

31 January 2012

ASX Code: AGS

## WARRINA PROJECT - MT SURVEY IDENTIFIES CONDUCTOR

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- **3D inversion modelling of the MT data acquired during December 2011 indicates a NE-trending, NE-plunging conductor with approximate dimensions of 1500(l) x 300(w) x 1200(d) metres commencing at 360 metres vertical depth.**
  - **Previous drilling in the north-western flank of the interpreted conductive body does not appear to have tested its most conductive part.**
  - **An additional MT and/or detailed gravity survey is planned in 2012 to better define the target for drill testing.**
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The Warrina Project is located 70 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 EL4802 (replacing EL3533) characterised by an isolated magnetic high that trends northeast for over 10 kilometres associated with a significant offset gravity anomaly.

A 3D full-tensor 400 x 400 metre magnetotelluric\* (MT) survey at the Warrina project was successfully completed during December 2011.

3D inversion modelling of the MT data has identified a NE-trending, NE-plunging conductor with approximate dimensions of 1500(l) x 300(w) x 1200(d) metres, centred at approximately 6847600N/520400E (MGA53) commencing at 360 metres vertical depth (Figure 1). Diamond hole BNE05 (6847775N/520290E (MGA53)), drilled in 2008, is within the north-western flank of the interpreted conductive body (Figure 2), but does not appear to have tested its most conductive part. BNE05 (total depth 846.3 metres) intersected eight narrow (averaging <2 metres) and discontinuous intervals of anomalous copper between 385.4 and 786.0 metres associated with hematite-carbonate veins, breccia with veins containing minor sulphide mineralisation, within dominantly metapsammitic and metapelitic units. The peak interval was 1.1 metres grading 0.32% copper from 395.6 metres.

An additional MT and/or detailed gravity survey is planned in 2012 to better define the target for drill testing.

\*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.

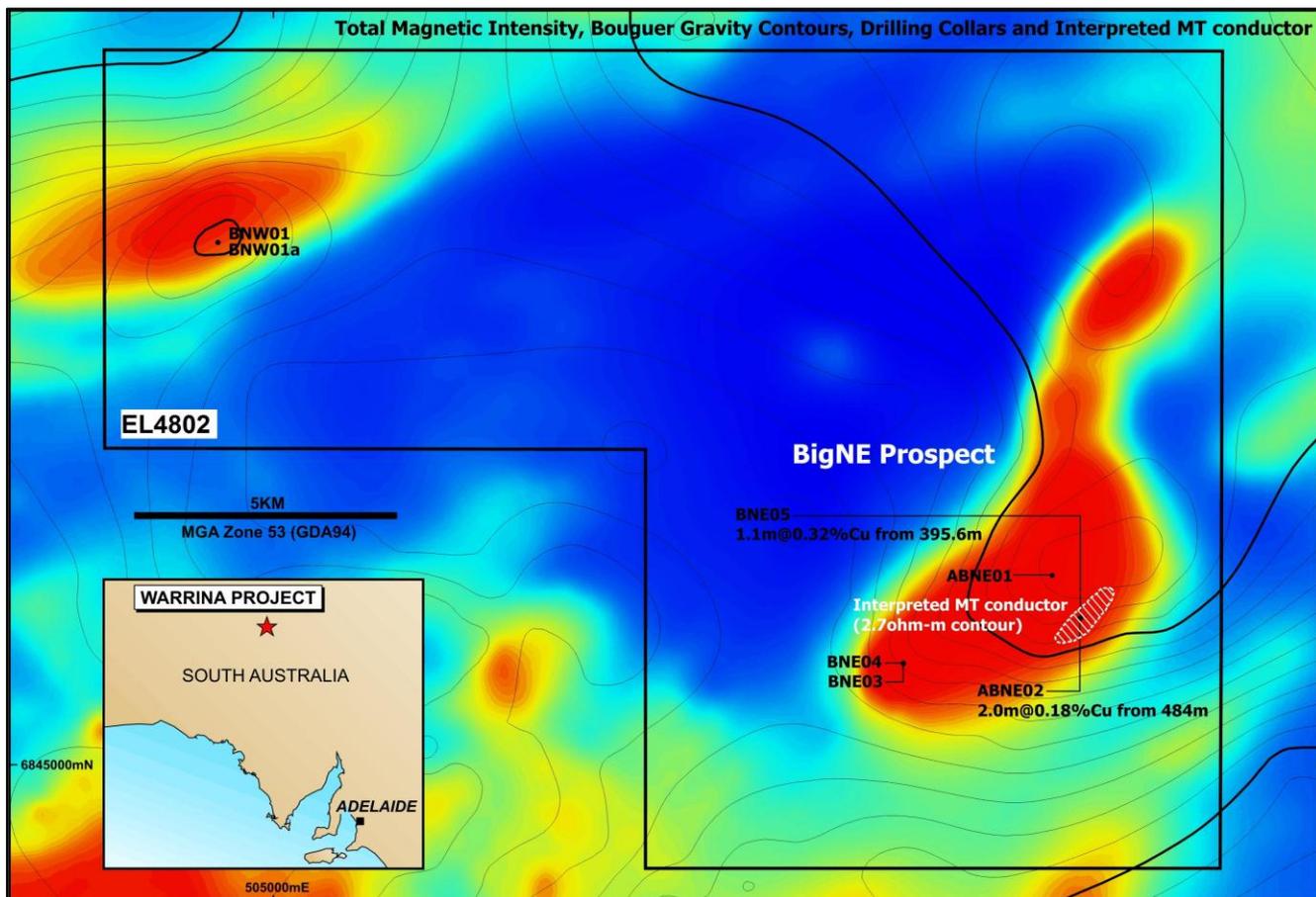


Figure 1: Warrina Project – Background image is total magnetic intensity overlain by Bouguer gravity contours, drill collars and interpreted MT conductor.

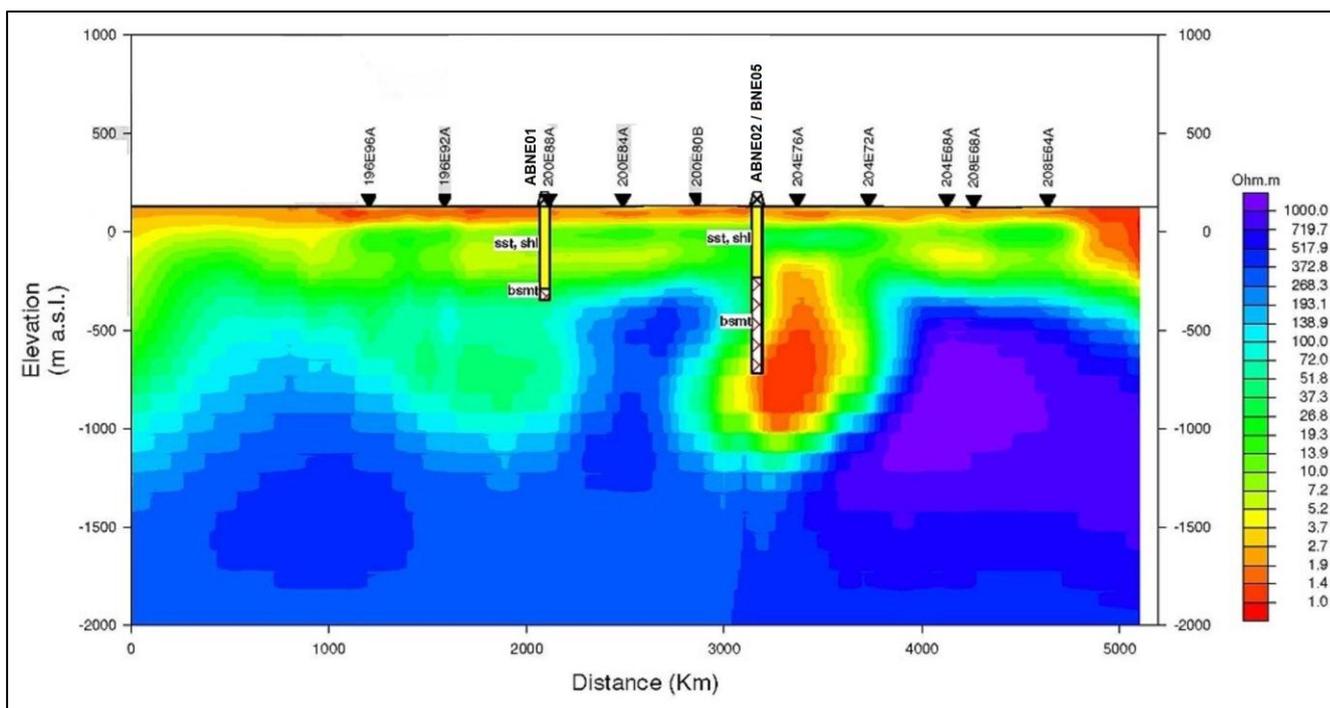


Figure 2: Warrina Project – Resistivity cross-section, showing existing drill holes, NW to left.

**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.