

10 May 2012

ASX Code: AGS

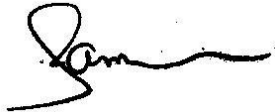
No. of pages: 25

COMPANY PRESENTATION

Please find attached a copy of a presentation made by Mr Steve Johnston at the 2012 RIU Sydney Resources Round-up, on 10 May 2012.

For a colour version of the attached presentation, please go to our website www.allianceresources.com.au.

For and on behalf of the Board.



Ian Pamensky
Company Secretary

About Alliance Resources

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



ALLIANCE RESOURCES LIMITED

RIU Sydney Resources Round-up,
10 May 2012

Steve Johnston – Managing Director

Cautionary & CP Statements

Cautionary Statement

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Before making an investment decision on the basis of this presentation, the investor needs to consider, with or without the assistance of a financial advisor, whether the investment is appropriate with due regard for their particular investment needs, objectives and financial circumstances.

This presentation is based on internal company and joint venture partner reports, stock exchange announcements, stockbroker research and technical information believed to be reliable. To the maximum extent permitted by law, none of Alliance’s directors, employees or agents, nor any other person accepts any liability, including, without limitation, any liability arising out of fault of negligence, for any loss arising from the use of the information contained in this presentation nor is any obligation assumed to update such information. In particular, no representation or warranty, express or implied, is provided as to its accuracy, completeness or currency of the information contained in this presentation. Alliance accepts no obligation to correct or update the information or opinions expressed in it. Opinions expressed are subject to change without notice and reflect the views of Alliance at the time of presenting.

Competent Persons Statements

The information in this report that relates to Four Mile project uranium Mineral Resources is based on information compiled by Mr K Bampton who is a Corporate member of both the Australian Institute of Geoscientists and The Australasian Institute of Mining & Metallurgy. Mr Bampton trades as Ore Reserve Evaluation Services. Mr Bampton 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 Bampton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Warrina project Exploration Results 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 Alliance Resources Limited 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.

The information in this report that relates to Cabeza de Vaca project Exploration Results 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 Bowden is a part-time employee of Alliance Resources Ltd 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 Bowden consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

- ASX listed resources company with uranium and copper-gold assets
- Main asset: 25% equity in Four Mile Uranium Project
 - ◆ 71Mlb U_3O_8 contained in Indicated + Inferred Resources* (Alliance share ~18Mlb U_3O_8)
 - ◆ Potential to be the largest and highest grade in-situ recovery uranium mine in the world
 - ◆ Mineral Lease granted from 26 April 2012
 - ◆ Project is subject to legal actions (Alliance subsidiary is plaintiff)
 - ◆ Engineering studies continue to assess impact of delay ahead of revised project budget (no timetable provided)

Capital Structure

ASX code	AGS
Share price (09-05-12)	A\$0.275
Shares on Issue	341M
Market Capitalisation (09-05-12)	A\$94M
Net Cash (31-03-11)	A\$32.5M
Enterprise Value (09-05-12)	A\$61M
Unlisted Options (30-11-11)	2M

Board & Management

John Dunlop	Chairman
Steve Johnston	Managing Director
Ian Gandel	Director
Tony Lethlean	Director
Ian Pamensky	Company Secretary
Andrew Bowden	Exploration Manager



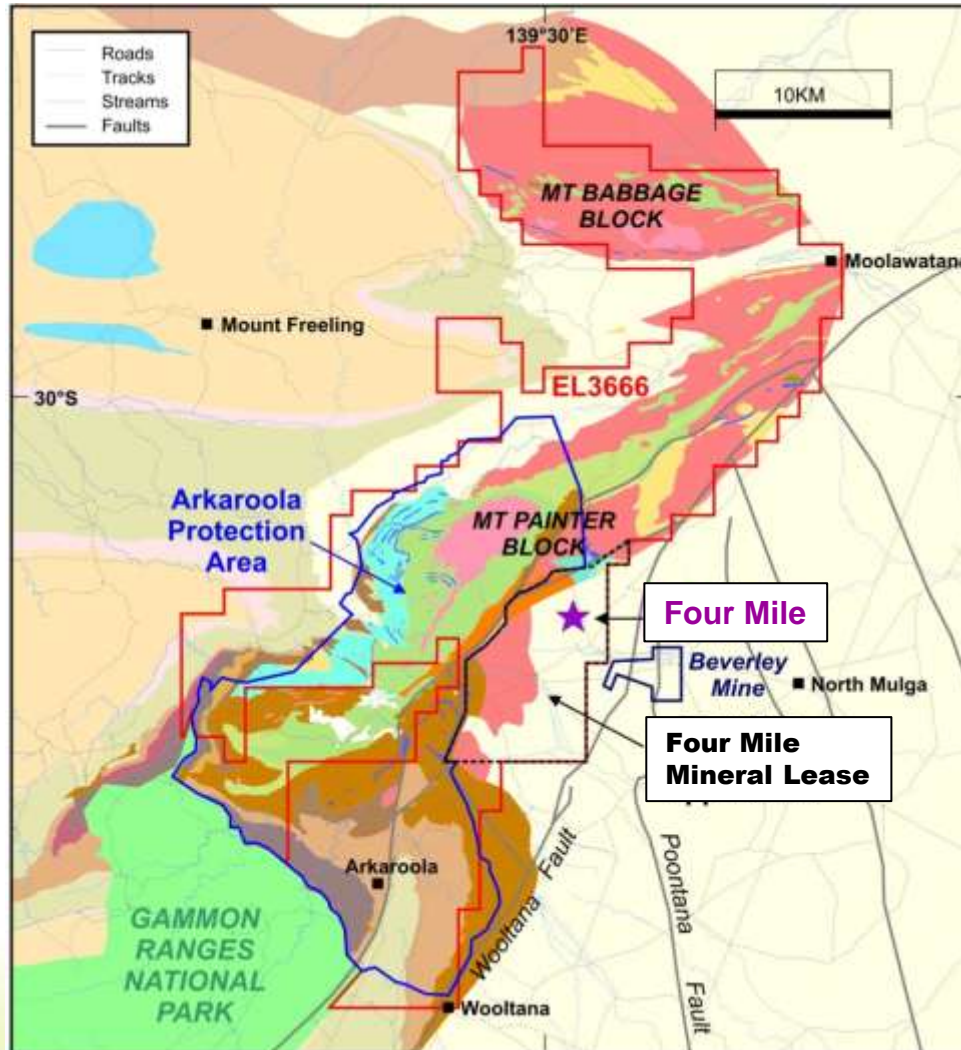
Major Shareholders

Abbotsleigh	25.8%
Top 20 shareholders	47.3%
Board & Management	30.0%

...TradeTech Weekly U₃O₈ Spot Price US\$52.00/lb @ 4 May 2012

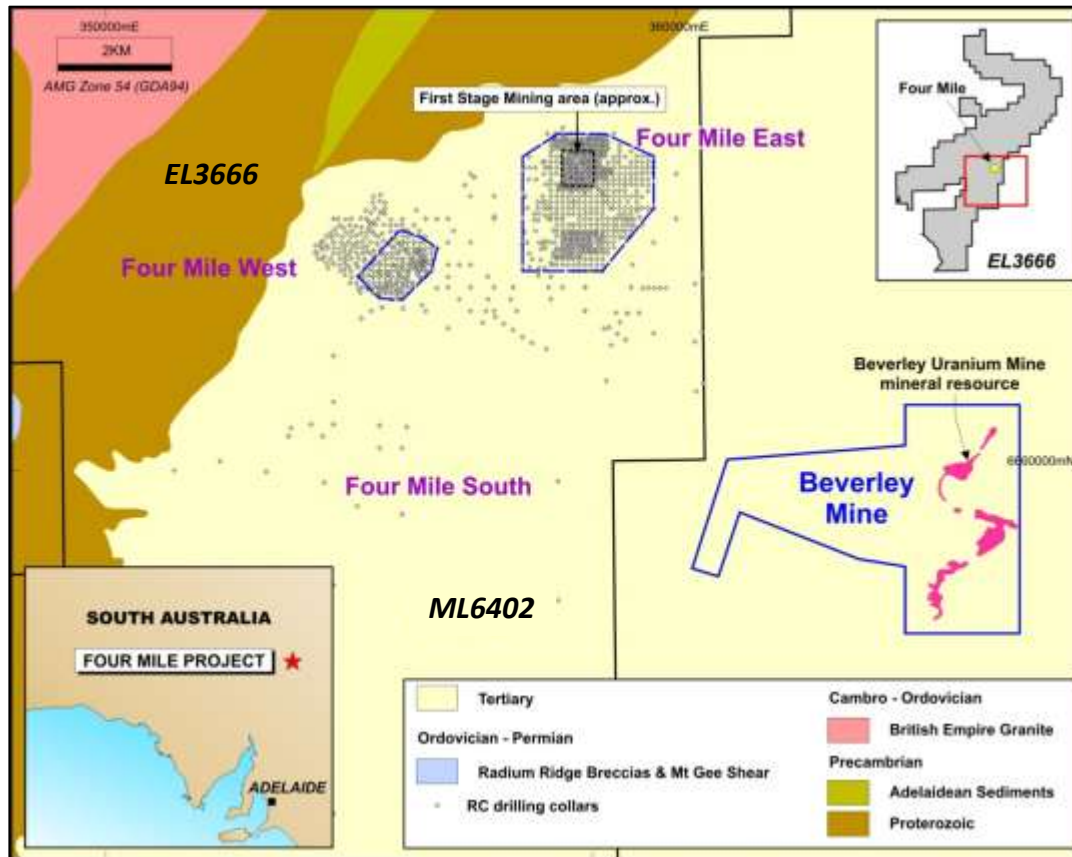


Four Mile Uranium Project



- Alliance 25%
 - ◆ Free carried outside mine development area
- Quasar 75% and manager
 - ◆ Affiliate of Heathgate Resources Pty Ltd; owner and operator of the Beverley uranium mine
 - ◆ Assumed 100% of costs on Four Mile project up to its 'decision to mine'
- Two large, high-grade deposits
 - ◆ Four Mile East & Four Mile West
- Long Project life of 15+ years

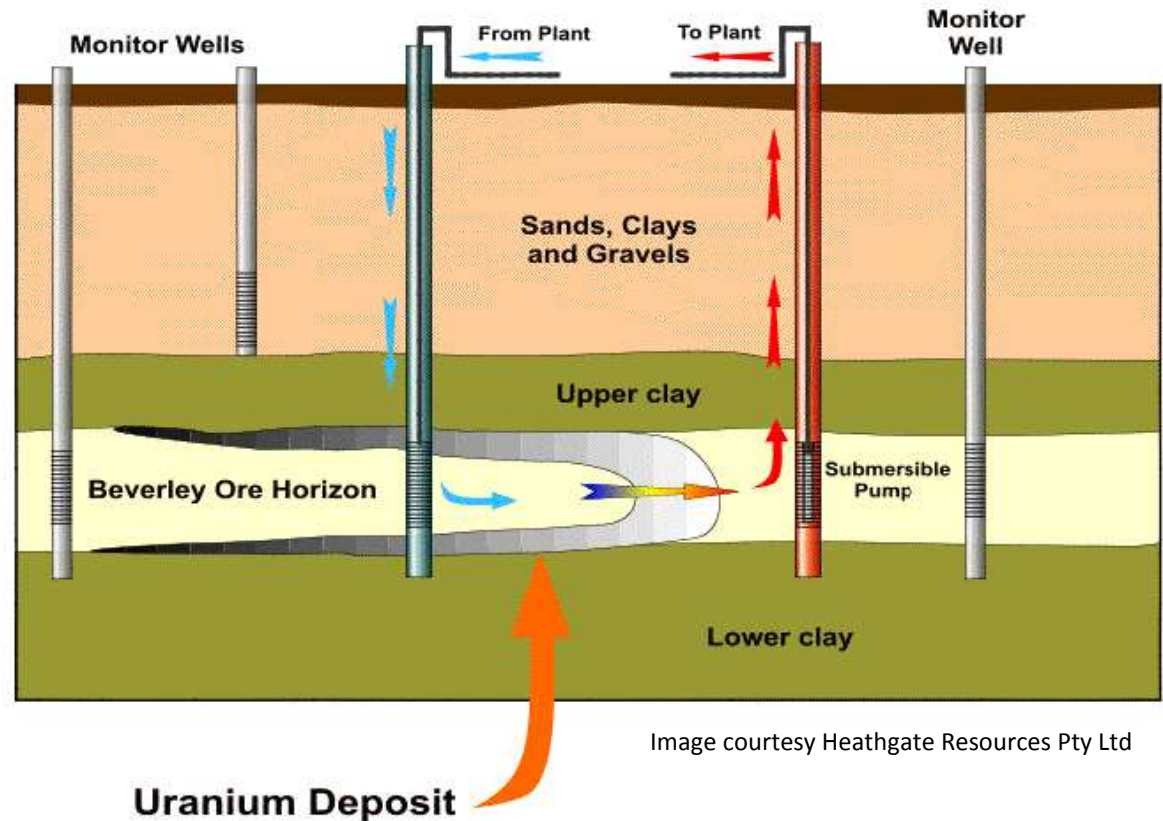
Four Mile Uranium Project



- Quasar 'decision to mine' September 2008
- In-Situ Recovery (ISR) mining proposal by Quasar
 - ◆ Construction of satellite plant at Four Mile, and
 - ◆ Transport of loaded resin by truck to Heathgate's Beverley Plant for:
 - resin stripping
 - uranium precipitation, and
 - drying, packaging and storage of conc.
 - ◆ 3.0 Mlb (1.4Kt) U_3O_8 annual production target [100%]

In Situ Recovery (ISR) Technology

- Used at nearby Beverley uranium mine since 2000
- Mining method for 41% of global U_3O_8 production⁽¹⁾
- Lower cost compared to conventional mining methods
- Typical ISR recovery ~70% in 12 months



...low environmental impact

(1) - 2010 production statistic; World Nuclear Association

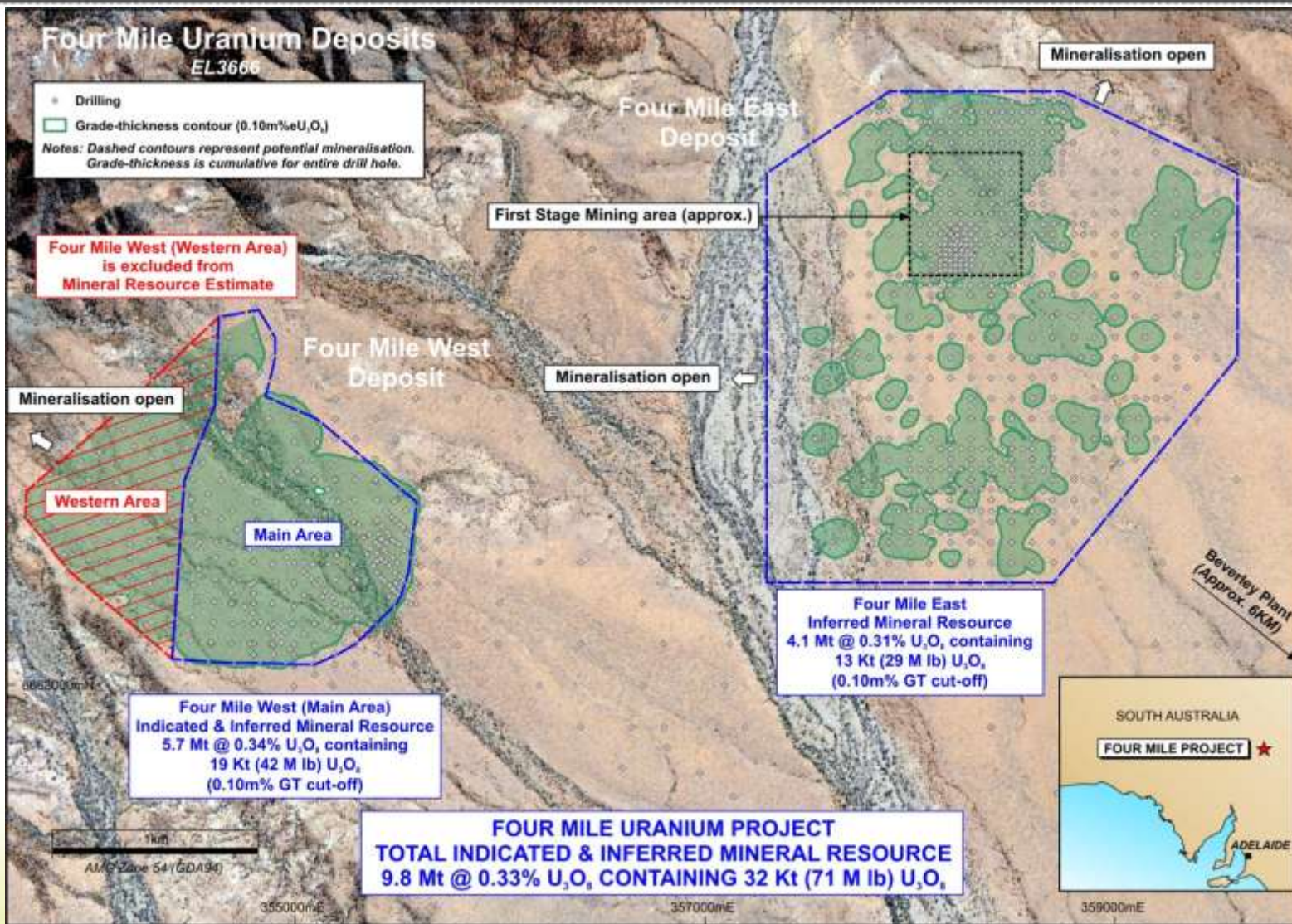
Four Mile Project - Mineral Resource

Large, high-grade resource (Alliance share ~18Mlb U₃O₈)

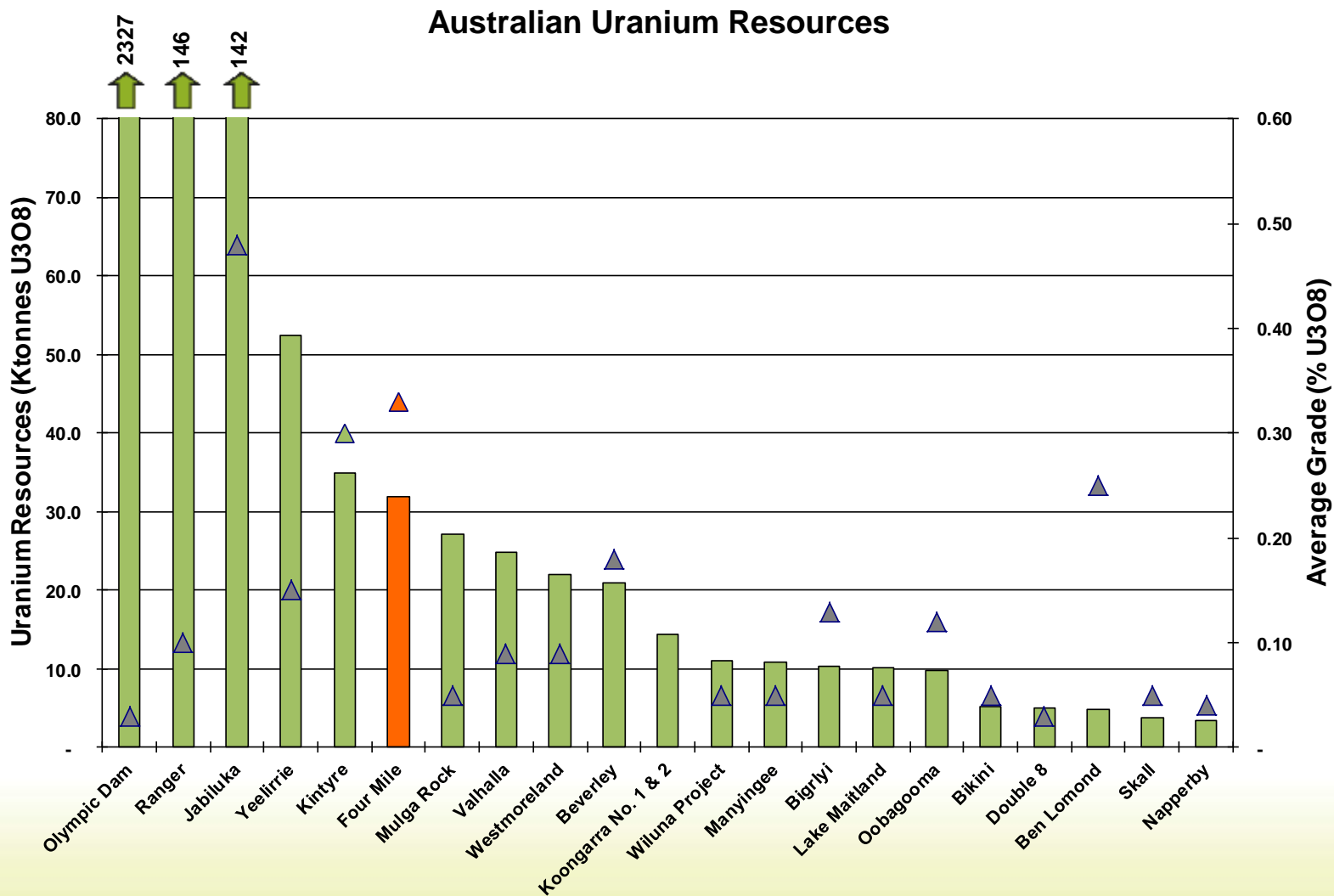
Deposit	GT Cut-off m%	Mass Tonnes	U ₃ O ₈ %	U ₃ O ₈ Tonnes	U ₃ O ₈ Mlb	JORC Classification
Four Mile West	0.10	4,100,000	0.34	14,000	32	Indicated
Four Mile West	0.10	1,500,000	0.31	4,700	9	Inferred
Four Mile West	0.10	5,700,000	0.34	19,000	42	
Four Mile East	0.10	4,100,000	0.31	13,000	29	Inferred
TOTAL		9,800,000	0.33	32,000	71	

These estimates are classified in accordance with the Joint Ore Reserves Committee Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2004 edition) (JORC Code). Minor apparent multiplication mismatches are due to post-computational rounding of all entries to 2 significant figures. *See Competent Persons Statement page 2.

Four Mile Project - Mineralisation



Four Mile Project – Australian Ranking



Four Mile Project - Optimisation Study

- Optimisation Study commissioned and paid for by Alliance

Case (ISR)		ACE Estimate		Quasar Estimate	
	Study Type	Capital (A\$M)	Operating (A\$/lb U3O8)	Capital (A\$M)	Operating (A\$/lb U3O8)
Satellite Plant ⁽³⁾ @ 3Mlbpa	Scoping	96	31.33 ⁽⁴⁾	98 ⁽⁵⁾	38.80 ⁽⁶⁾
Standalone Plant @ 5Mlbpa	Scoping	168	21.73		
Standalone Plant @ 5Mlbpa	Optimisation	210	21.53		

- Payback time (undiscounted) for the additional \$112M cost of the 5Mlbpa standalone plant based on difference in operating costs (\$17.27 per lb) is ~16 months
- There is potential for the 5Mlbpa standalone plant capital cost to be reduced to \$181M by utilising existing well field patterns at Four Mile East. Payback time (undiscounted) reduces to ~12 months

- Operating costs include royalties (State, Native Title and third party).
- Feasibility Study for Four Mile Mine Development Area In-Situ Recovery Project Report dated 22 September 2008, commissioned by Quasar Resources Pty Ltd (Quasar) and prepared by Heathgate Resources Pty Ltd (Heathgate) and compiled by URS Australia Pty Ltd.
- Quasar's feasibility study proposed construction of a satellite pre-processing plant close to the Four Mile deposits, to capture uranium onto resin beads, with the loaded resin being trucked to Heathgate's Beverley plant for elution, filtration, drying and packaging.
- The ACE operating cost includes an estimate of an appropriate fee to Heathgate for use of the Beverley plant & infrastructure and an estimate of Heathgate's corporate expenses in Adelaide.
- Quasar's feasibility study estimated a \$90 million capital cost, however Quasar advised Alliance of a proposed change in scope of the budget in May 2009 to \$98 million with input from GRD Minproc (\$112 million less \$14 million for capital at Four Mile West).
- A component of Quasar's estimated operating cost is a fee for use of the Beverley plant and infrastructure, and a management fee, both paid to Heathgate. The feasibility study stated that the (joint venture) use of the Beverley plant is subject to an appropriate agreement on commercial terms with the owner/operator of that plant, Heathgate, an affiliate company of Quasar. To date, Quasar has not provided Alliance with any proposed terms and conditions for use of the Beverley plant. Alliance does not therefore know if the terms and conditions are commercial and at arm's length.

Four Mile Project – Satellite Plant & Piping



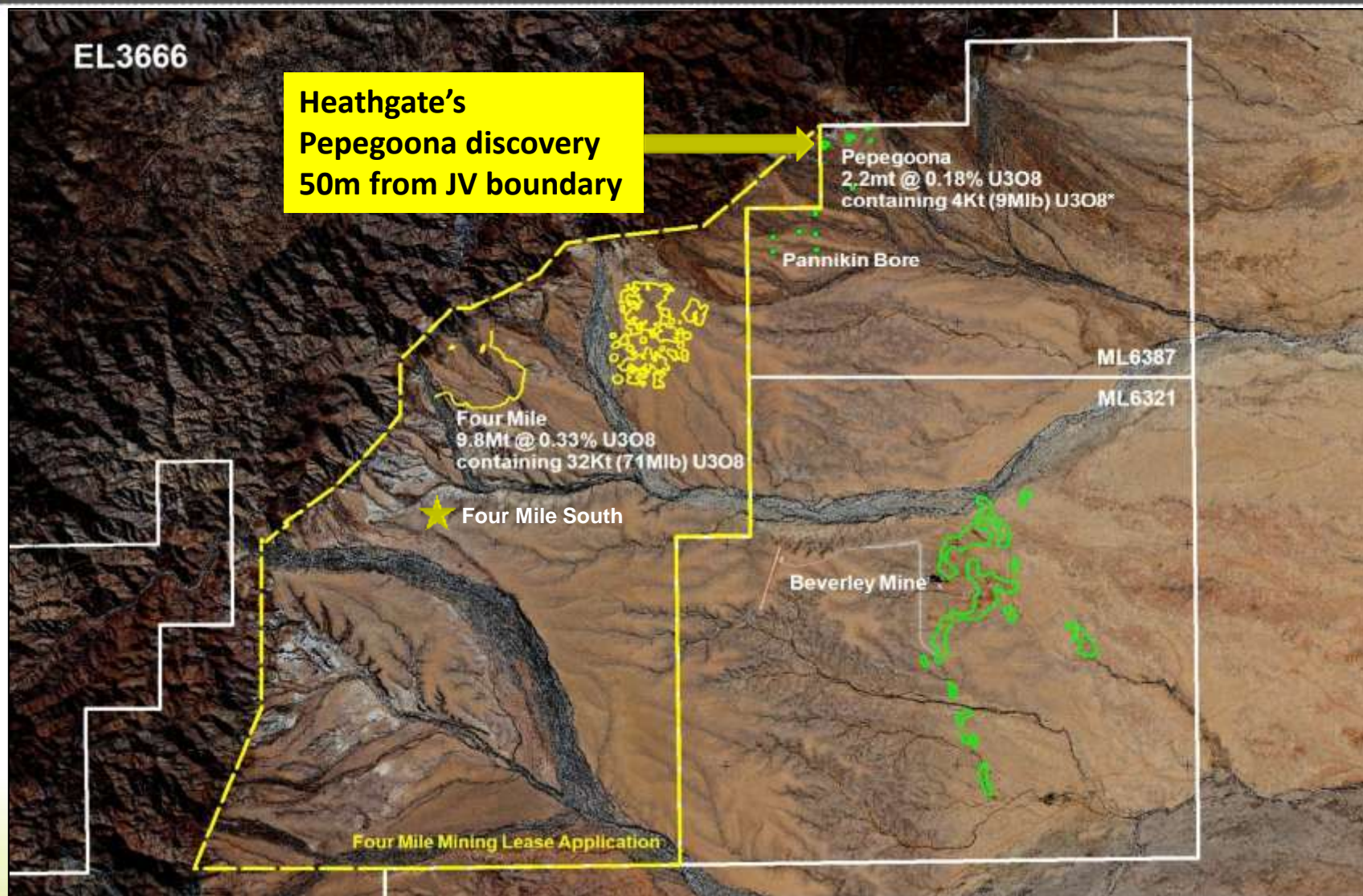
Legal Proceedings

Status of legal actions by Alliance Craton Explorer Pty Ltd (ACE) against Quasar, or Quasar and its affiliate, Heathgate Resources Pty Ltd (Heathgate):

- **Native Title Mining Agreement (Supreme Court of South Australia)**
 - ◆ Notices of discontinuance filed 9 February 2012.
 - ◆ **Mineral Lease granted from 26 April 2012.**
- **Access to books and records (Federal Court of Australia, Adelaide)**
 - ◆ On 26 March 2012 orders were made refusing ACE's application.
 - ◆ Reasons were handed down on 4 April 2012. **ACE filed an appeal on 2 May 2012.**
- **Misleading and deceptive conduct (Federal Court of Australia, Adelaide)**
 - ◆ On 26 March 2012 orders were made for Quasar and Heathgate to give further discovery.
 - ◆ No order was made on ACE's application for leave to interrogate and that matter has been stood over to a date to be fixed.
 - ◆ Reasons were handed down on 4 April 2012. **ACE filed appeal 2 May seeking wider discovery.**

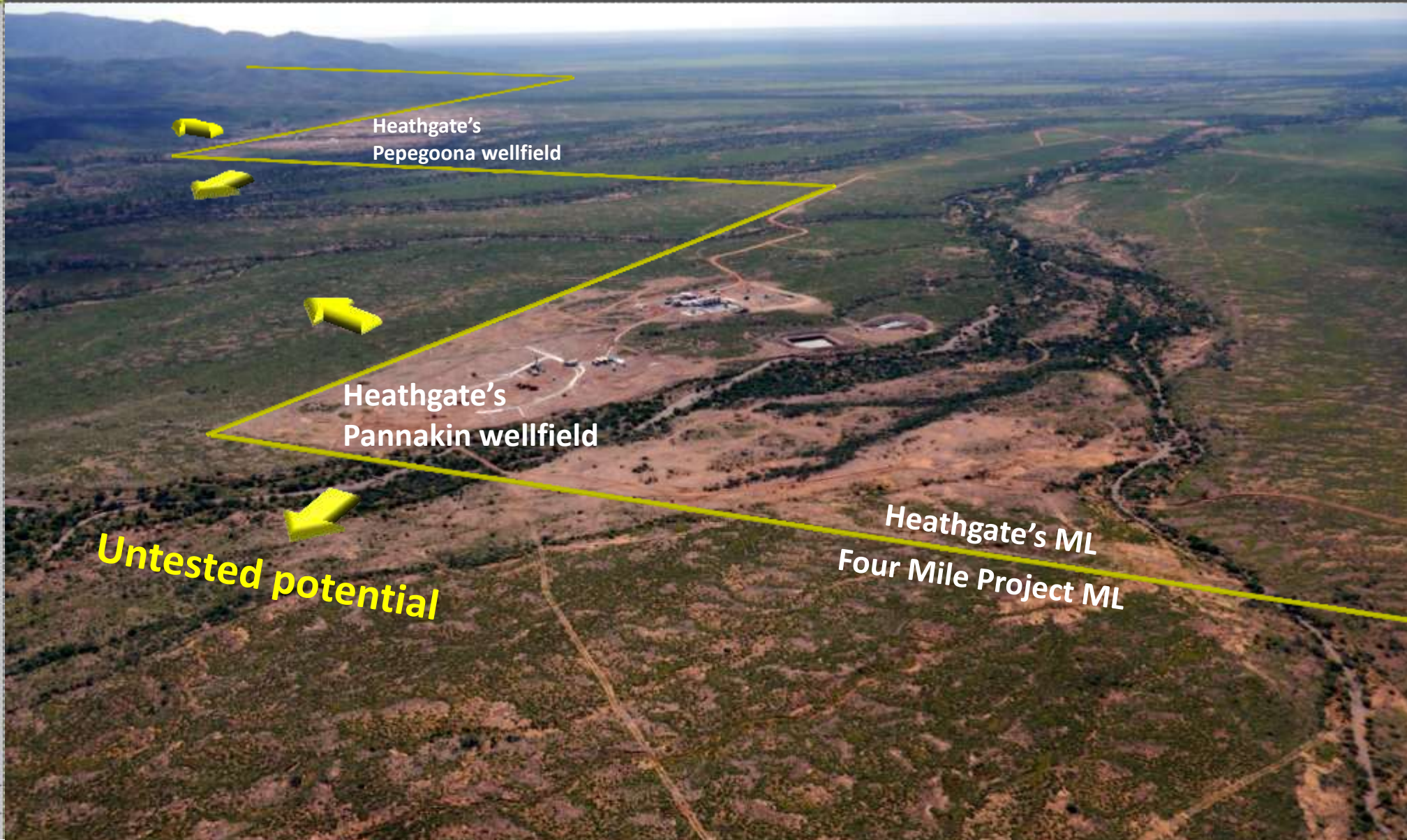
Details of the legal actions may be found on www.allianceresources.com.au under the subheading Latest Status Update

Four Mile Project - Prospectivity



Prospective for
further
sediment-
hosted uranium
discoveries

Four Mile Project - Prospectivity



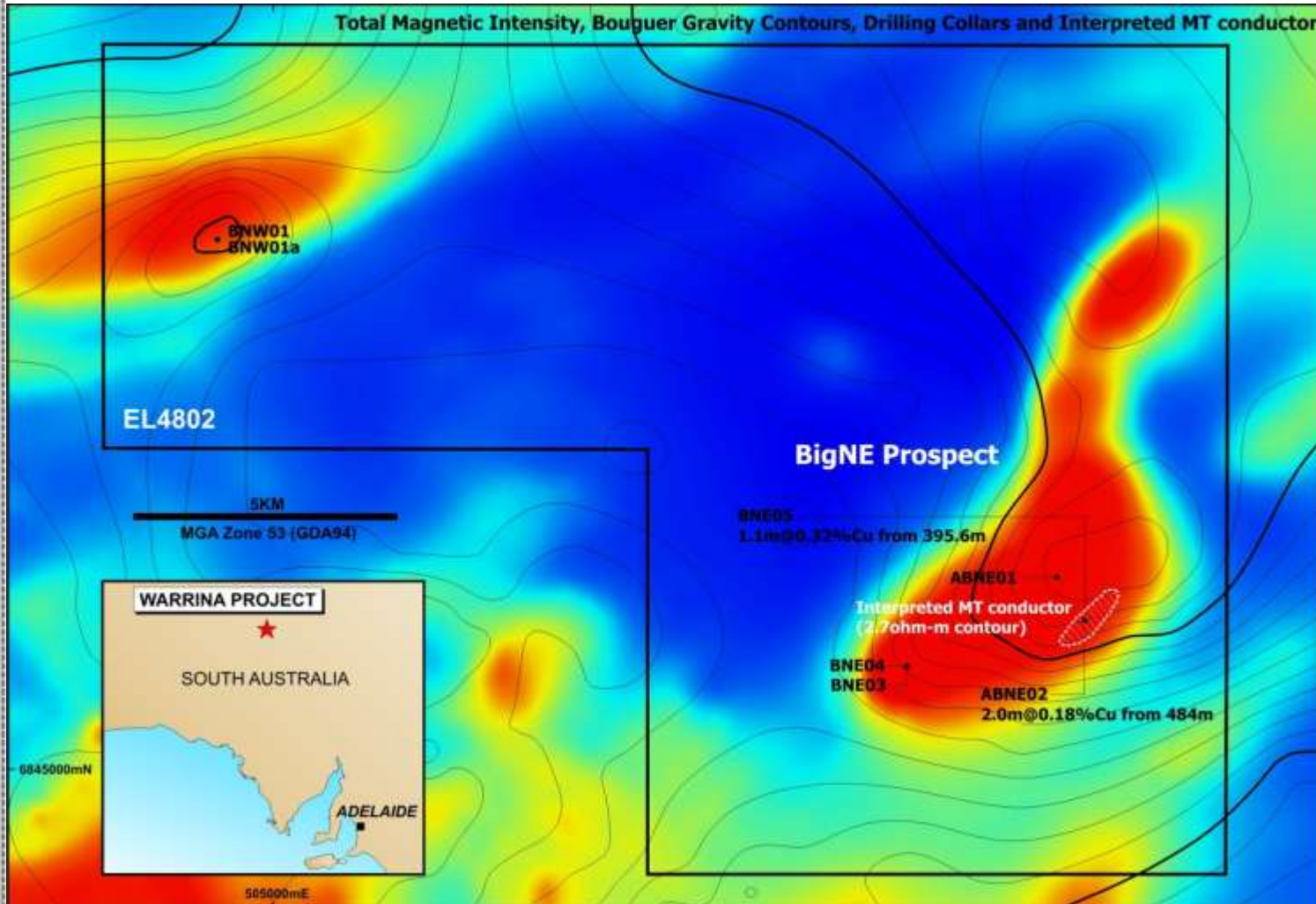
Heathgate's
Pepegoona wellfield

Heathgate's
Pannakin wellfield

Untested potential

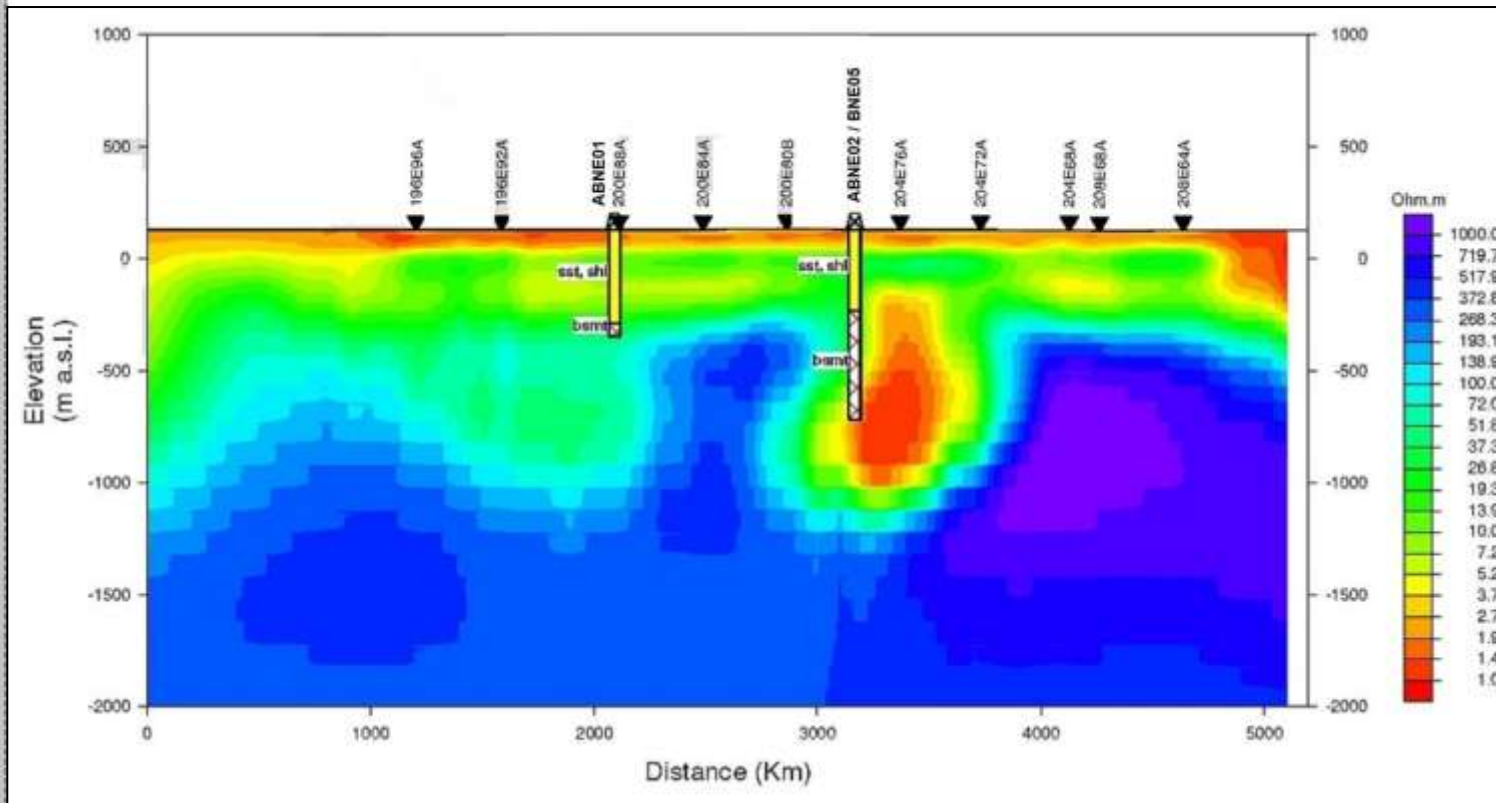
Heathgate's ML
Four Mile Project ML

Warrina Copper-Gold Project



- Located 70km NE Coober Pedy in South Australia
- Targeting Olympic Dam style IOCG mineralisation under cover
- MT survey indicates a NE-trending, NE-plunging conductor approximately 1500m(l) x 300m(w) x 1200m(d) commencing at 360m depth

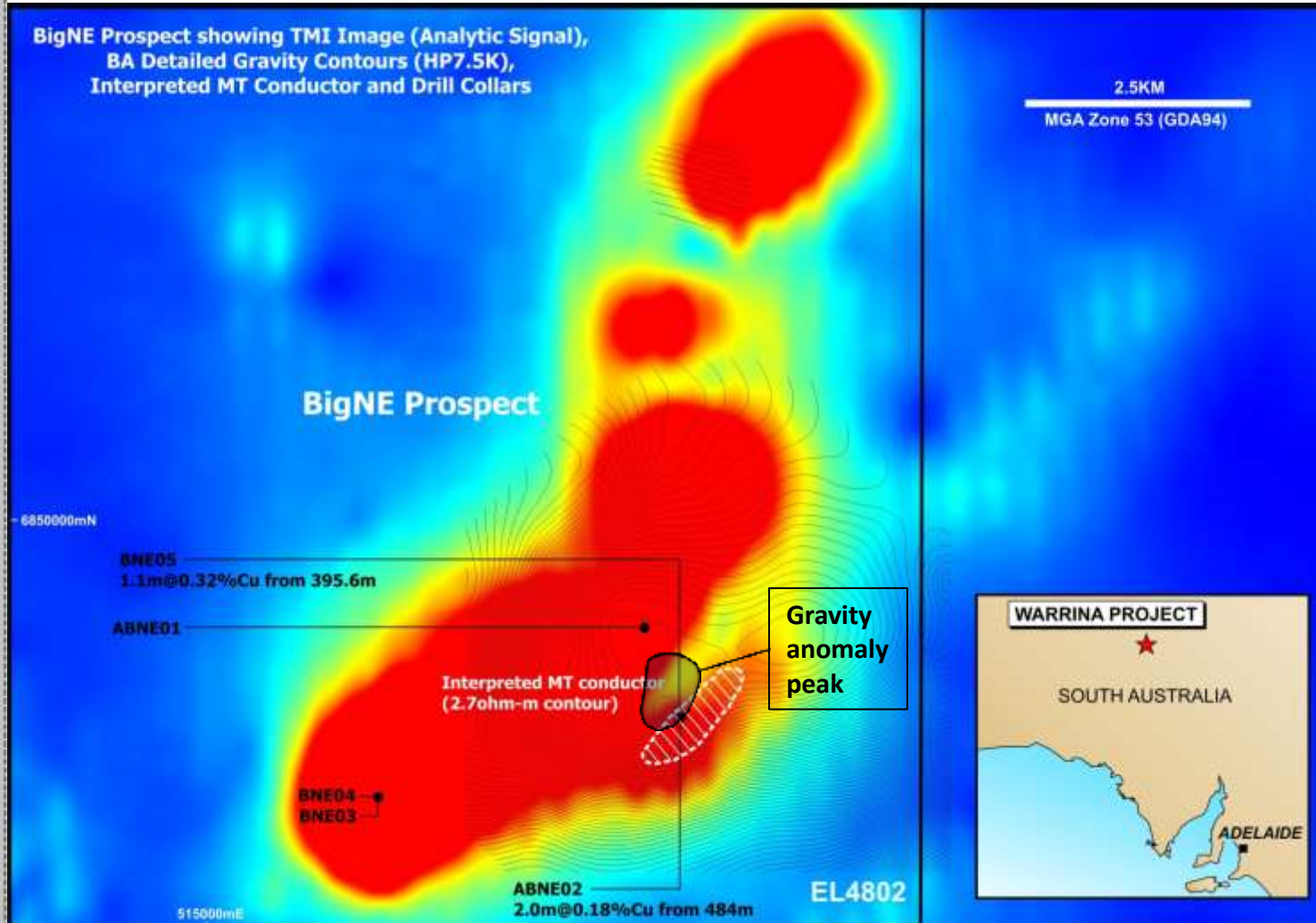
Warrina Copper-Gold Project



Resistivity cross-section, showing existing holes, NW to left

- Diamond hole BNE05 (2008) is within the NW flank of the interpreted conductive body, but does not appear to have tested its most conductive part
- BNE05 intersected 8 narrow intervals of anomalous copper b/n 385.4-786m associated with hematite-carbonate veins & breccia

Warrina Copper-Gold Project



- Detailed gravity survey completed during March Q 2012
- Results confirm a residual gravity anomaly centred 200m northwest of the MT conductor and diamond hole BNE05
- Further work is required to better define the gravity and MT targets for drill testing

Warrina Copper-Gold Project



BNE05, 2008



ABNE02 diamond core



BNE05 following rehabilitation

Detail of hole BNE05 at 608.05 metres showing detail of hematite-carbonate rimming on quartz vein. Host rock is intercalated metapelite & lesser metapsammite. Niton analyses at 608.10 = 0.1% Cu.

Chile Copper-Gold Project



- Alliance has secured option agreements over copper-gold properties in the **Cabeza de Vaca** district in northern Chile
- Alliance 90% (rte 100%)
- Exploration targets include: (i) near surface copper-gold in breccia pipes and (ii) porphyry style copper-gold-molybdenum at depth
- Low-cost exploration program of mapping, geochemistry and geophysics in 2012

Chile Copper-Gold Project

Mina Ceci – hand sorted Cu oxides in foreground



- Four Mile Uranium Project is our core business
- Alliance is committed to the development of the Four Mile Project and has taken legal actions to protect the interests of its shareholders
- Mineral Lease granted from 26 April 2012
- Engineering studies continue ahead of revised project budget
- Alliance continues to explore its 100% owned tenements and has secured options over copper-gold properties in Chile for low-cost exploration commencing in 2012

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