

14 May 2013

ASX Code: AGS

No. of pages: 24

COMPANY PRESENTATION

Please find attached a copy of a Company presentation to be made by the MD, Mr Steve Johnston, at RIU Sydney Resources Round-up 2013 held in Sydney, NSW today.

For and on behalf of the Board.



Bob Tolliday
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

A near-term Australian uranium producer

RIU Sydney Resources Round-up 2013
Sydney, New South Wales
14 May 2013

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 U₃O₈ contained in Indicated + Inferred Resources* (Alliance share ~18Mlb U₃O₈)
 - ◆ Potential to be one of the largest and highest grade in-situ recovery uranium mines in the world
 - ◆ Development commencing in 2013 (currently delayed)
 - ◆ Project is subject to legal actions (Alliance subsidiary is plaintiff)
 - ◆ Strategic alliance with ITOCHU Corporation of Japan

*Refer mineral resources estimate page 11

Capital Structure

ASX code	AGS
Share price (13-05-13)	A\$0.14
Shares on Issue	341M
Market Capitalisation (13-05-13)	A\$47.8M
Net Cash (31-03-13)	A\$27.5M
Enterprise Value	A\$20.3M
Unlisted Options (31-03-13)	2M



Board & Management

John Dunlop	Chairman
Steve Johnston	Managing Director
Ian Gandel	Director
Tony Lethlean	Director
Bob Tolliday	CFO & Company Secretary
Andrew Bowden	Exploration Manager

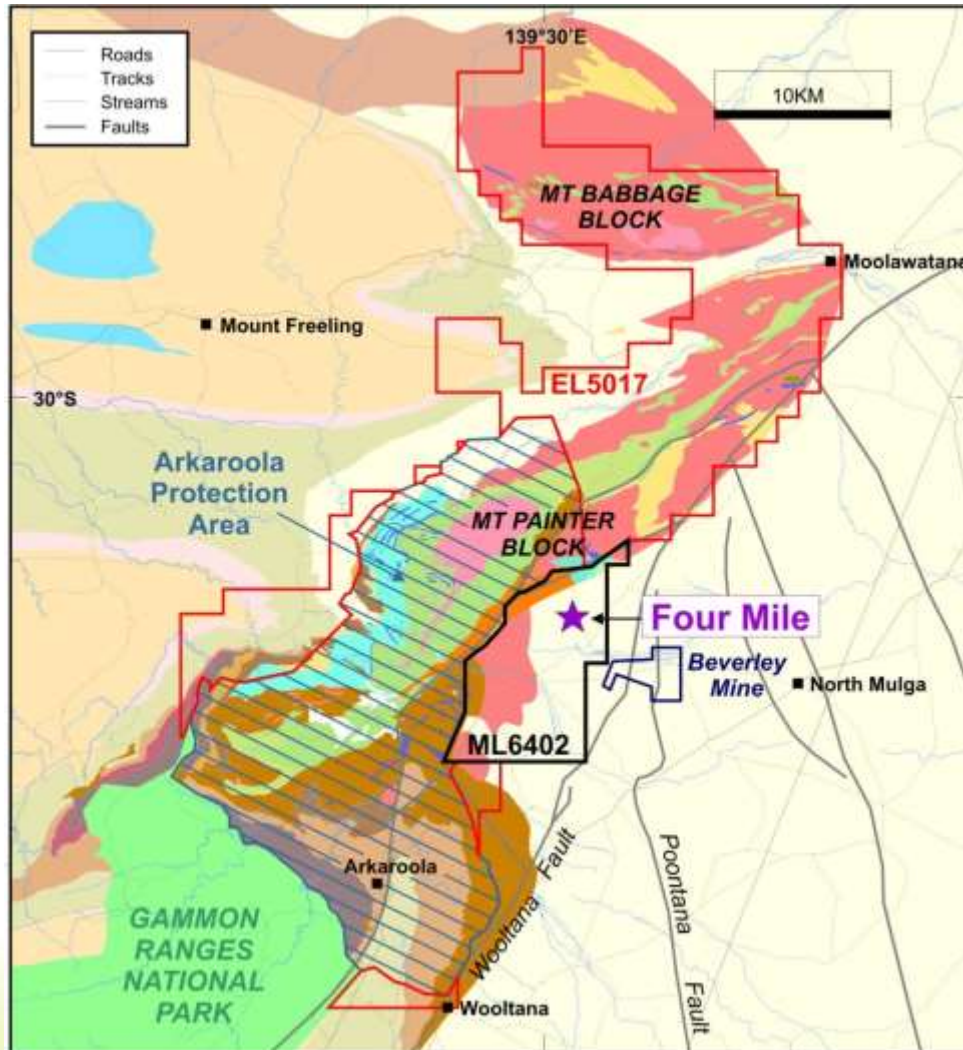
Major Shareholders

Abbotsleigh	25.8%
Top 20 shareholders	46.7%
Board & Management	30.5%

...TradeTech U₃O₈ Spot Price – 3 May - US\$40.60/lb



Four Mile Uranium Project



- Alliance Craton Explorer P/L (**ACE**) 25%
 - ◆ Free carried outside mine development area
- Located 550 km NNE of Adelaide, S.A.
- 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 uranium deposits
 - ◆ Four Mile East & Four Mile West
- Long Project life of 15+ years

Four Mile Project – Decision to Recommence Development

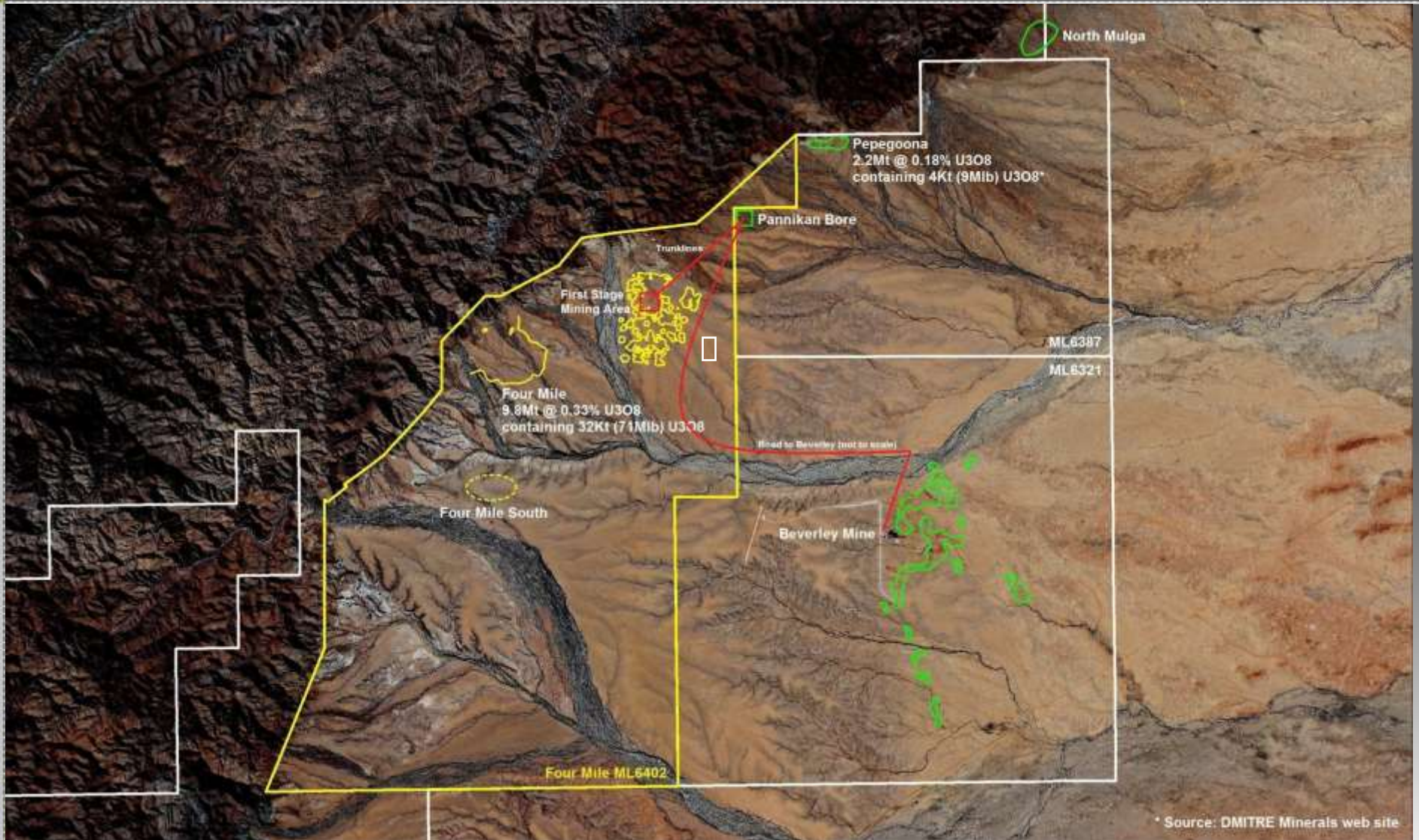
A decision to recommence development of the Four Mile Project (Quasar 75%, ACE 25%) was made on 24 October 2012 with Quasar voting its 75% interest in favour and ACE voting its interest against Quasar's proposed Start-Up Plan.

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 commence at Four Mile East in Q2 2013 and at Four Mile West in Q4 2013, and
- First uranium sales scheduled for Q3 2013

Quasar has advised of a delay in implementing the programme and is revising the Program and Budget - dependent on statutory approvals of PEPR and RMP

Four Mile Project – Development Layout



* Source: DMITRE Minerals web site

Four Mile Project – Development Schedule

Quasar's October 2012 Start-Up Plan and Program and Budget is for 16 months 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 (capital & operating) of A\$97.8 million (ACE share A\$24.45 million)⁽¹⁾
- Cash operating costs are budgeted to be A\$25.46⁽²⁾ per lb uranium oxide (if wellfield development costs are excluded) or A\$40.33⁽²⁾ 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⁽³⁾

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.

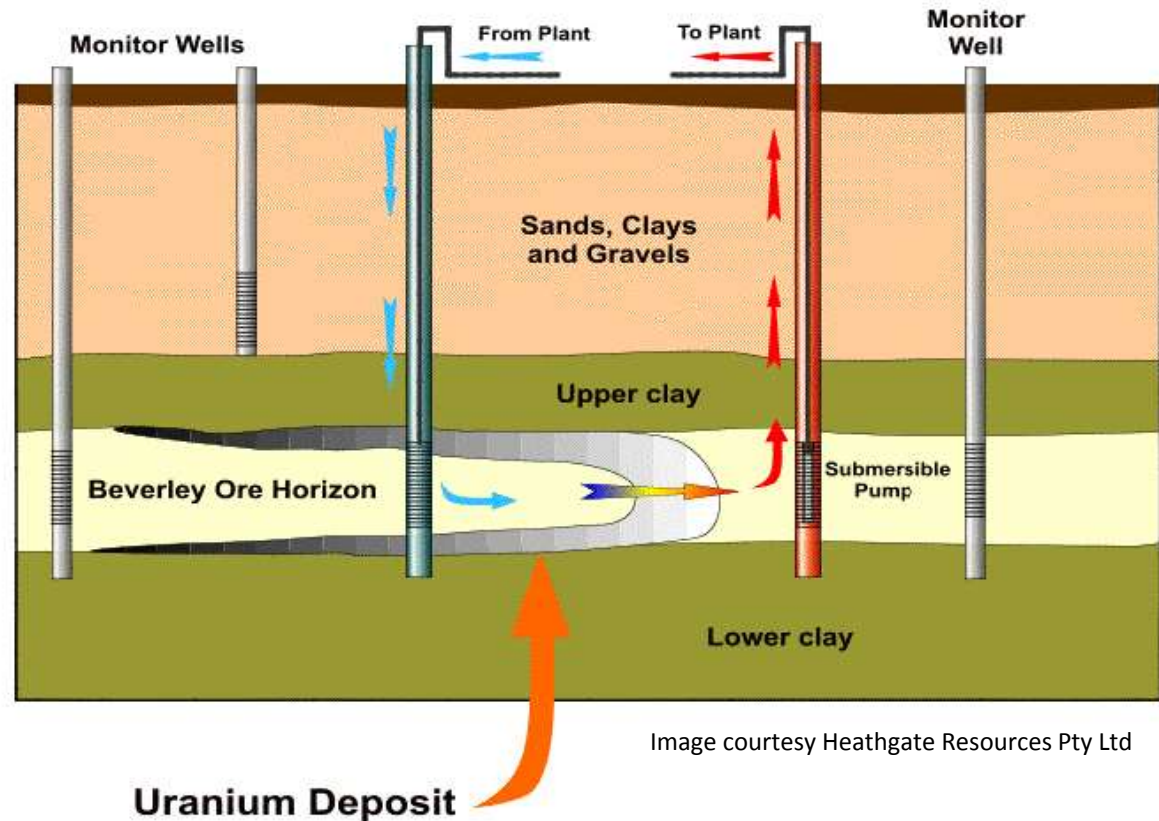
(1) ACE disputes the validity of the cash calls made by Quasar and, in making these payments, has reserved all of its rights. The payments are made to preserve ACE's participatory rights in the Four Mile Uranium Project.

(2) Excludes regional delineation drilling costs.

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

In Situ Recovery (ISR) Mining 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

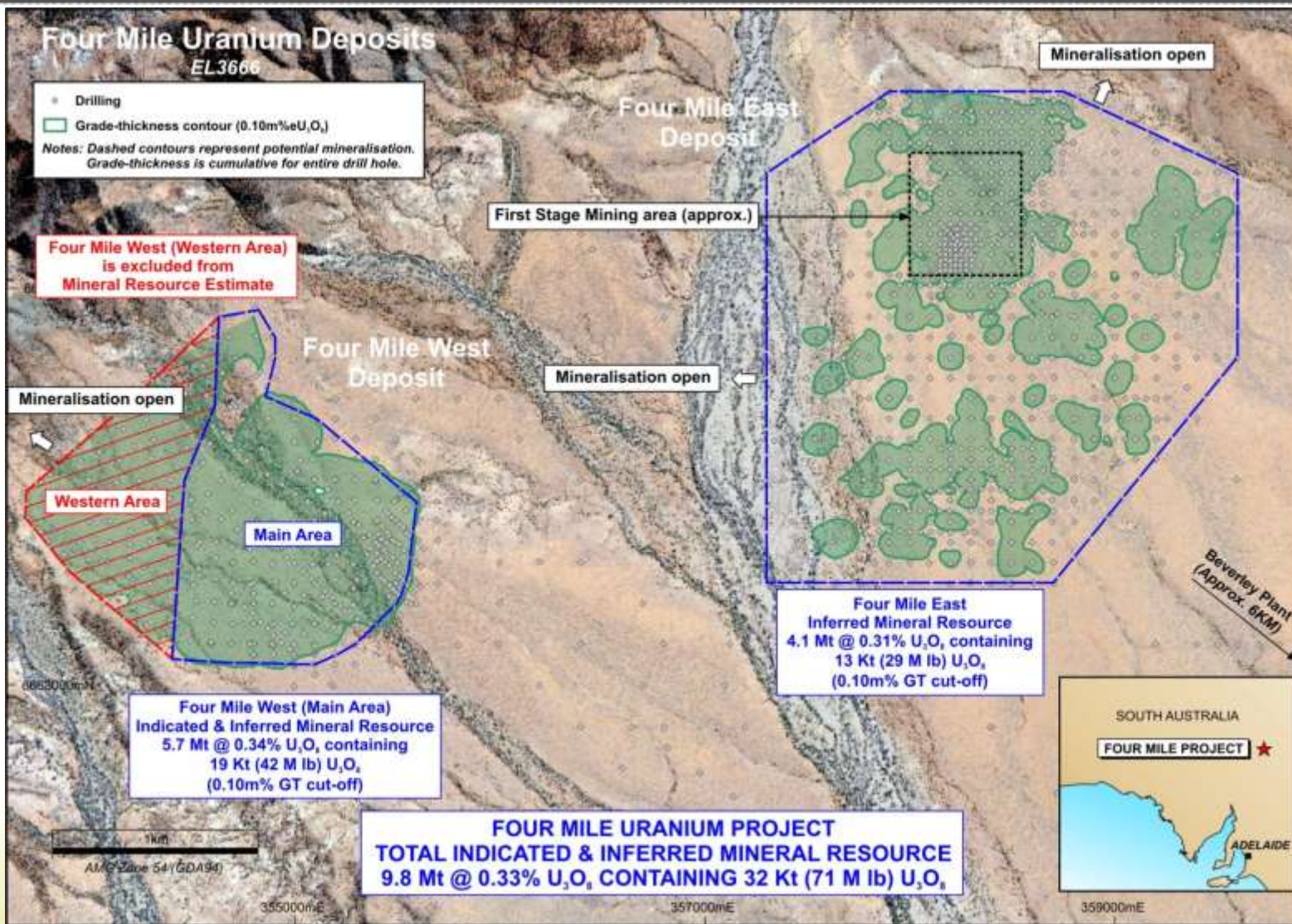
Four Mile Project - Mineral Resource

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

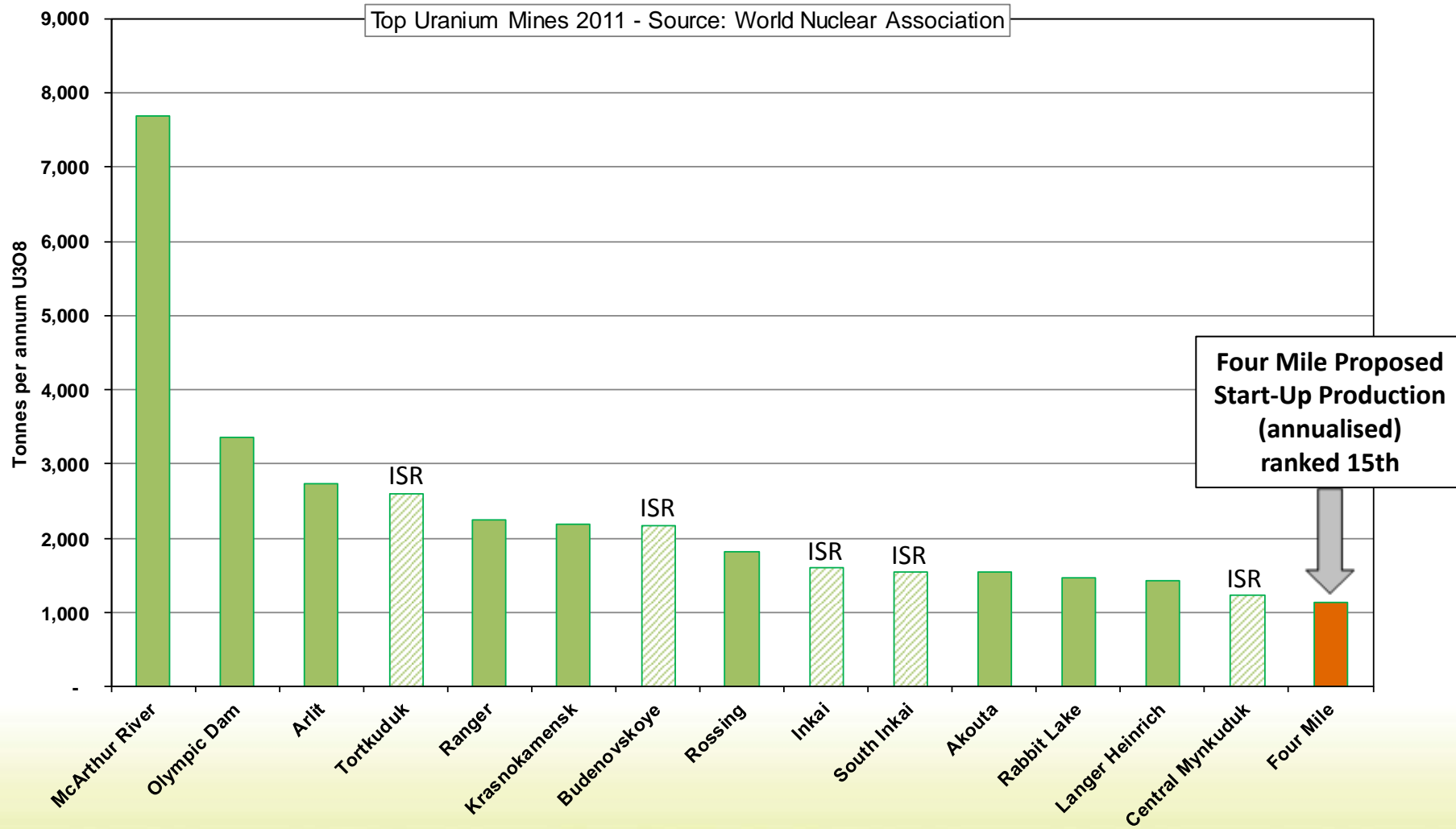
Deposit	GT Cut-off m%	Mass Tonnes	U ₃ O ₈ %	U ₃ O ₈ Tonnes	U ₃ O ₈ Mlb	JORC Classification
Four Mile West	0.10	4,100,000	0.34	14,000	32	Indicated
Four Mile West	0.10	1,500,000	0.31	4,700	9	Inferred
Four Mile West	0.10	5,700,000	0.34	19,000	42	
Four Mile East	0.10	4,100,000	0.31	13,000	29	Inferred
TOTAL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

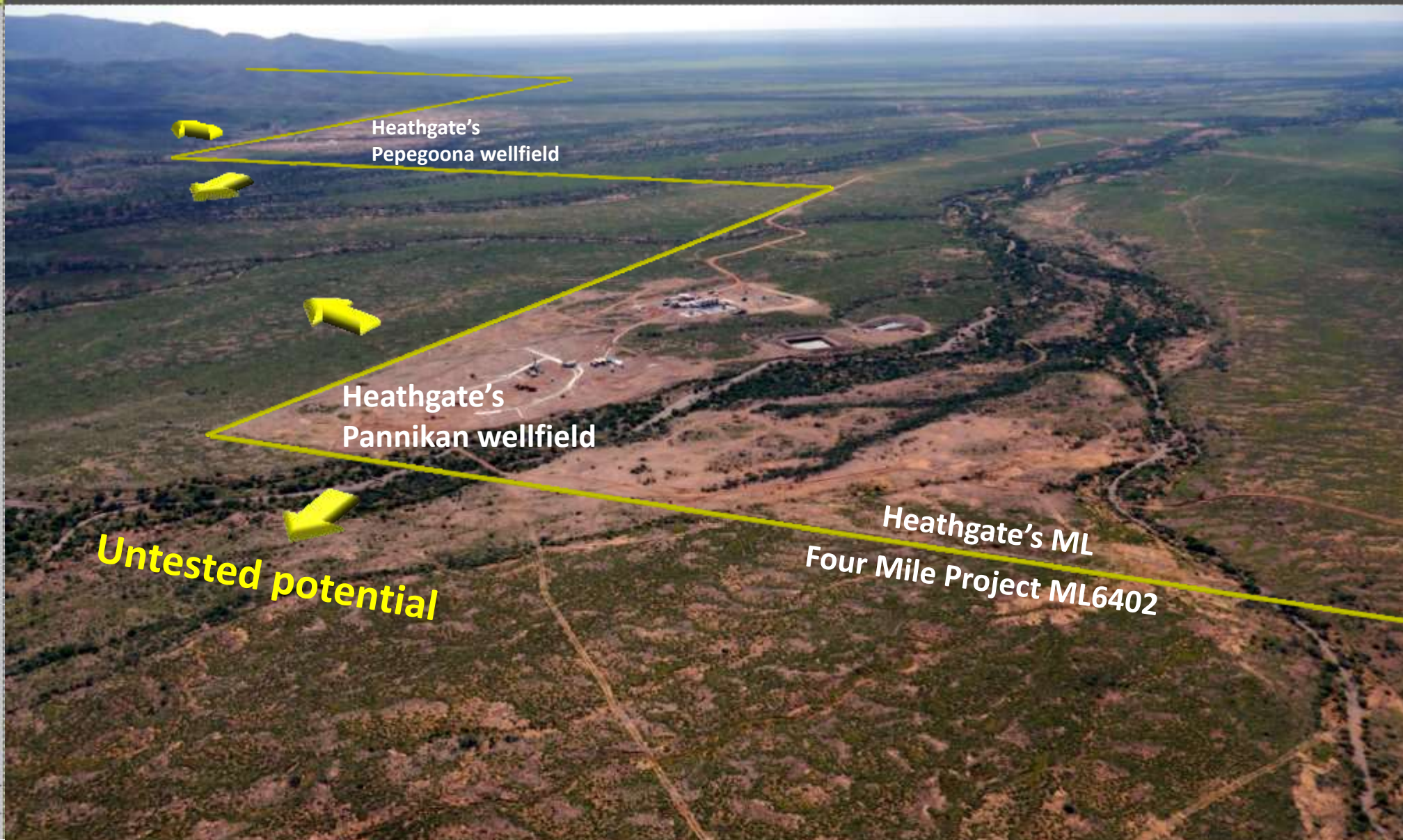


Four Mile Project – Potential Global Ranking



Four Mile Project – Prospectivity

Looking northeast from Four Mile East



Heathgate's
Pepegoona wellfield

Heathgate's
Pannikan wellfield

Untested potential

Heathgate's ML
Four Mile Project ML6402

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
 - ◆ On 1 May 2012 ACE appealed part of that decision
 - ◆ On 12 March 2013 ACE's appeal was dismissed with costs awarded to Quasar and Heathgate
 - ◆ **On 9 April 2013 ACE lodged an application for special leave to appeal to the High Court of Australia**
- **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
 - ◆ **Next directions hearing has been scheduled for 23 May 2013**

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

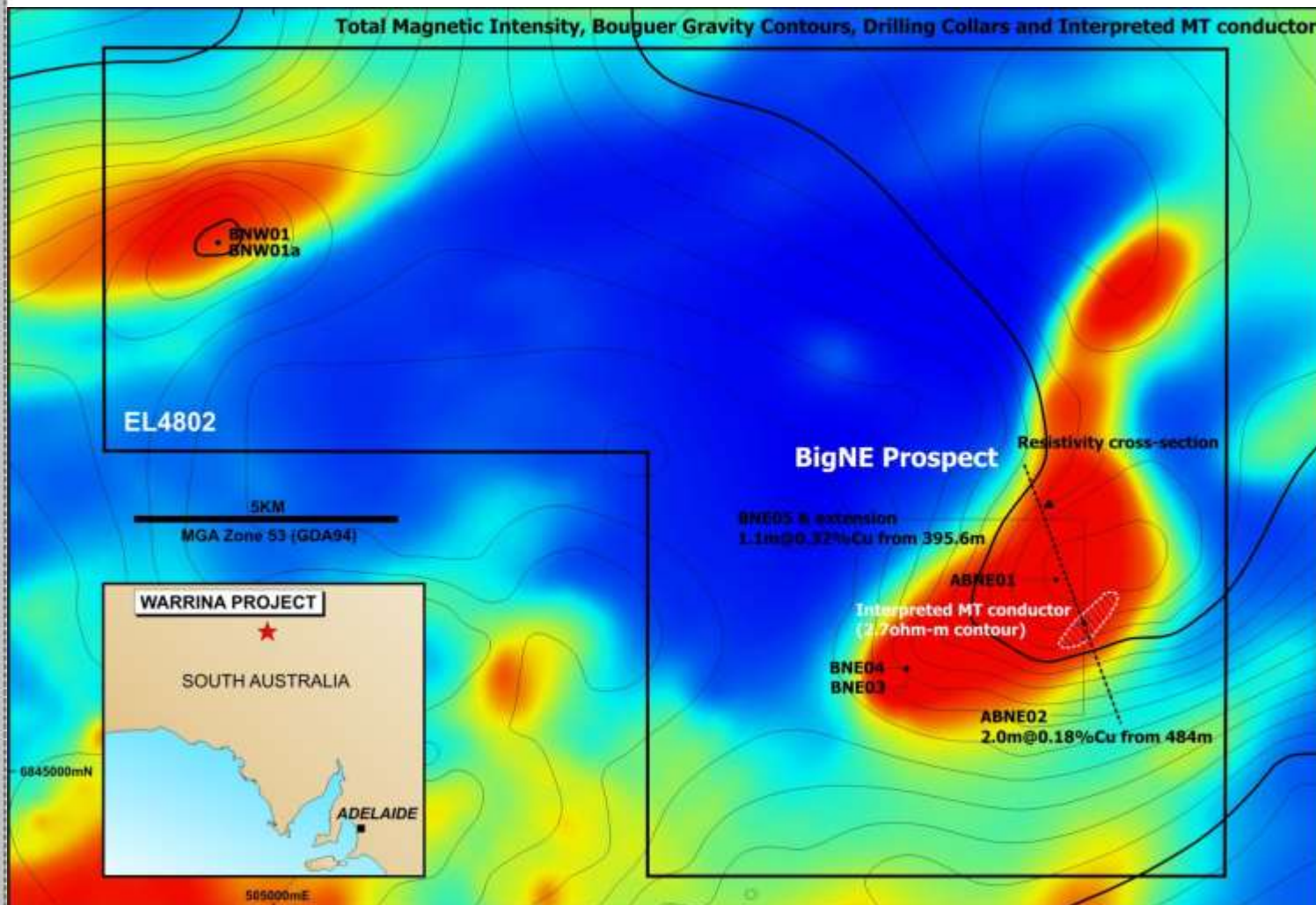
Strategic Alliance with ITOCHU

- Strategic alliance with ITOCHU Corporation announced 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 in 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



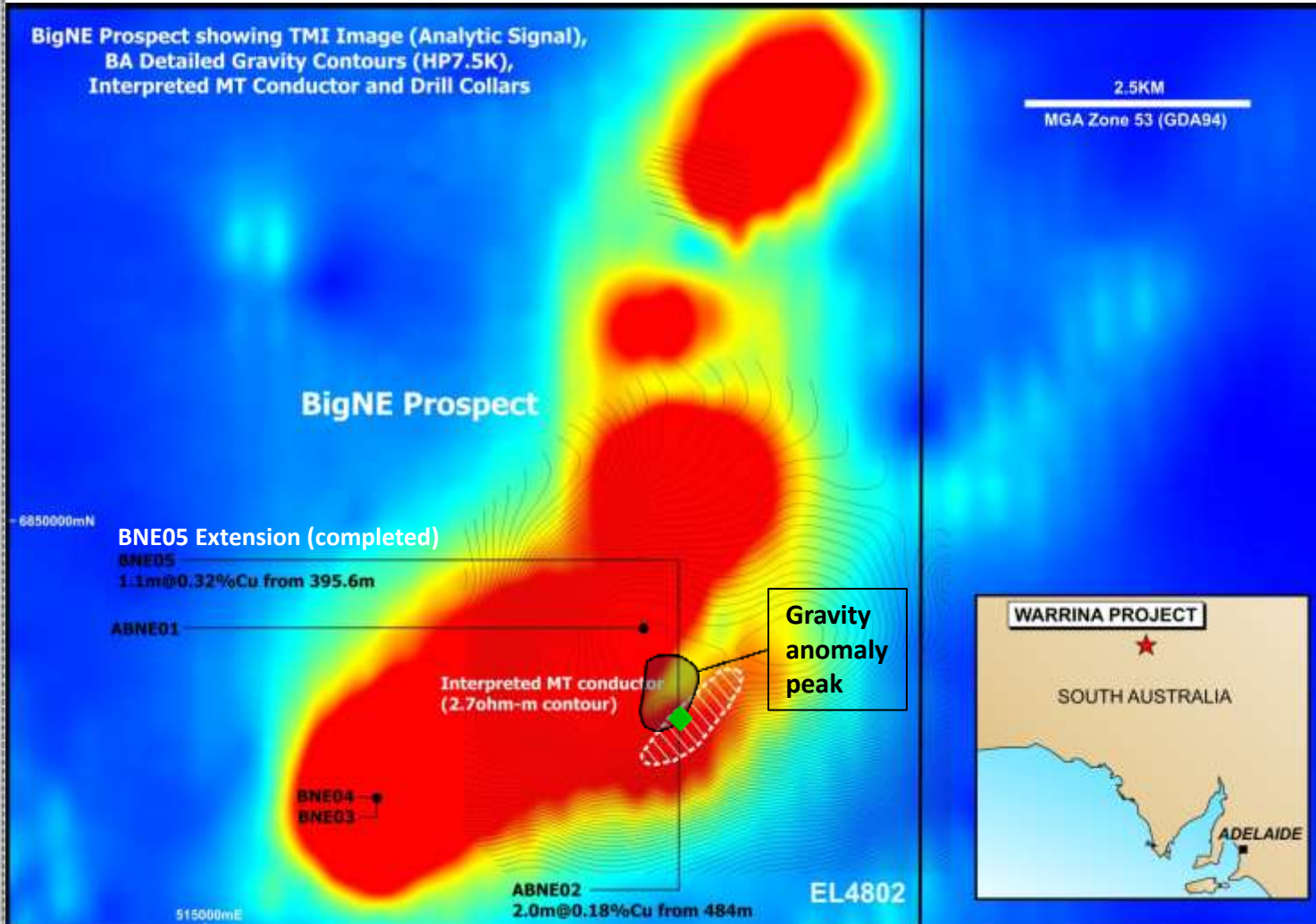
- AGS 100%
- Located 70km NE Coober Pedy in South Australia
- Targeting Olympic Dam style IOCG mineralisation under cover
- No mineral drilling >1000m depth shown on DMITRE's SARIG web site for at least 150km radius (70,000km²)



- BigNE Prospect characterised by large magnetic & gravity anomalies and a large magnetotelluric (MT) conductor. 360m depth
- Drilling to test the MT conductor to a depth of 1165m completed 10 May
- No significant IOCG alteration encountered

Warrina Copper-Gold Project

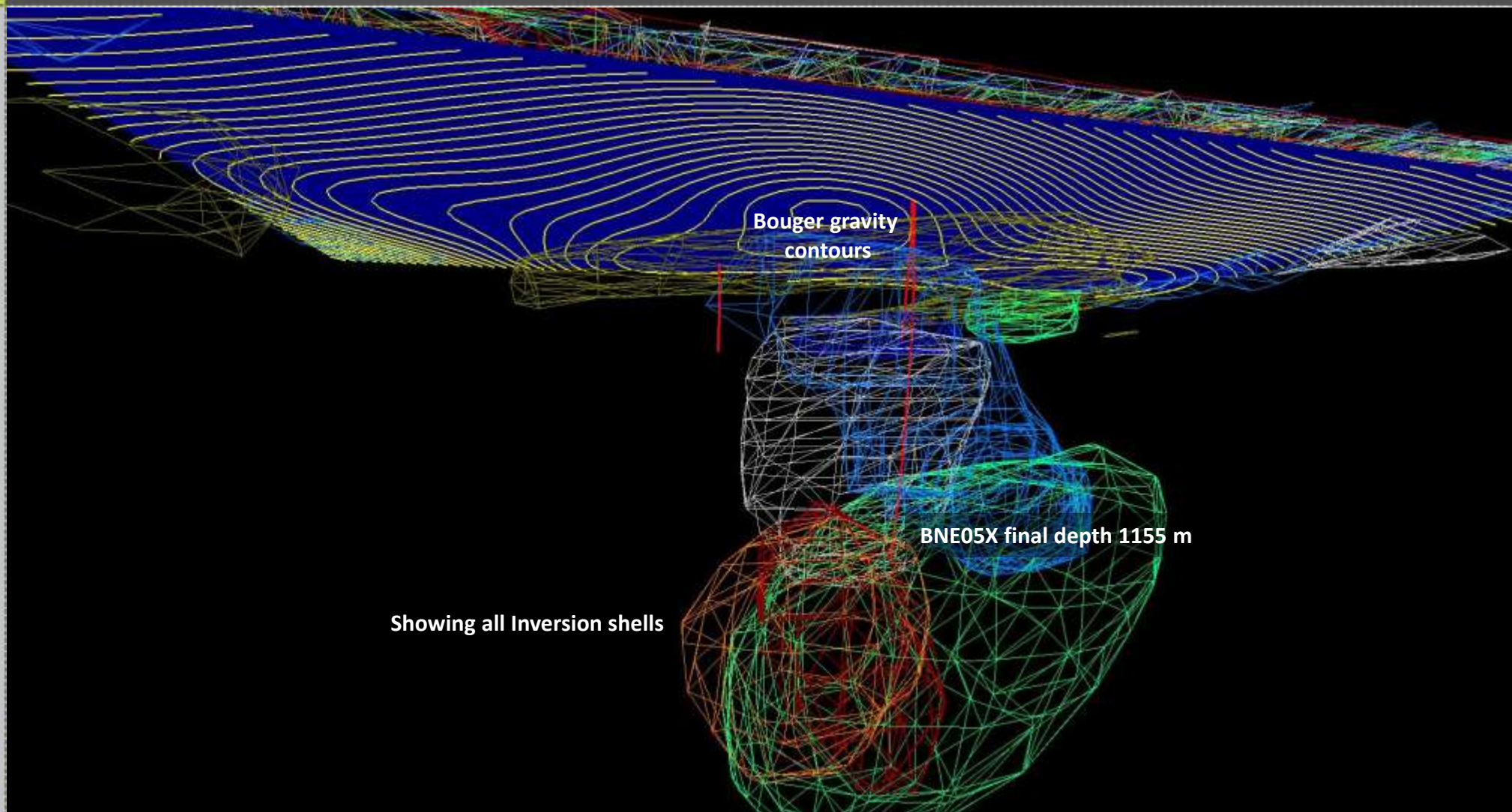
BigNE Prospect



- Sulphides averaging <1% and locally up to 3%
- Core yet to be sampled and analysed
- The MT responses appear to have been explained by the presence of graphitic sediment and the gravity anomaly explained by the presence of magnetite bearing calc-silicate gneiss

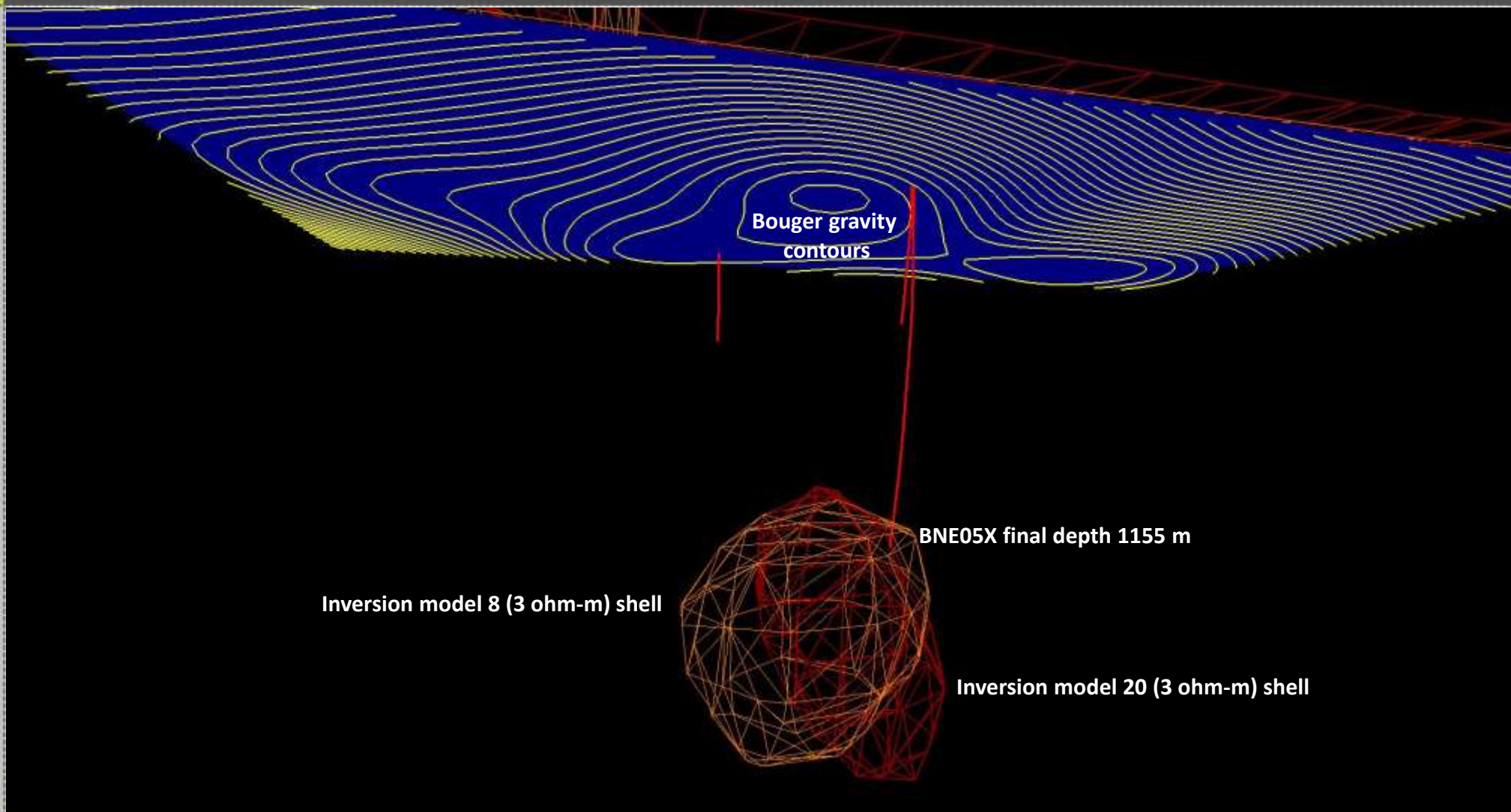
Warrina Copper-Gold Project

BigNE Prospect MT inversion shells, NE azimuth



Warrina Copper-Gold Project

BigNE Prospect MT inversion shells, NE azimuth



- Four Mile Uranium Project is our flagship asset
- Four Mile Development commencing in 2013 (currently delayed)
- Strong cash reserves
- Alliance is committed to the development of the Four Mile Project and has taken legal actions to protect the interests of its shareholders
- Strategic alliance with ITOCHU Corporation
- Alliance is exploring its 100% owned projects with drilling recently completed at its Warrina copper-gold project



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