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TANOYAN GOLD PROJECT, SUALAWESI, INDONESIA : DRILLING CONTINUES TO INTERSECTS GOLD MINERALISATION

- **Results received from first 2 holes**
- **Include 5.3 metres at 4.4 g/t Au from 101.4m**
- **Extends Sondana vein gold mineralisation at depth with increasing grade and thickness**
- **10,000 metres diamond drilling program underway**

May 17, 2012 - Reliance Resources Ltd. (the "Company") (TSX:RI) is pleased to announce drilling results from 2 holes into the Sondana Vein system on the Tanoyan Gold Project, Sulawesi, Indonesia (see Table 1). The company recently commenced drilling of its planned 10,000 Phase 2 program following the release of an updated independent NI 43-101 report for Tanoyan (March 19, 2012), which more than doubled the Inferred Mineral Resource to 208,000 ounces of gold.

The Tanoyan Gold Project consists an extensive system of auriferous quartz veins, comprising four principal vein systems, Sondana, Ramai, Modupola/Talong and Lingkobungon. These veins are predominantly orientated northeast and dip steeply or moderately to the northwest or southeast. The veins are hosted by andesitic volcanic rocks and have been mapped over a combined strike length of approximately 6 kilometres.

The Phase 2 program is aiming for a significant upgrade to the existing NI 43-101 resource by targeting extensions to drilled sections of the veins, which have been identified, as well as along strike and at depth on all vein systems. Drilling to date has primarily been tightly focused on the Sondana and Modupola veins.

Assay results have been received from the first two drill holes in the new program and include a high-grade intersection:

- **TND 089: 5.3 metres at 4.4 g/t Au from 101.4m**

The assay result for hole TND 089 continues a theme from earlier drilling which shows a general increase in grade and thickness with depth which represents a significant increase in grade and width from the overlying drillhole along this section (TND083)

(Figure 1). <http://www.relianceresources.com/i/maps/Sondana-Vein-Drill-Section-TND089.jpg>

TND 088 was drilled in the southern portion of the Tanoyan system and intersected 2 zones of quartz vein containing gold mineralisation over narrow widths. Details of the intersections are to be found in Table 1. This section of the Sondana vein has only been sparsely drilled and further structural analysis and follow up drilling will be required to locate thicker and higher grade zones.

The resource model at the Sondana and Modupola veins is open at depth for most of its length and along strike to the north of the Sondana vein, where significant drill intersections from Phase 1 drilling are located. The Phase 2 program is designed to extend mineralisation along strike and laterally with further drilling. Infill drilling should confirm the strike continuity of vein systems and thereby improve the classification of the mineral resources.

Reliance president Scott Emerson stated “We are pleased to be drilling again at Tanoyan. The first assay results are in and they include an excellent result from TND 089. It is encouraging to see the gold grades continuing to show an increase in grade with depth of drilling. These results are in line with Reliance’s goal to prove up relatively shallow resource ounces, within 150 metres of surface, which could conceptually support a low-cost open cut mine.”

The Company has a portfolio of five mineral tenements covering 68,000 acres on the islands of Sulawesi and Halmahera in East Indonesia. The projects offer both exploration potential and an existing resource base. All five projects are adjacent to or along strike from operating gold mines or identified gold resources with similar geology and structural feature. Importantly, all projects have been converted to IUP tenements as required under the new Indonesian Mining Act (2009).

The Company is active on four of its five Indonesian gold projects; currently drilling on the Tanoyan Gold Project and conducting surface exploration programs on the Palopo Gold Project, the Kapa Kapa Gold/Silver Project and the Roko Gold Project. All of the projects have easy access via paved and/or gravel roads and regional infrastructure is good.

This press release has been reviewed and approved by Mr. John Levings, B.Sc., FAusIMM, director of Reliance Resources Limited and a Qualified Person as defined by National Instrument 43-101, under whose direction the exploration programs are being carried out.

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The statements herein that are not historical facts are forward-looking statements. These statements address future events and conditions and so involve inherent risks and uncertainties, as disclosed under the heading “Risk Factors” in the Company’s periodic filings with Canadian securities regulators. Actual results could differ from those currently projected. The Company does not assume the obligation to update any forward-looking statement.

Table 1: Tanoyan Project Drilling Results

DH No.	Vein	From (m)	To (m)	Interval (m)	Au (g/t)
TND088	Sondana	114.75	115.4	0.65	0.9
TND088	Sondana	125.4	126.05	0.65	2.3
TND089	Sondana	101.4	106.7	5.3	4.4

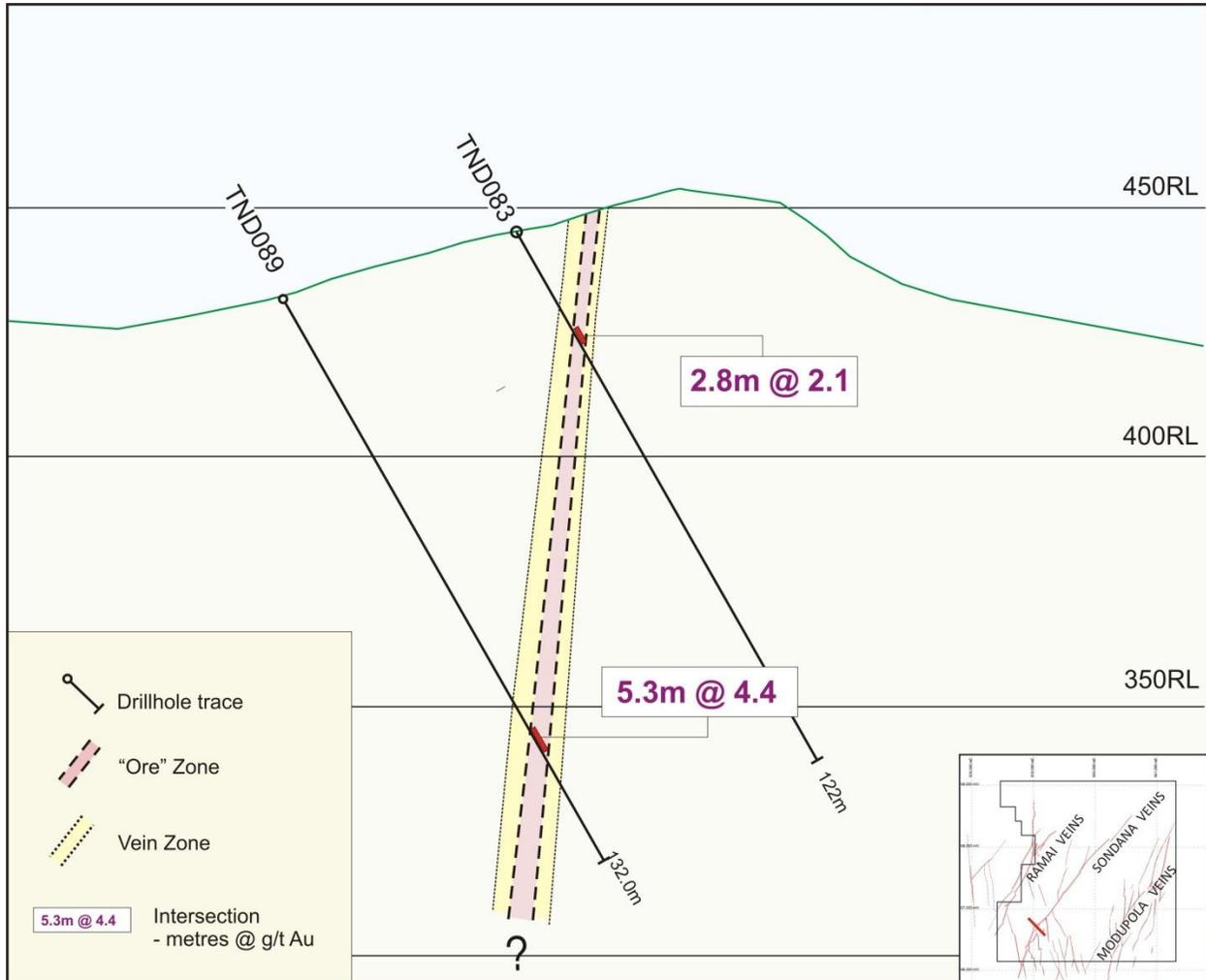


Figure 1: Sondana Vein Drill Section showing TND089. Grades and thickness increasing with depth (<http://www.relianceresources.com/i/maps/Sondana-Vein-Drill-Section-TND089.jpg>)