

22 January 2015

ASX Code: AGS

Entitlements Offer - Non Renounceable Rights Issue Notification Of Shortfall

Alliance Resources Limited (“Alliance”) advises that the 2 for 11 non-renounceable rights issue (“Rights Issue”) announced on 2 December 2014 at 8 cents per share, closed on 19 January 2015.

The Company received applications from eligible shareholders to subscribe for 30,666,910 shares (\$2,453,352.80) or approximately 49.44% of the shares on offer. The Company's major shareholder, Abbotsleigh Proprietary Limited (“Abbotsleigh”), applied for its full entitlement of 15,977,300 shares or approximately 25.76% of the shares on offer.

The remaining non-underwritten shortfall is 31,367,213 shares (\$2,509,377.04).

Total number of New Shares offered:	62,034,123
Number of New Shares applied for:	30,666,910
Shortfall that may be placed by the Company:	31,367,213

Under the terms of the Rights Issue, the Directors may place the non-underwritten shortfall within 3 months of the Rights Issue Closing Date

The net proceeds from the issue will be used for:

- Costs of \$649,782 awarded to Quasar Resources Pty Ltd and Heathgate Resources Pty Ltd in 2012 and 2013 in the Court proceedings commenced by Alliance concerning access to books, records and agreements pertaining to the Four Mile Joint Venture
- Costs of the Offer
- General working capital, including legal fees in relation to matters currently before the Court

As previously advised in the Supplementary Prospectus dated 16 December 2014 Abbotsleigh’s subscription for its full Entitlement resulted from conversion of the Gandel Metals Loan in relation to the funds already applied to the November 2014 Four-Mile cash call.

The board of directors of Alliance would like to thank all those shareholders who subscribed to the rights issue for their continued support.

For and on behalf of the Board

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