

25 November 2015

ALLIANCE APPLIES FOR TWO NEW TENEMENTS POTENTIAL FOR NICKEL-COPPER-GOLD *EASTERN GOLDFIELDS, WESTERN AUSTRALIA*

Alliance Resources Limited (ASX: AGS) (Alliance) is pleased to announce that it has lodged two exploration licence applications with potential for nickel-copper-gold in Western Australia's Eastern Goldfields, Nepean South and Gundockerta South (Figure 1).

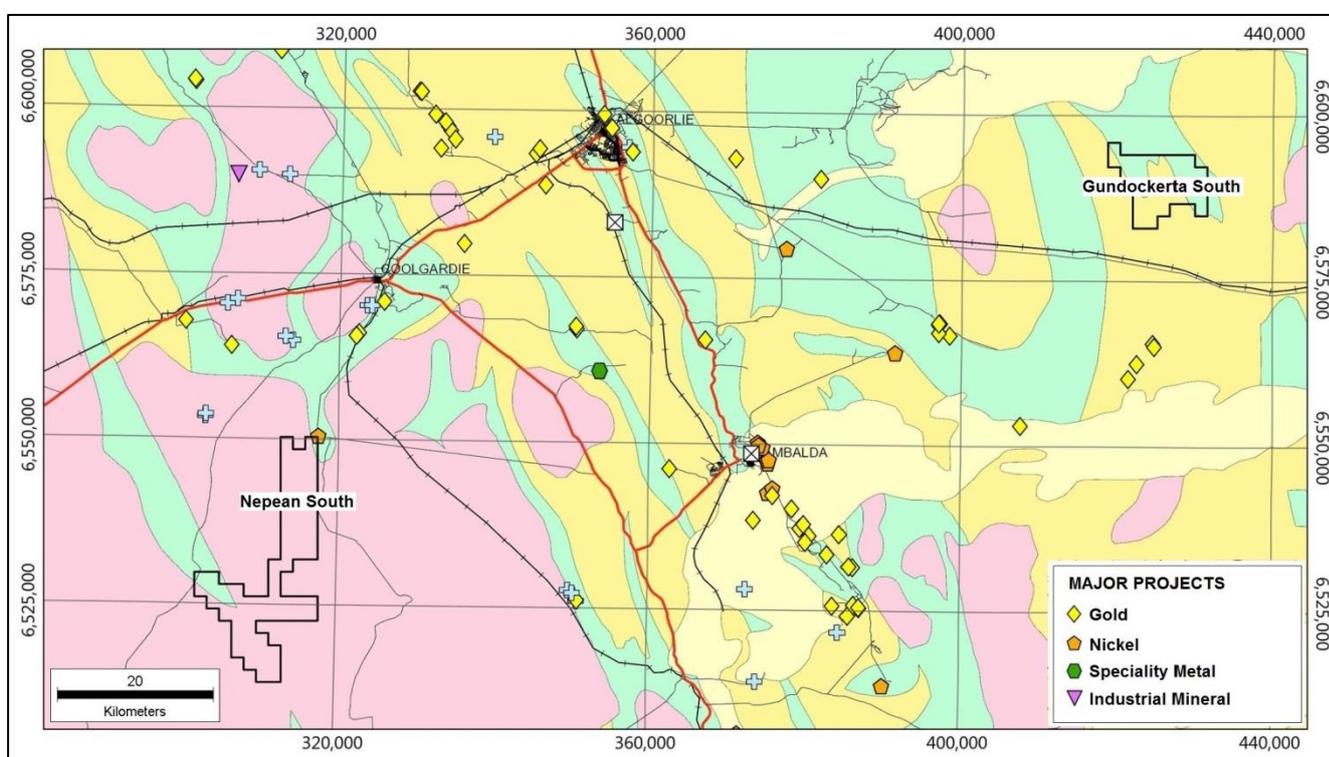


Figure 1: Project Locations

Nepean South

E15/1483 is located 26 km southwest of Coolgardie. The application captures approximately 14 km of ultramafics interpreted to be the southern extension of the sequence hosting the Nepean nickel (Ni) sulphide mine (>30 Kt Ni, now closed). The northern tenement boundary is located 900m from the Nepean mine.

The area has been selected on the basis of encouraging Ni intercepts from previous rotary air blast (RAB) drilling.

Mincor Resources NL (Mincor) (E15/884, 2007-12) explored for gold, iron ore and nickel. Work completed included soil geochemistry, 46 line km of moving loop transient electromagnetic (TEM) survey and 87 RAB drill holes for 3352m which defined continuous ultramafic lithologies to the south of Nepean, covered by up to 10m of alluvium/colluvium and intersecting nickel mineralization in three holes:

- NRB048: 6m @ 1.84% Ni from 18m (6534550mN, 316480mE)
- NRB067: 3m @ 0.78% Ni from 33m and 3m @ 0.76% Ni from 48m (6537270mN, 315560mE), and
- NRB077: 3m @ 0.69% Ni from 24m (6536970mN, 315600mE)

Mincor assessed the results from NRB048 to be related to lateritic mineralisation. No details of geological logs or analyses have been located for RAB holes NRB067 and NRB077.

To the north of the drilled area there is an untested weak TEM conductor from a 2010 geophysical survey along the interpreted basal contact with an estimated depth to top of conductor of 100-200m (Figure 2).

The application also covers the southeastern extension of the Ida Fault to the south of the Queen Victoria nickel prospect. The Ida Fault is a known crustal-scale fault between the Southern Cross and Eastern Goldfields Granite-Greenstone Terranes. Magnetic anomalism is associated with the Ida Fault at this location and may have potential for nickel and copper.

Alliance plans to check previous RAB hole collars for the presence of cumulate textured ultramafics (olivine cumulate ultramafics are the host rocks for nickel sulphide mineralisation), review the existing geological and geophysical data, conduct a further TEM survey in the vicinity of Mincor drill holes NRB067 and NRB077, and if warranted, drill testing of targets for massive Ni sulphides.

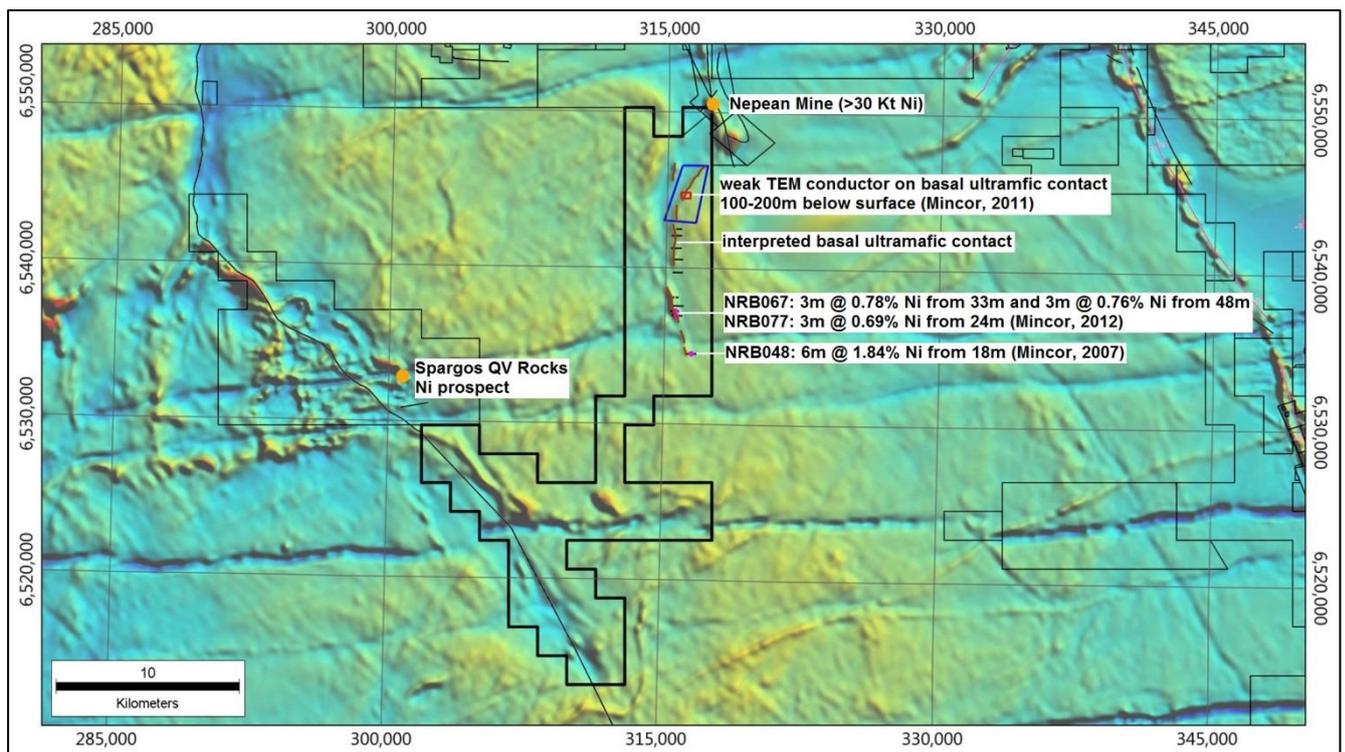


Figure 2: Nepean South ELA. Background image is airborne magnetics

Gundockerta South

E28/2572 is located 72 km east of Kalgoorlie. The application captures approximately 10 km of Geological Survey of Western Australia (GSWA) interpreted bedrock ultramafics and the northern tenement boundary is located 2.8 km along strike from the Lake Yindarlgooda Ni sulphide prospect.

The area has been selected on the basis of encouraging nickel and copper anomalism from previous RAB drilling and the presence of cumulate textured ultramafics.

In the western half of the tenement application, CRA Exploration Pty Ltd (CRAE) and Rolute Ltd (E25/84, 1991-97) explored for gold mineralization associated with the sediment and tuffs within the Yindarlgooda rift. The margins of the rift were considered highly prospective for gold deposits associated with intrusives and komatiite-hosted Ni sulphide mineralization. CRAE completed regional stream sediment sampling, soil sampling and RAB and aircore drilling on anomalies (41 holes for 1387m). The best result was 12m at 0.55% Ni from 20m in hole 94GRD014 (6585900mN, 425500mE MGA) adjacent to what CRAE interpreted to be the basal margin of an ultramafic channel (Figure 3). Although this intercept lacks coincident Ni-Cu anomalism, cumulate ultramafic textures have been logged in the CRAE drilling.

Heron Resources Ltd (Heron) (E28/1079, 2003-09) explored for Ni laterite and Ni sulphide mineralization. Work completed included data compilation, soil geochemistry, limited rock chip geochemistry and 25 reverse circulation drill holes for 1212m.

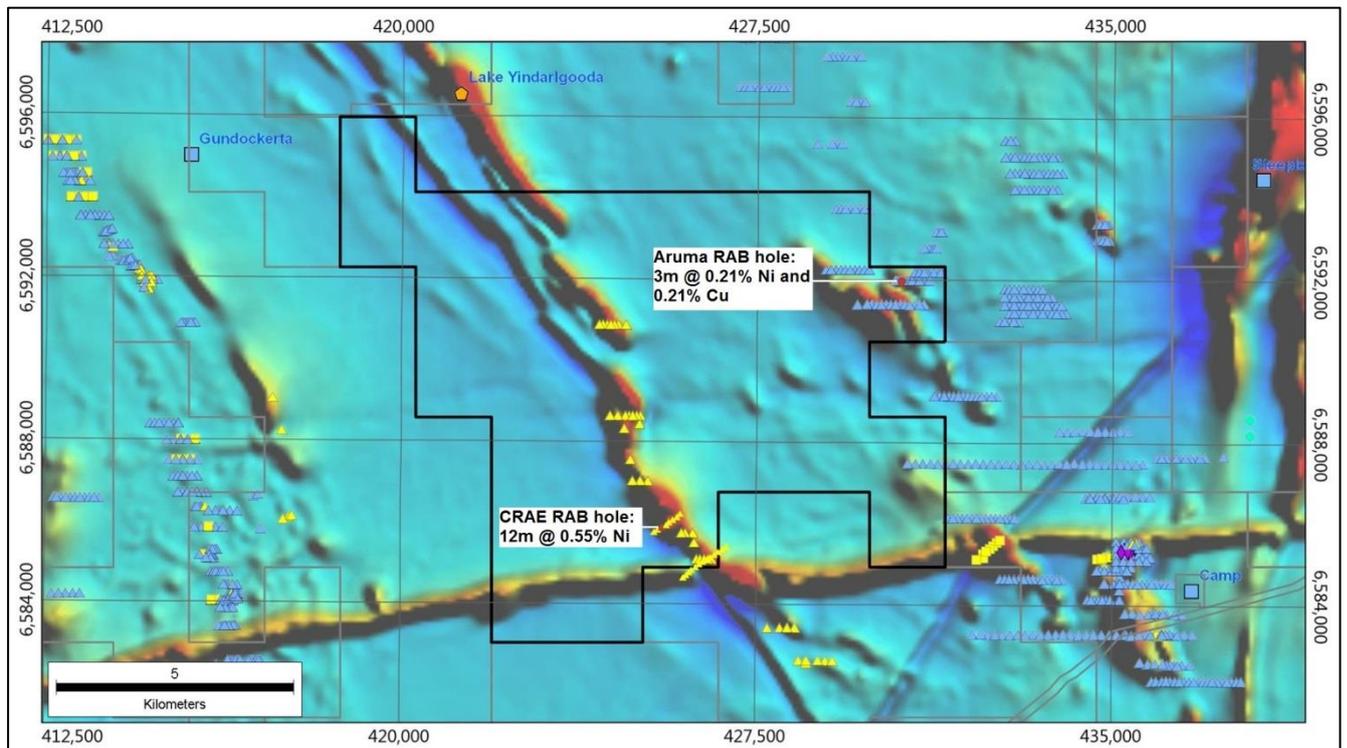


Figure 3: Gundockerta South ELA. Background image is airborne magnetics

Alliance plans to conduct a TEM survey along the ultramafic channel in the vicinity of CRAE drill hole 94GRD014, and if warranted, drill testing of targets for massive Ni sulphides.

In the eastern half of the tenement application, Aruma Resources Ltd (Aruma) (E28/1833, 2009-2012) carried out a Hyvista survey and RAB drilling of 61 holes for 1980m, assaying for gold, copper (Cu) and nickel. The best result was 3m of 0.21% Ni and 0.21% Cu from 11m in hole HPBR023 (6591998mN, 430500mE MGA).

Pioneer Resources Ltd (Pioneer) (E28/2315, 2013-14) carried out a soil geochemical survey of 617 samples using portable XRF analysed and compiled geochemical data of previous explorers. These showed coincident Ni and Cu anomalism over the aeromagnetic highs, with the northern anomaly supporting the encouraging drilling result previously reported by Aruma. Pioneer geologists subsequently carried out field verification of the Ni anomalies and concluded that they were lithologically derived, on a topographic high over an exposed mafic-ultramafic intrusive complex.

Despite there being no recognition of cumulate textured ultramafics by either Aruma in its drilling or Pioneer in its field checking, the GSWA has mapped peridotite in the area.

Alliance considers the area in the vicinity of the Aruma drill hole to be worthy of further investigation.

Steve Johnston
Managing Director

For further information about Alliance Resources Ltd, please visit www.allianceresources.com.au

Competent Person's Statement

The information in this report that relates to the Exploration Results is based on information compiled by Mr Stephen Johnston who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Johnston is a full time employee of Alliance Resources Ltd 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 2012 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.