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ASX Code: AGS

BOGAN GATE WEST GOLD-BASE METAL PROJECT, NEW SOUTH WALES

EXPLORATION LICENCE APPLICATION

Alliance Resources Limited (Alliance)¹ announces that it has lodged exploration licence application 5307 with potential for gold and base metals, centred approximately 45 km west of Parkes in New South Wales (**Project**).

The tenement is situated on the western limb of the Tullamore Syncline, a north-south trending Devonian rift that separates the Project area from the Goonumbla Volcanics which host the Northparkes copper-gold deposits to the northeast.

The Raggatt Volcanics occur in the northern portion of the tenement area and are considered as possible outliers to the Goonumbla Volcanics. The Raggatt Volcanics comprises a trachyandesite succession of flows, pyroclastics, epiclastic sediments and impure limestone horizons and display a similar magnetic signature to the Goonumbla Volcanics, which hosts several skarn type poly-metallic occurrences.

The area covered by the tenement contains several historic mineral occurrences, including the Cookeys Plains copper-barite occurrence in the west of the Project area hosted by green-grey rhyolitic porphyry; the Bakers copper-iron prospect & adjacent Botfield lead-zinc anomaly in the northeast of the Project area hosted by Raggatt Volcanics and Todds Working in the north of the Project area associated with iron-enriched sandstones of the Cookeys Plains Formation and which are anomalous in zinc.

Alliance has selected the area on the basis of the Project's potential for a number of mineral deposit types including skarn hosted poly-metallic, epithermal gold, porphyry related copper-gold and rare earths associated with the peralkaline Ganantagi granite in the west of the Project area.

Previous Exploration

CRA Exploration Pty Ltd (EL853, 1975-76) undertook geological mapping, soil and rock chip geochemistry, ground magnetic and induced polarisation surveys and drilled four percussion drill holes at the Botfield lead-zinc anomaly. Best result was 15m @ 0.44% Pb, 0.51% Zn and 0.24% Cu from surface in PD76BP4. CRAE concluded the mineralisation was not economic, however, the drilling established a shallow-dipping andesite-tuffaceous sediment contact which may warrant further investigation.

Duval Mining (Australia) Ltd (EL1754, 1981-82) undertook an aeromagnetic survey which indicated a single point magnetic high at Anomaly B approximately 500m to the northwest of the Botfield lead-zinc anomaly. Duval reported that it has been suggested that the source of the anomaly is either a buried ironstone occurrence or a small, magnetite-bearing skarn. Duval was unsuccessful in gaining landowner access to test this anomaly.

Rimfire Pacific Mining (EL7234, 2008-13) conducted limited rock chip sampling and confirmed copper anomalism (max. 0.36% Cu) at Cookeys Plains prospect within the Byong volcanics and concluded that the area has potential for epithermal gold mineralisation within felsic rhyolite/porphyry of the Byong volcanics.

¹ via its wholly owned subsidiary Alliance (NSW) Pty Ltd

Gold Fields Australasia Pty Ltd (EL7772, 2011-13) concluded that the Raggatt Volcanics held potential for porphyry copper-gold mineralisation.

There has been no substantive fieldwork on this Project since Duval Mining in 1981-82.

Planned Work

Proposed work includes reviewing and compiling the existing data generated by previous explorers, geological mapping & geochemistry (portable XRF and conventional); geophysical survey(s), e.g. ground magnetics, induced polarisation and drilling of targets generated by the geochemistry and geophysics.

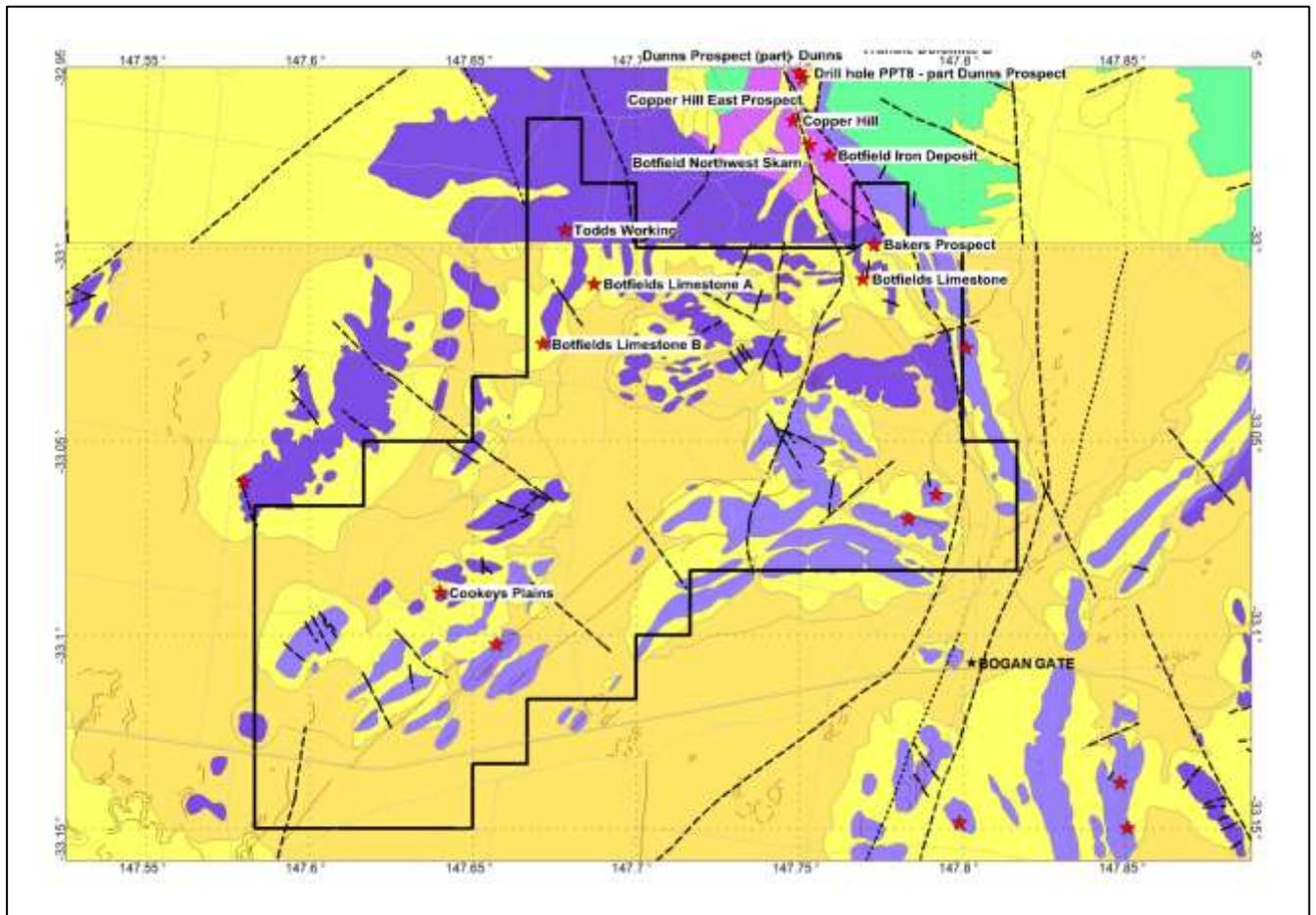


Figure 1: Bogan Gate West Project ELA location showing geology and mineral occurrences

Steve Johnston
Managing Director

Alliance Resources Ltd has projects in Western Australia for nickel, copper and gold and in New South Wales for gold, base metals, molybdenum and tungsten. 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.