

**12 APRIL 2013**

**ALLIANCE RESOURCES LTD**

**ASX: AGS**

**ABN: 38 063 293 336**

**Market Cap: A\$53 M (A\$0.155)**

**Shares on issue: 341,172,309**

**Cash: \$27.9 M (31 Dec 2012)**

**Principal Office:**

Suite 3, 51-55 City Road  
Southbank Victoria 3006  
AUSTRALIA

Tel: +61 3 9697 9090

Fax: +61 3 9697 9091

**Email:**

[info@allianceresources.com.au](mailto:info@allianceresources.com.au)

**Web:**

[www.allianceresources.com.au](http://www.allianceresources.com.au)

**Projects:**

**Four Mile (25%):** uranium

**Warrina:** copper-gold

**East Frome:** copper, base-  
metals

**Cabeza de Vaca, Chile:**

copper-gold

## WARRINA PROJECT DRILLING COMMENCES

### *Targeting Olympic Dam style copper-gold mineralisation*

Alliance Resources (**ASX:AGS**) advises that drilling has commenced to test the BigNE prospect magnetotelluric (MT) conductor at the company's Warrina project, 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.

Existing hole BNE05 (subvertical) has been re-entered and is being cleaned out to end of hole (846 metres). The hole will then be extended by diamond coring to 1,200 metres depth. A daughter hole is proposed to be drilled by wedging from within BNE05 towards the south east to intercept the conductor at approximately 750m vertical depth.

**Background**

The BigNE prospect is a very large geophysical target located in the eastern half of EL4802 characterised by an isolated magnetic high that trends northeast for over 10 kilometres associated with a significant offset gravity anomaly and MT conductor (Figure 1).

3D inversion modelling of the MT data has identified a northeast-trending conductor dipping steeply northwest 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 2).

An experimental induced polarisation line over the BigNE area gravity-magnetic-MT anomalies was completed in 2012, the results indicating anomalous IP chargeability is evident at depth beneath the main magnetic-gravity anomaly to the north and the MT anomaly to the south east.

Diamond hole BNE05 (6847775N/520290E (MGA94)), drilled in 2008 to a depth of 846.3 metres, 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 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.

**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.

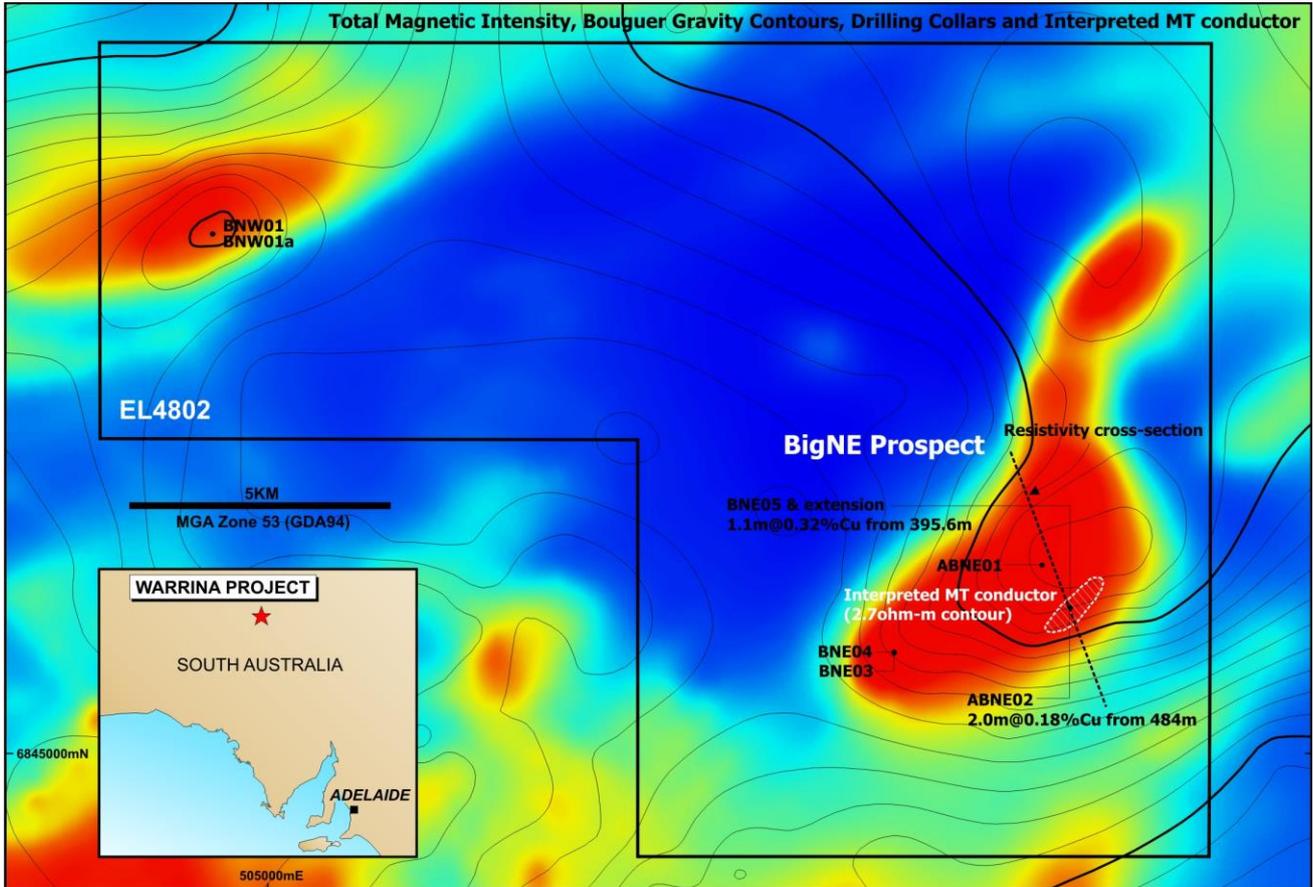


Figure 1: Warrina Project total magnetic intensity, Bouguer gravity contours, drill collars and interpreted MT conductor

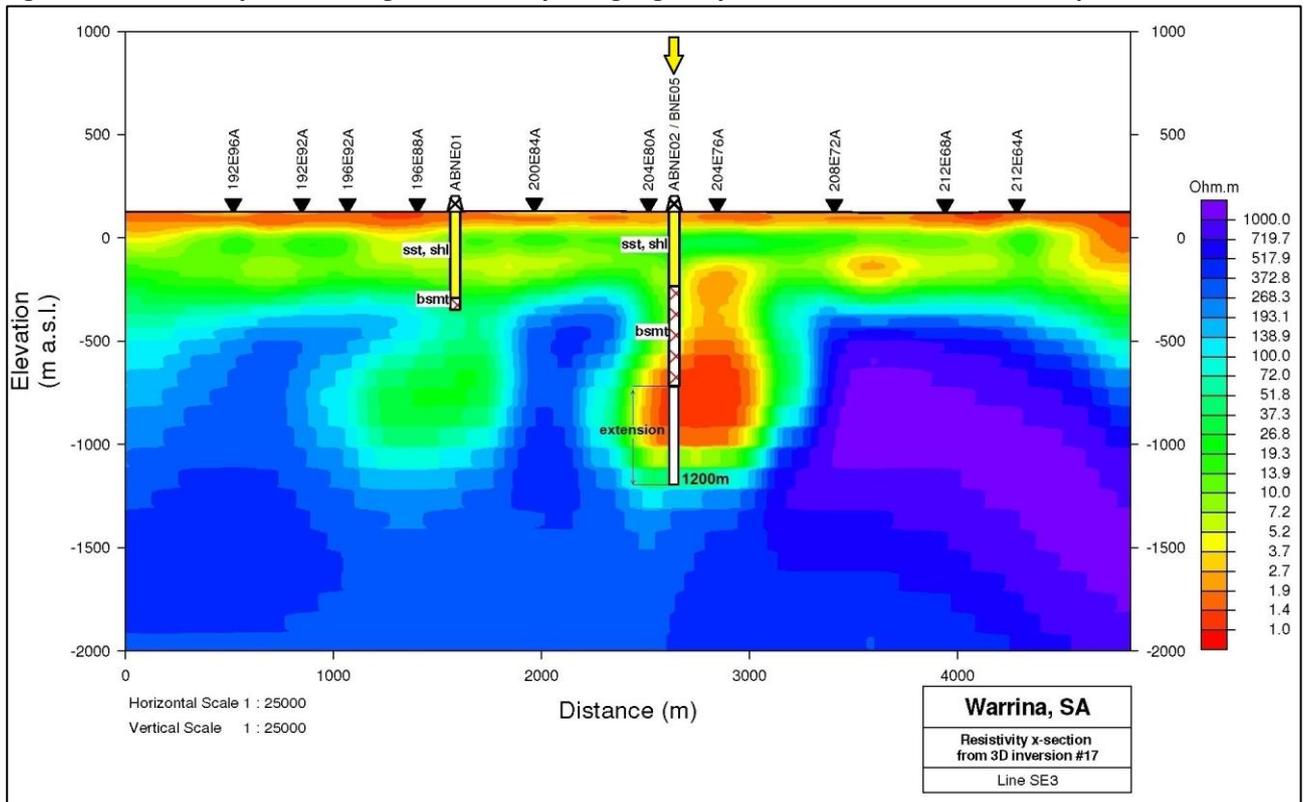


Figure 2: Warrina Project – Resistivity cross-section, showing drill holes, NW to left