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WARRINA COPPER-GOLD PROJECT MT SURVEY COMPLETED

The 3D full-tensor magnetotelluric* (MT) survey at the Warrina project has been successfully completed. The aim of the MT survey is to identify potential conductors to assist with targeting of further drill holes.

The data will now undergo further processing and geophysical interpretation.

An additional MT survey is planned in 2012.

Background

The Warrina Project is located 60 km to the northeast of Coober Pedy in the Gawler province of South Australia. Alliance is targeting Olympic Dam style breccia-hosted iron-oxide copper-gold mineralisation. The BigNE prospect is a very large geophysical target located in the eastern half of EL3533 characterised by an isolated magnetic high that trends northeast for over 10 kilometres associated with a significant offset gravity anomaly.

Diamond drilling by Alliance at BigNE in 2003 showed elevated copper associated with fracturing, brecciation and carbonate-hematite alteration with minor sulphide mineralisation within amphibolite-biotite dominant rocks of possible pelitic sedimentary origin. Hole ABNE02 intersected 10 metres averaging 575ppm copper from 476 metres, including a best result of 2 metres grading 0.18% copper from 484 metres (total depth 509.1 metres). In 2008, further drilling intersected eight narrow (each averaging <2 metres) and discontinuous intervals of anomalous copper within the interval 385.4 to 786.0 metres down hole in BNE05 associated with hematite-carbonate veins and breccia with veins containing minor sulphide mineralisation within dominantly metapsammitic and metapelitic units. The best result was 1.1 metres grading 0.32% copper from 395.6 metres in hole BNE05 (total depth 846.3 metres).

*MT is a passive surface geophysical method used to determine the electrical resistivity of the earth's subsurface to great depth. It is effective for mapping conductive zones and deep-seated structures and is applicable for mineral, geothermal and oil & gas explorations. In recent years, advances in the acquisition, processing and interpretation of natural-source electromagnetic data has resulted in increased precision of the mapping of subsurface electrical conductivity distribution.

Steve Johnston
Managing Director

Reference to Joint Ore Reserves Committee (JORC) Code

The information in this report that relates to Exploration Results is based on information compiled by Mr Stephen Johnston who is a Corporate Member of the Australasian Institute of Mining & Metallurgy. Mr Johnston is a full-time employee of the Company 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.