the report of the matters based on their information the form and context in which it appears.