

1 November 2012

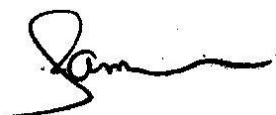
ASX Code: AGS

No. of pages: 29

COMPANY PRESENTATION

Please find attached a copy of a presentation to be made by Mr Steve Johnston at the Mining 2012 Conference held in Brisbane, Queensland today.

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

INVESTOR PRESENTATION

Mining 2012, Brisbane, Queensland
1 November 2012

Steve Johnston – Managing Director

Cautionary & CP Statements

Cautionary Statement

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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.

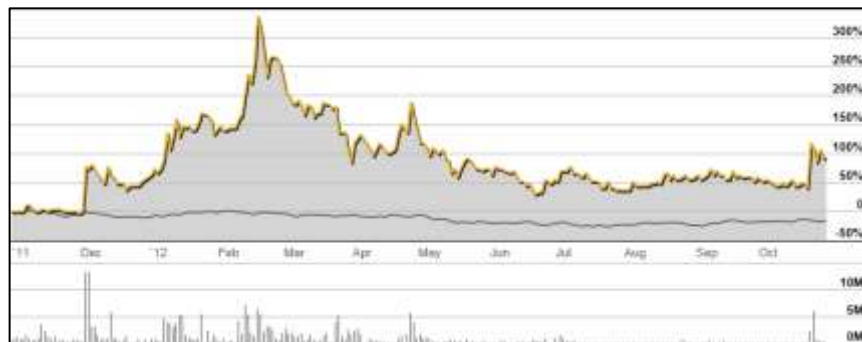
The information in this report that relates to Warrina project Exploration Results is based on information compiled by Mr Stephen Johnston who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Johnston is a full-time employee of Alliance Resources Limited and has sufficient experience 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
 - ◆ Decision to recommence development of the Four Mile Project was made on 24 October '12 (Mineral Lease granted April '12)
 - ◆ Project is subject to legal actions (Alliance subsidiary is plaintiff)
 - ◆ Strategic alliance with ITOCHU Corporation approved 15 Aug '12

Capital Structure

ASX code	AGS
Share price (30-10-12)	A\$0.26
Shares on Issue	341M
Market Capitalisation (30-10-12)	A\$89M
Net Cash (30-09-12)	A\$29M
Enterprise Value (30-10-12)	A\$60M
Unlisted Options (30-06-12)	2M



Board & Management

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

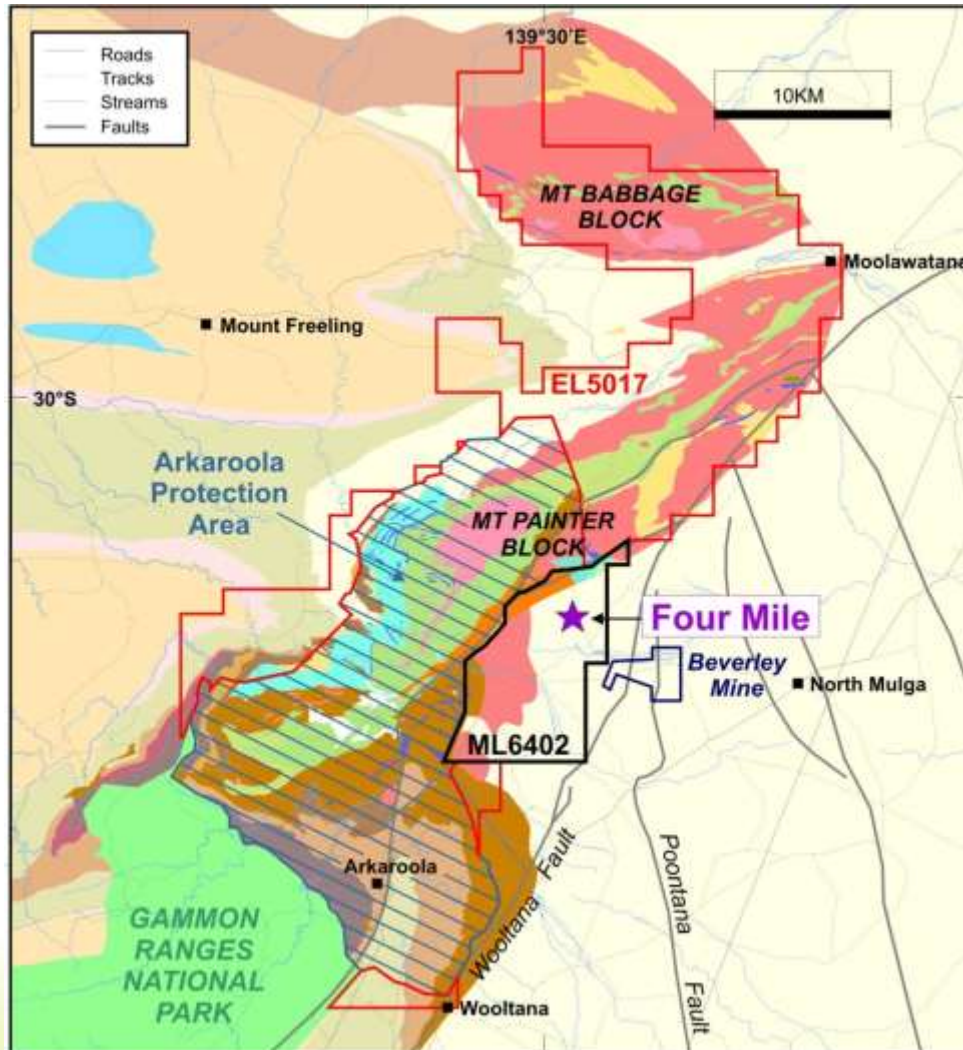
Major Shareholders

Abbotsleigh	25.8%
Top 20 shareholders	47.2%
Board & Management	30.5%

...TradeTech Weekly U₃O₈ Spot Price US\$43.00/lb @ 26 Oct 2012



Four Mile Uranium Project



- Alliance Craton Explorer P/L (**ACE**) 25%
 - ◆ Free carried outside mine development area
- Quasar Resources P/L (**Quasar**) 75% and manager
 - ◆ Affiliate of Heathgate Resources Pty Ltd (**Heathgate**); owner and operator of the Beverley uranium mine
 - ◆ Assumed 100% of costs on Four Mile project up to its 'decision to mine' in late 2008
- Two large, high-grade deposits
 - ◆ Four Mile East & Four Mile West
- Long Project life of 15+ years

Four Mile Project – Decision to Recommence Development

A decision to recommence development of the Four Mile Project (Quasar 75%, ACE 25%) was made on 24 October 2012 with Quasar voting its 75% interest in favour and ACE voting its interest against Quasar's proposed Start-Up Plan.

The Start-Up Plan comprises:

- Uranium capture at Heathgate Resources Pty Ltd's (Heathgate's) Pannikan satellite plant with elution, precipitation, drying and packing at Heathgate's Beverley processing plant;
- In-situ recovery (ISR) mining operations commencing at Four Mile East in Q2 2013 and at Four Mile West in Q4 2013, and
- First uranium sales are scheduled for Q3 2013.

Four Mile Project – Decision to Recommence Development

Quasar's Program and Budget runs for 16 months from now and includes the following production guidance based on a series of assumptions:

- Production of 2.128Mlb of uranium oxide (sales of 1.306Mlb) over 10 months;
- Cumulative cash expenditure to end 2013 of A\$97.8 million (ACE share A\$24.45 million);
- Cash operating costs are budgeted to be A\$25.46⁽¹⁾ per lb uranium oxide (if wellfield development costs are excluded) or A\$40.33⁽¹⁾ per lb (inclusive of wellfield development costs);
- Sale prices are forecast to be US\$62.58 per lb uranium oxide for 2013;
- A\$12 million of regional delineation drilling⁽²⁾.

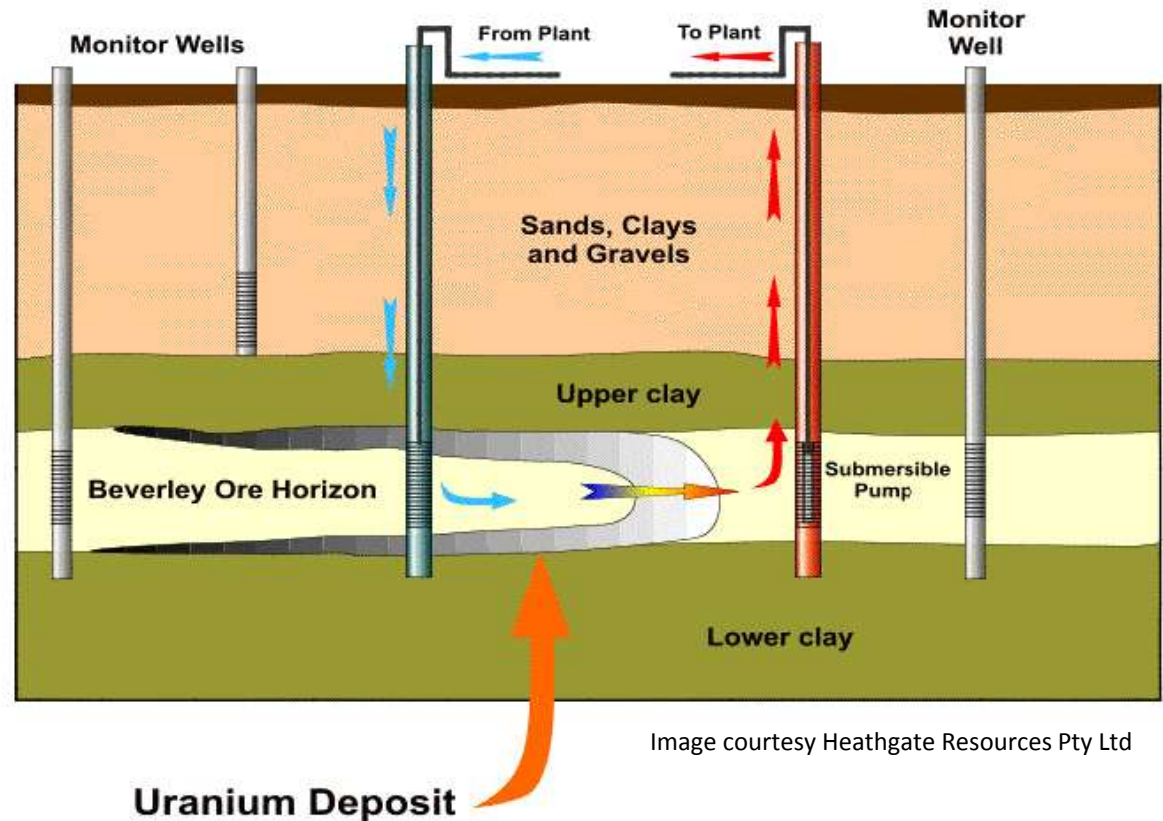
Quasar has described the Start-Up Plan as a staged commencement of mining operations, the purpose of which is to permit actual production rates to be considered before full-scale production facilities are constructed.

(1) Excludes regional delineation drilling costs.

(2) ACE and Quasar disagree about the nature of the regional delineation drilling. Quasar asserts it is a mining development cost for which ACE must pay its share. ACE asserts it is an exploration cost for which Quasar must pay in full.

In Situ Recovery (ISR) Technology

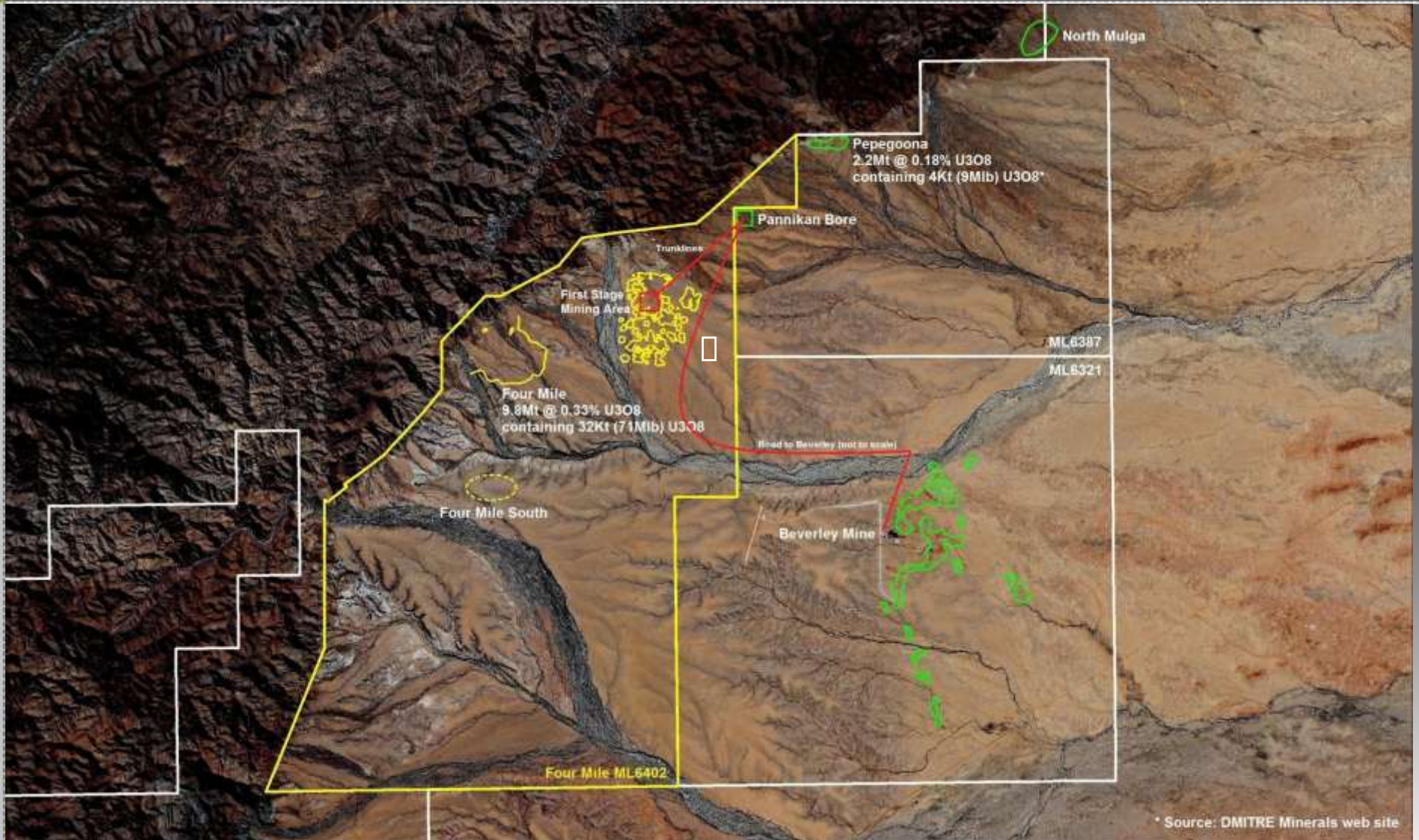
- Used at nearby Beverley uranium mine since 2000
- Mining method for 45% of global U_3O_8 production⁽¹⁾
- Lower cost compared to conventional mining methods
- Typical ISR recovery ~70% in 12 months



...low environmental impact

(1) - 2011 production statistic; World Nuclear Association

Four Mile Project – Development Layout



* Source: DMITRE Minerals web site

Four Mile Project – Production Options History

Case (ISR)		Alliance Estimate		Quasar Estimate		Spend to date
	Study Type	Capital (A\$M)	Operating (A\$/lb U3O8)	Capital (A\$M)	Operating (A\$/lb U3O8)	Capital (A\$M)
2008 Satellite Plant ⁽²⁾ 3Mlbpa (Previous)				98 ⁽³⁾	38.80 ⁽⁴⁾	62.2
Standalone Plant 5Mlbpa	Optimisation*	210	21.53			
2012 Start-Up Plan 2.55Mlbpa (Current)	Quasar			97.8	40.33⁽⁵⁾	

* Optimisation Study commissioned and paid for by Alliance in 2011

1. Operating costs include royalties (State, Native Title and third party).
2. Quasar's 2008 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.
3. 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).
4. 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 2008 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.
5. 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. 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 – 2008 Satellite Plant



Four Mile Project – 2008 Satellite Plant



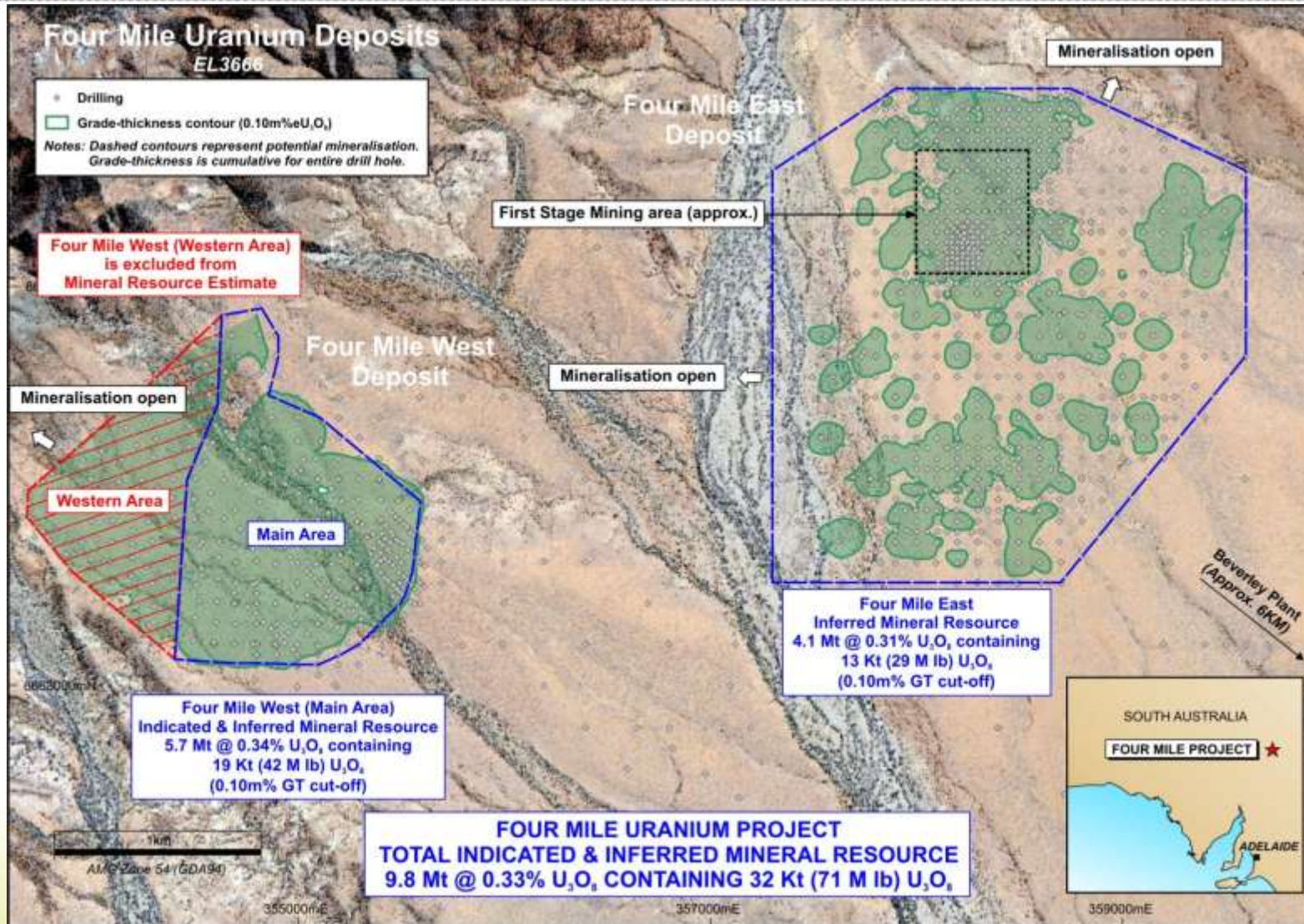
Four Mile Project - Mineral Resource

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

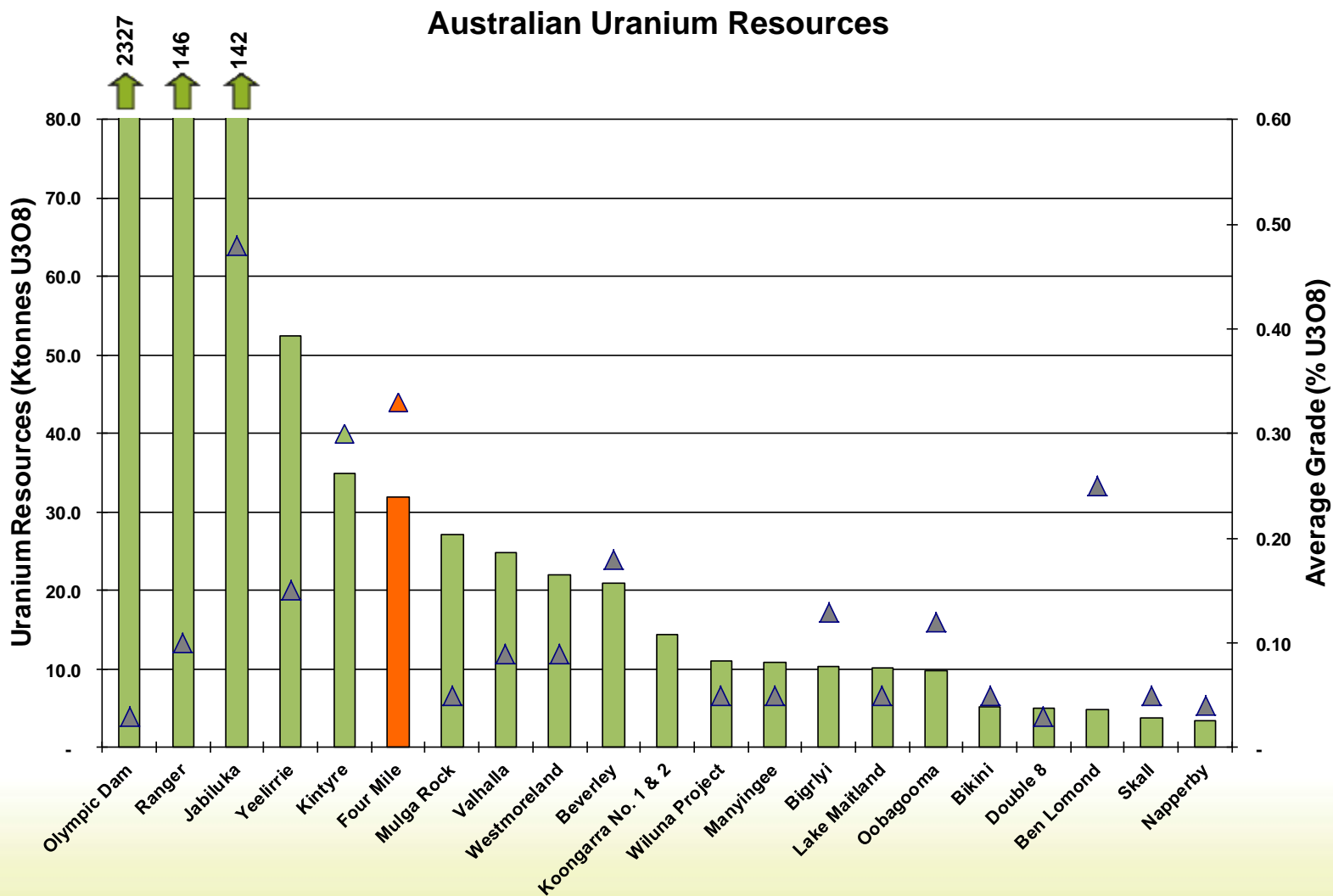
Deposit	GT Cut-off m%	Mass Tonnes	U ₃ O ₈ %	U ₃ O ₈ Tonnes	U ₃ O ₈ Mlb	JORC Classification
Four Mile West	0.10	4,100,000	0.34	14,000	32	Indicated
Four Mile West	0.10	1,500,000	0.31	4,700	9	Inferred
Four Mile West	0.10	5,700,000	0.34	19,000	42	
Four Mile East	0.10	4,100,000	0.31	13,000	29	Inferred
TOTAL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



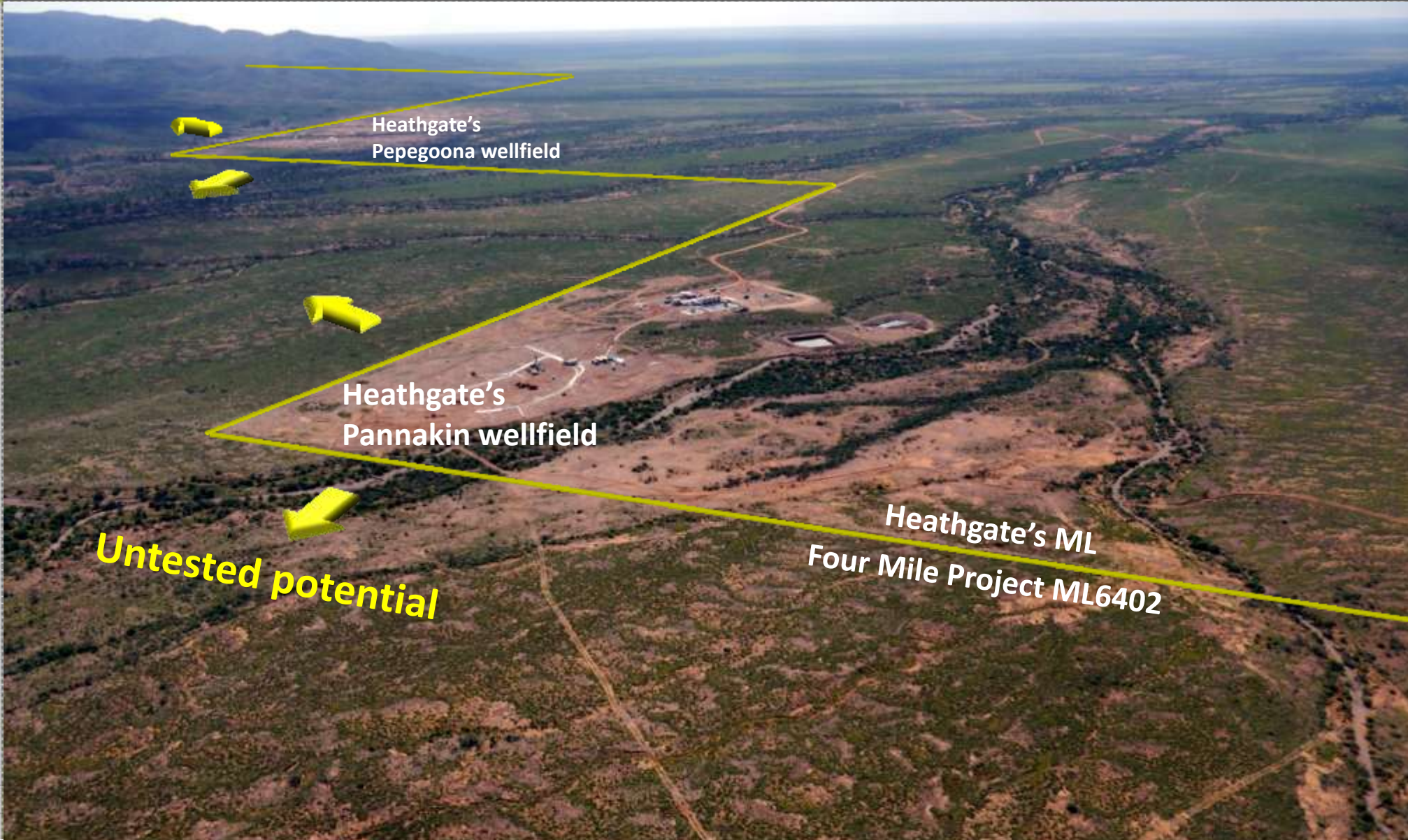
Four Mile Project – Status of Legal Actions

- **Access to books and records (Federal Court of Australia, Adelaide)**
 - ◆ ACE issues proceedings against Quasar and Heathgate for an order giving ACE access to books, records and agreements pertaining to the Four Mile joint venture.
 - ◆ On 26 March 2012 orders were made refusing ACE's application. Reasons were handed down on 4 April 2012.
 - ◆ On 1 May 2012 ACE appealed that part of the decision dismissing ACE's application for disclosure of documents on the basis that they are jointly owned.
 - ◆ The appeal has been set down for hearing on 19 and 20 November 2012.
- **Misleading and deceptive conduct (Federal Court of Australia, Adelaide)**
 - ◆ ACE is seeking damages from Heathgate and damages and restitution of the 75% interest in the exploration licence over the Four Mile from Quasar arising from Quasar's and Heathgate's failure to disclose to ACE information concerning the prospectivity of part of that tenement.
 - ◆ The parties are now in the final stages of discovery.
 - ◆ No date has been set for the next directions hearing.

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

Four Mile Project – Prospectivity

Looking northeast from Four Mile East



Heathgate's
Pepegoona wellfield

Heathgate's
Pannakin wellfield

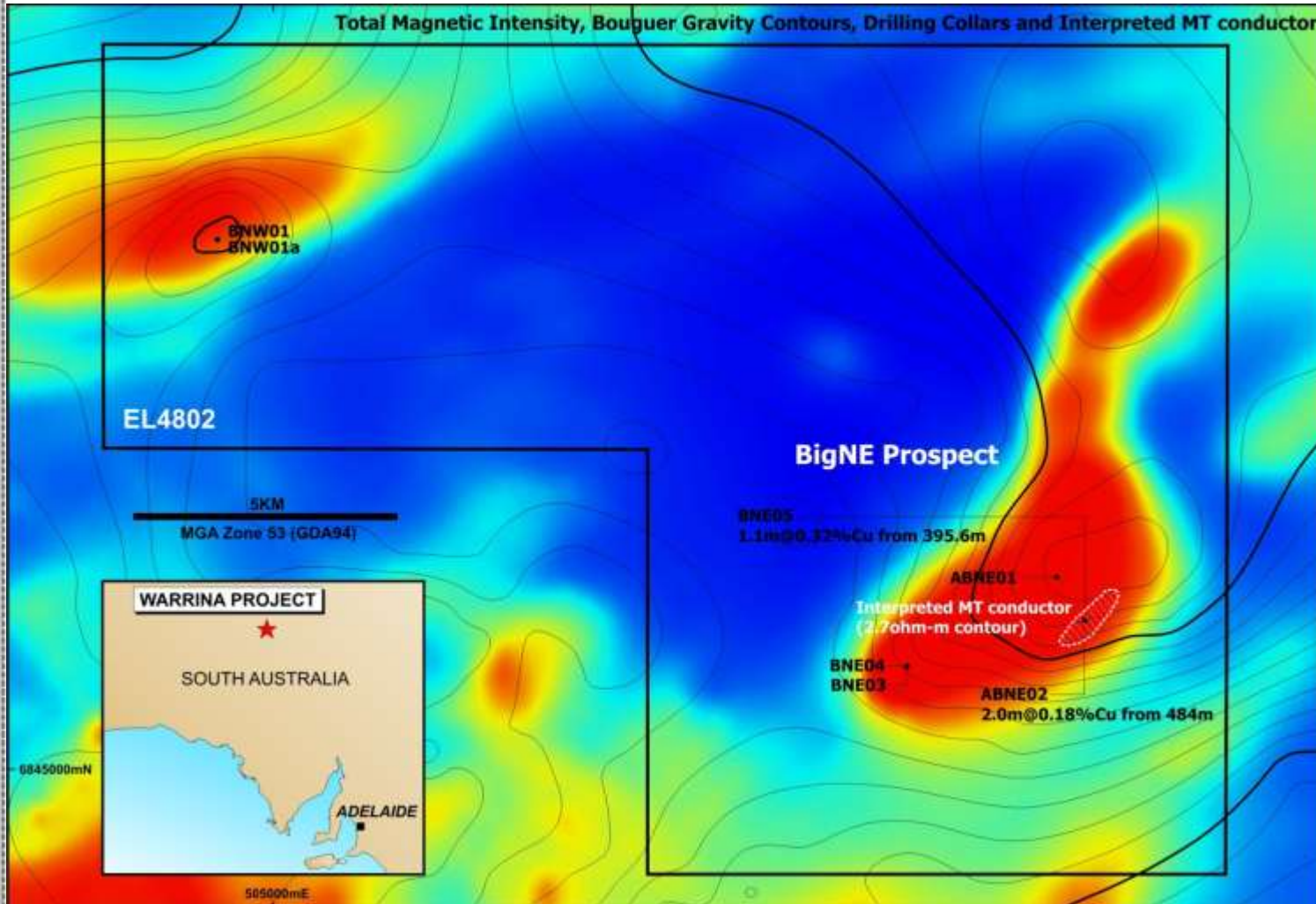
Untested potential

Heathgate's ML
Four Mile Project ML6402

Strategic Alliance with ITOCHU

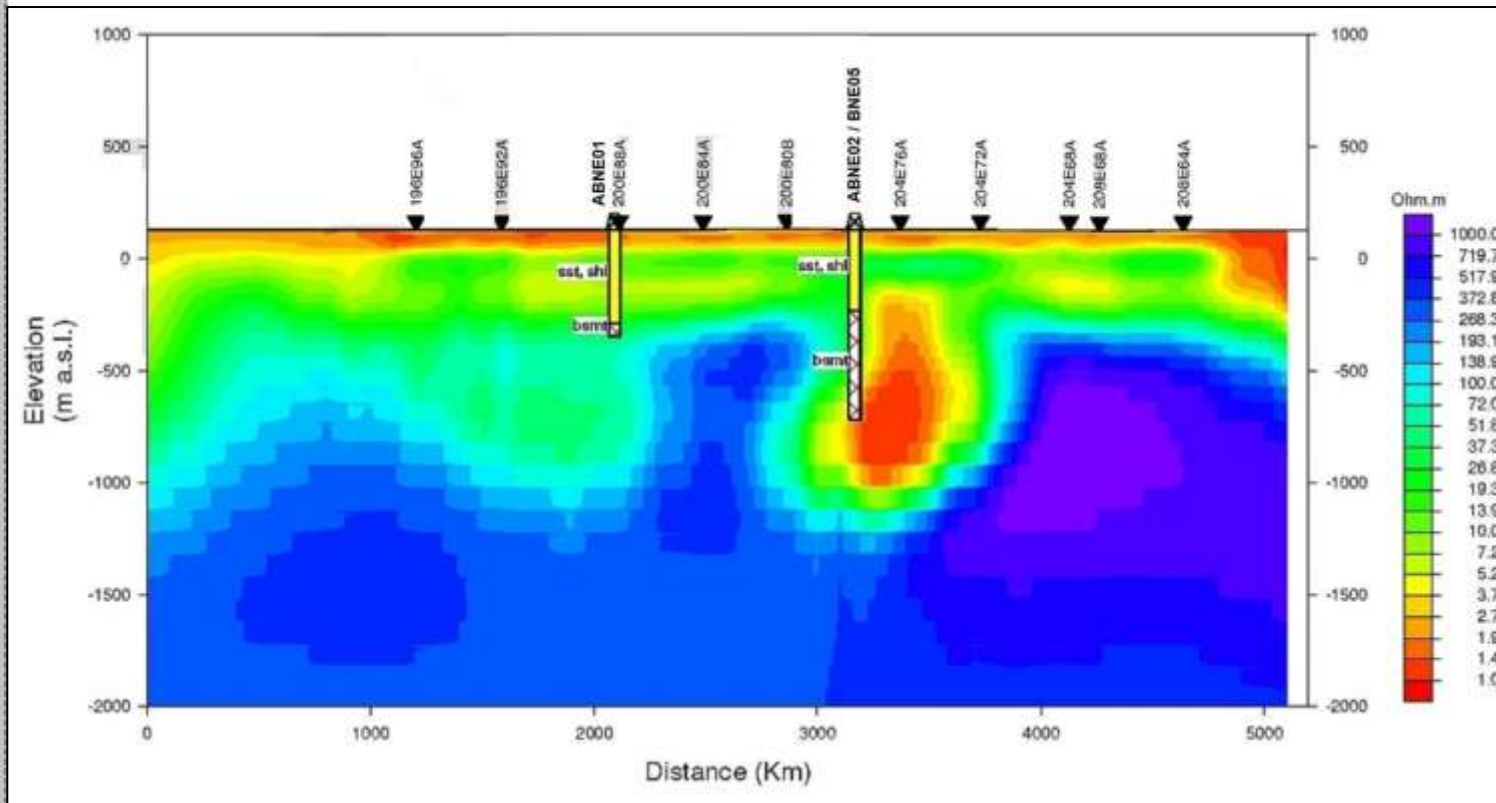
- Strategic alliance with ITOCHU Corporation announced 23 May 2012, a *Fortune Global 500* company based in Japan which has extensive global interests
- Strategic alliance formalised in a Deferred Share Rights (DSR) Deed, approved by shareholders on 15 August 2012, providing ITOCHU with:
 - The right to subscribe for 59,735,223 shares in Alliance or 14.9% of the issued share capital in ACE;
 - An option to subscribe for 25.1% of equity in ACE.
- If ITOCHU exercises its rights under the DSRD to take up shares in the Company and/or ACE, the Company will receive funds sufficient to fund the construction of a standalone ISR and uranium processing plant at the Four Mile project (if that were the best option)

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

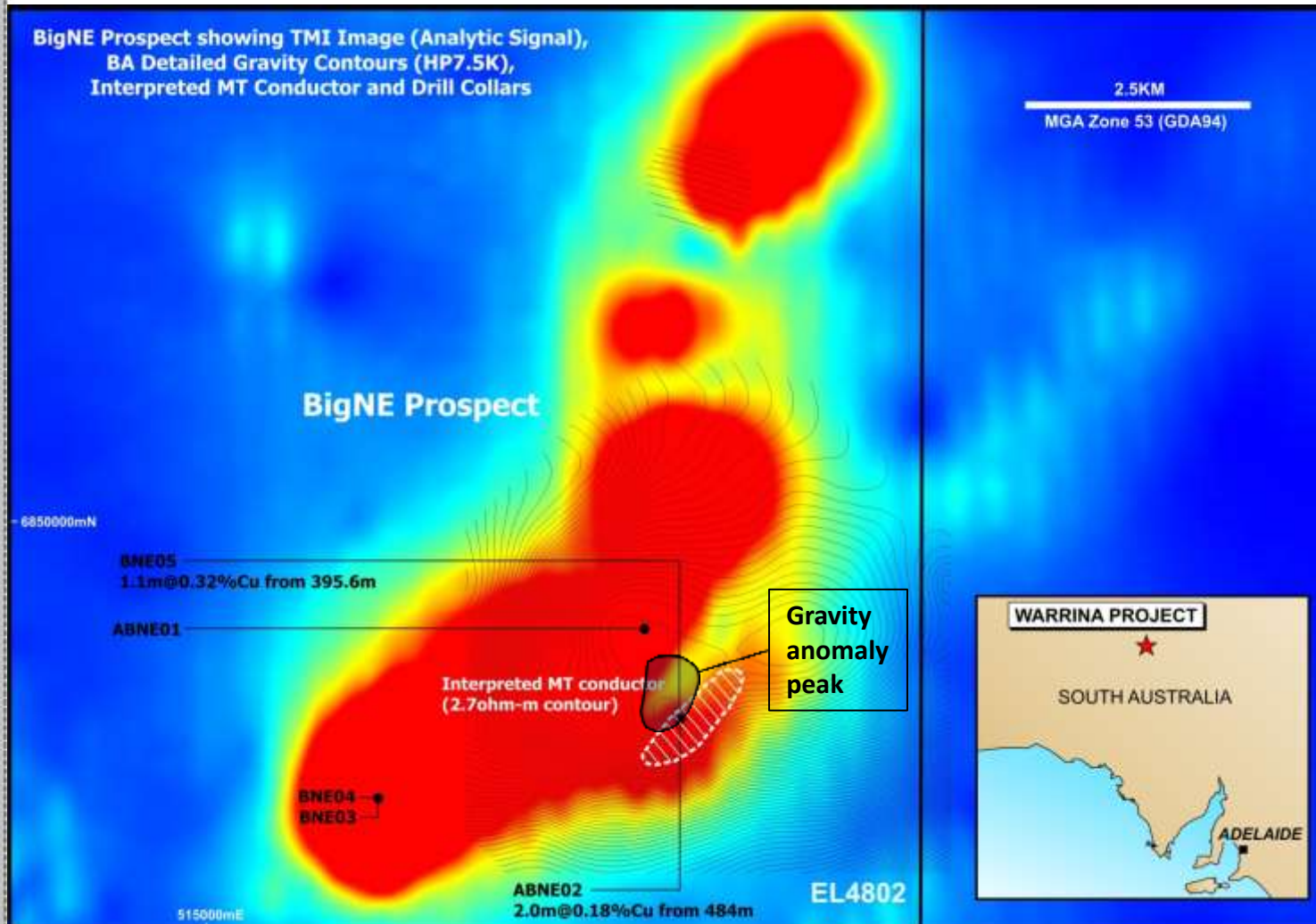
Warrina Copper-Gold Project



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 in 2012 confirms a residual gravity anomaly centred 200m northwest of the MT conductor and diamond hole BNE05
- IP completed in September 2012 indicate anomalous IP chargeability is evident at depth.
- Drill hole targeting in progress

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.

Chilean Copper-Gold Project



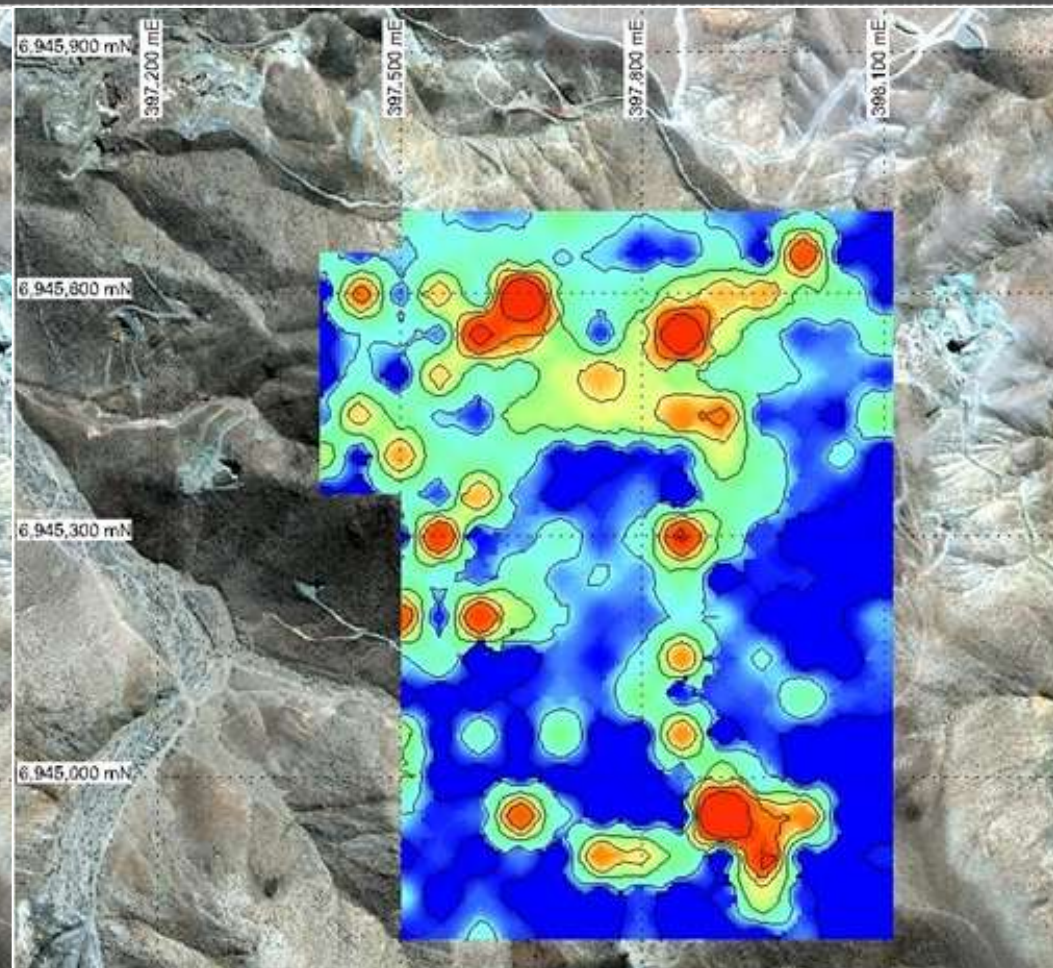
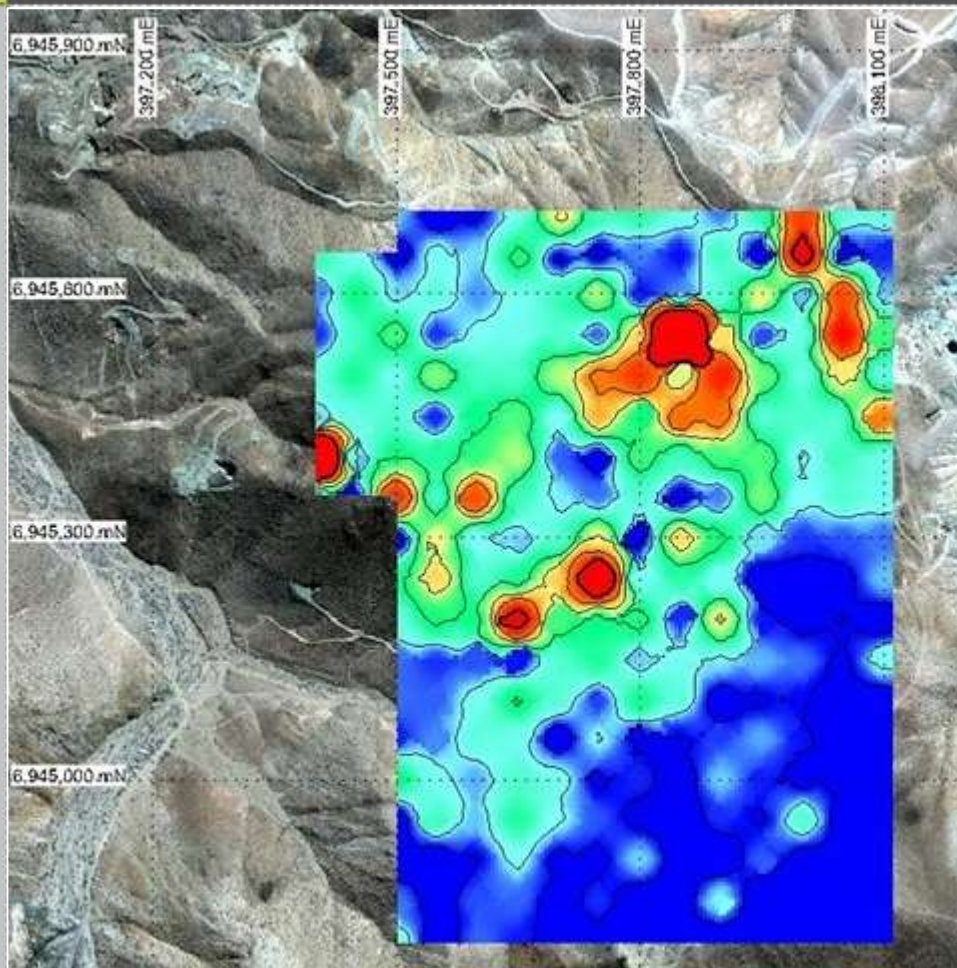
- Alliance has secured option agreements over several copper-gold properties in the **Cabeza de Vaca** district in northern Chile. Alliance 90% (rte 100%)
- Exploration targets include: (i) near surface copper-gold in breccia pipes and (ii) porphyry style copper-gold-molybdenum at depth
- Geochemical soil sampling results received and geological mapping has been completed

Chilean Copper-Gold Project

Copper mineralised breccia, Japonesa mine



Chilean Copper-Gold Project Ceci-Paola geochemistry



Copper (ppm) Red = mean + 3stdev =
>3238ppm

Gold (ppm) Red = mean +3stdev = >70ppm

- Four Mile Uranium Project is our flagship asset
- Alliance is committed to the development of the Four Mile Project and has taken legal actions to protect the interests of its shareholders
- Decision to recommence development of the Four Mile Project was made on 24 October '12 (Mineral Lease granted April '12)
- Strategic alliance with ITOCHU Corporation
- Alliance continues to explore its 100% owned tenements including the Warrina copper-gold project in South Australia and the Cabeza de Vaca copper-gold project in Chile

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