

Soils at Mongers Lake Reveals New Gold and Ni-Cu-PGM Targets

- **Soil sampling at Mongers Lake has revealed 2 new high priority prospects:**
 - **Clay Pan**: Two large coherent gold-silver-sulphur-in-soil anomalies that extend for a combined 3km strike with other coincident pathfinder metals indicative of orogenic gold deposits
 - **Red Well**: Two large coherent nickel-copper-platinum-palladium-in-soil anomalies that extend for a combined 3 km strike indicating high prospectivity for Ni-Cu-PGM deposits
- **Airborne magnetics indicates that the soil anomalies are highly coincident with prominent linear features that trend northwest**
- **These newly identified drill targets are strategically located within the richly endowed Yalgoo-Singleton Greenstone 20 km south of the 1Moz Rothsay gold deposit and 40km north of the >2Moz Mt Gibson deposit.**
- **Airborne EM review is currently underway in light of the Ni-Cu-PGM anomalies**

Albion Resources Limited (“Albion” or the “Company”) is pleased to announce that soil sampling has been completed and assays received on the Company’s 100% owned Mongers Lake Project. The project covers the northern extents of the Yalgoo-Singleton Greenstone Belt located between the Mt Gibson and Rothsay Gold Projects in the highly prospective Murchison Province of Western Australia (Figure 1).

Recent compilation and interpretation work highlighted two high priority prospects Red Well and Clay Pan as being highly prospective for greenstone-hosted orogenic gold deposits, VMS style copper and base metal and magmatic nickel-copper-PGM deposits.

A total of 308 soil samples were recently planned and completed at Red Well and 229 soil samples at Claypan by XM Logistics. The samples were sent to Labwest Laboratories for ultrafine fraction (<2 micron) for gold and full suite multi-element assay.



Figure 1: Mongers Lake Project Location Map on GSWA 500K Geology showing the location of the Red Well and Clay Pans prospect areas.

Clay Pan

Soil sampling assay results indicate a large, central coherent gold-in-soil anomaly over 5 ppb and up to 40 ppb and trends north-northwest (Figure 2A). The anomaly is coincident with highly elevated silver (Figure 2B) and sulphur (Figure 2C) and extends for at least 2km strike and open to the northwest. The western gold anomaly is not as well defined but extends for at least 900m and is highly coincident with very highly elevated silver, sulphur, bismuth and tellurium and again open to the northwest.

Airborne magnetic imagery indicates the elevated gold-silver-sulphur-in-soil anomalies are strongly associated with northwest-trending demagnetised lineaments that are possibly indicative of structures and associated alteration (Figure 2D).

These coincident Au-Ag-Bi-in-soil anomalies and interpreted structures are characteristic of classic structurally-controlled orogenic gold deposits typical of Archean greenstone terrains for example the Rothsay gold deposit located 20km to the north (Figure 1).

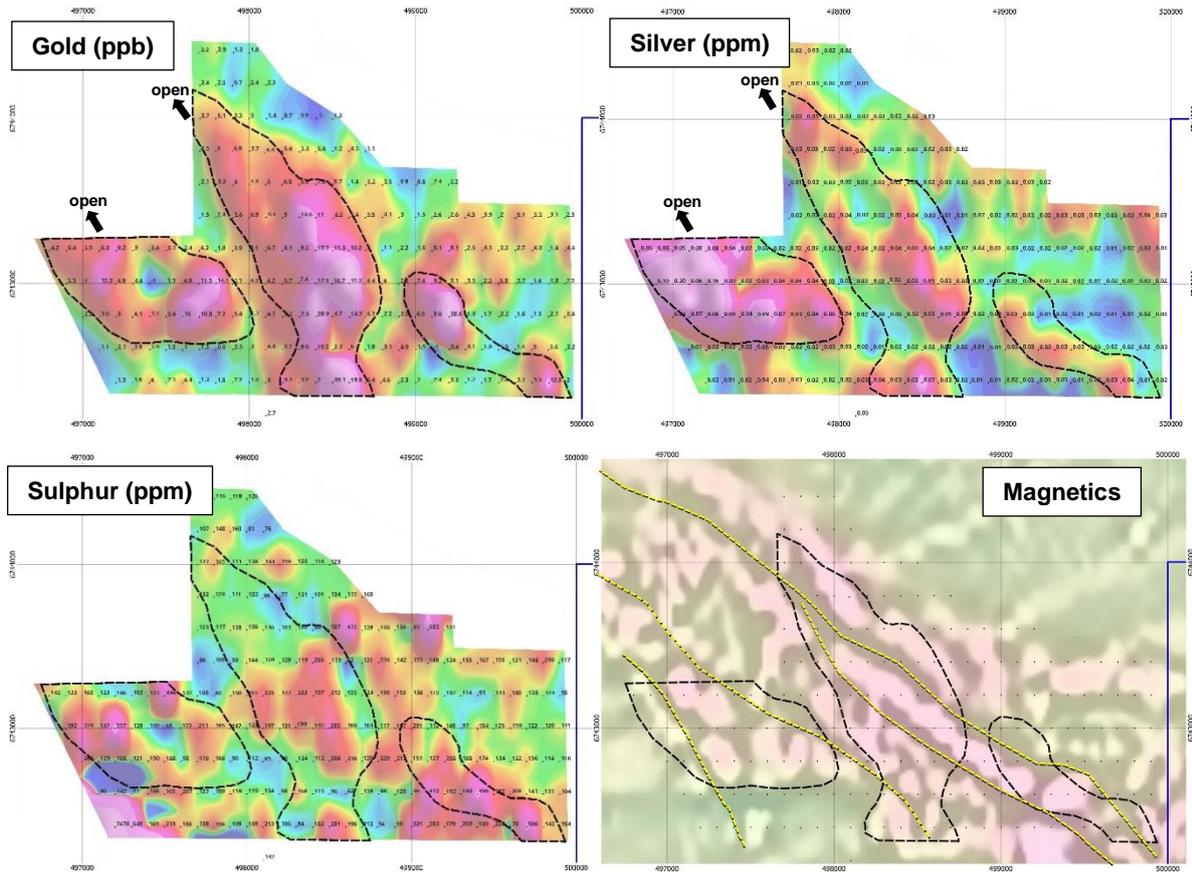


Figure 2A (top left) colour gridded Au-in-soil image. **Figure 2B** (top right) colour gridded Ag-in-soil image. **Figure 2C** (bottom left) colour gridded S-in-soil image. **Figure 2D** (bottom right) Airborne magnetic MrtpcMrtplap image showing interpreted lineaments (yellow dash) and soil anomalies.

Red Well

Soil sampling results indicates two coherent and coincident nickel-copper-platinum-palladium -in-soil anomalies that extend for 2km (central) and 1 km (western) respectively and trend consistently northwest (Figure 3). A prominent circular coincident Ni-Cu-Pt-Pd-in-soil anomaly with a diameter of around 200m also occurs to the east.

Airborne magnetics indicates that the anomalies are highly coincident with prominent linear magnetic features that trend northwest (Figure 3D).

These geochemical Ni-Cu-PGM anomalies and coincident magnetic features are characteristic of classic magmatic nickel-copper-PGM systems typical of Archean greenstone terrains such as for example the Andover Ni-Ci-PGM deposit hosted in the Archean aged Andover Complex in the Pilbara (Azure Minerals Limited)

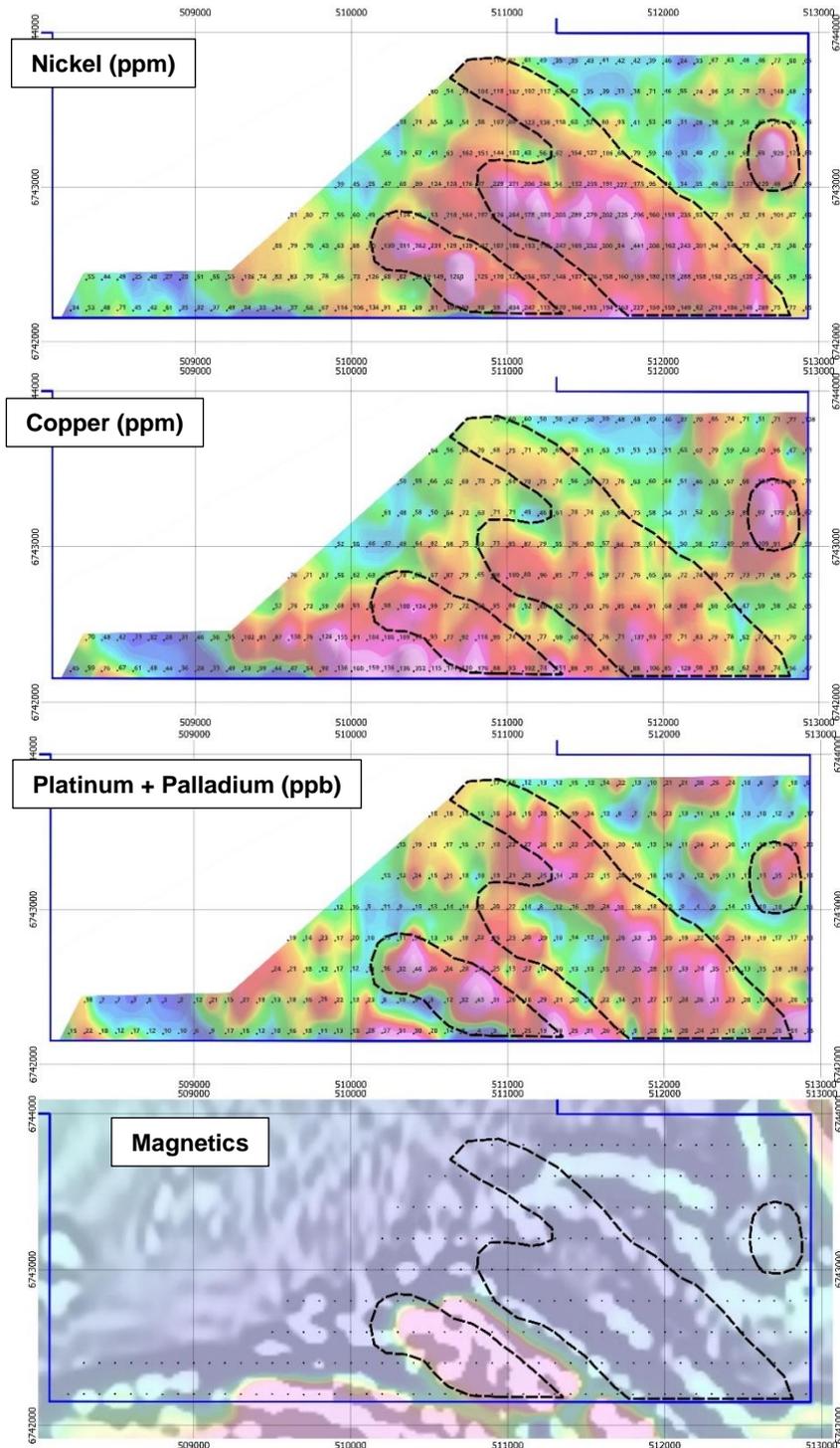


Figure 3A (top) colour gridded Ni-in-soil image. **Figure 3B** (second top) colour gridded Cu-in-soil image. **Figure 3C** (third from top) colour gridded Pt+Pd-in-soil image. **Figure 3D** (bottom) Airborne magnetic MrtpcMrtplap image showing and soil anomalies.

Further Work

These newly defined consistent and coherent Au-Ag-S and Ni-Cu-PGM anomalies at Clay Pan and Red Well are highly significant and strongly support the potential for gold and Ni-Cu-PGM discoveries on the project. Satellite imagery is being assessed to evaluate the extent of outcrop the area to justify rock reconnaissance sampling over the soil anomalies in conjunction with other reconnaissance rock sampling planned on the project.

In addition, publicly available airborne EM data is available over Red Well which is currently being evaluated in light of the significant Ni-Cu-PGM anomalies. This work will be complete in the coming weeks which will assist in evaluating where drill permits will need to be lodged to conduct reconnaissance percussion drilling later in the year.

This announcement has been approved for release by the Board.

FOR FURTHER INFORMATION:

Steven Formica
Non-Executive Chairman
info@albionresources.com.au

COMPETENT PERSONS STATEMENT

The information in this announcement that relates to Exploration Results is based on and fairly represents information and supporting documentation prepared by Mr Leo Horn. Mr Horn is a member of the Australian Institute of Geoscientists. Mr Horn has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this announcement and to the activity which they are 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' ("JORC Code"). Mr Horn consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1

Section 1: Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Ultrafine soil sampling by Albion Resources was conducted from a 30-40cm cleared area to a depth of approximately 25cm. The sample was dry sieved to collect 200-300 grams of -2mm. Two field duplicates were taken every 100 samples.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Drilling not reported in this announcement
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Drilling not reported in this announcement

Criteria	JORC Code explanation	Commentary
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Drilling not reported in this announcement
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Drilling not reported in this announcement
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> Ultrafine soil samples were sieved to -2 micron at Labwest Minerals Analysis Pty Ltd and run for gold plus a 49 multi-element package by aqua regia microwave digestion
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Drilling not reported in this announcement
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control 	<ul style="list-style-type: none"> Location of soil samples by Albion Resources were recorded using a handheld GPS which is considered appropriate for soil sampling results.

Criteria	JORC Code explanation	Commentary
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Soil sampling was conducted at 100 m spacing with north-south oriented lines spaced 200m apart.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • Soil sampling was planned and conducted along more detailed east-west lines at 100m in order to define mineralisation that may be on northwest or northeast orientations
<i>Sample security</i>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • Albion Resources ensured that sample security was maintained to ensure the integrity of sample quality.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • Audits and reviews have not been undertaken at Albion

Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary																																																		
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area. 	<ul style="list-style-type: none"> Mongers Lake E59/2576 and E59/2641 are 100% held by Albion Resources. There are no known native title impediments to exploration over the areas of soil sampling at Red Well and Clay Pans 																																																		
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> There is no known work by previous explorers of significance over the areas of soil sampling at Red Well and Clay Pans 																																																		
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Mineralisation has not yet been identified at Mongers Lake. However, interpretation of the soils suggest Red Well is prospective for structurally-hosted orogenic gold mineralisation and Red Well is prospective for magmatic nickel-copper-PGM mineralisation 																																																		
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> Statistic soil information is included below: <p>Clay Pans:</p> <table border="1"> <thead> <tr> <th>Metal</th> <th>Gold ppb</th> <th>Silver ppm</th> <th>Sulphur ppm</th> </tr> </thead> <tbody> <tr> <td>Number Samples</td> <td>219</td> <td>219</td> <td>219</td> </tr> <tr> <td>Minimum</td> <td>0.5</td> <td>0.01</td> <td>48</td> </tr> <tr> <td>Maximum</td> <td>40.1</td> <td>0.199</td> <td>7470</td> </tr> <tr> <td>Mean</td> <td>4.9</td> <td>0.029</td> <td>189.8</td> </tr> </tbody> </table> <p>Red Well:</p> <table border="1"> <thead> <tr> <th>Metal</th> <th>Nickel ppm</th> <th>Copper ppm</th> <th>Platinum</th> <th>Palladium</th> <th>Pt+Pd</th> </tr> </thead> <tbody> <tr> <td>Number Samples</td> <td>308</td> <td>308</td> <td>308</td> <td>308</td> <td>308</td> </tr> <tr> <td>Minimum</td> <td>19.8</td> <td>22.9</td> <td>0.5</td> <td>0.5</td> <td>2</td> </tr> <tr> <td>Maximum</td> <td>1260</td> <td>352</td> <td>38</td> <td>40</td> <td>78</td> </tr> <tr> <td>Mean</td> <td>112.7</td> <td>74.7</td> <td>9.77</td> <td>8.6</td> <td>18.3</td> </tr> </tbody> </table>	Metal	Gold ppb	Silver ppm	Sulphur ppm	Number Samples	219	219	219	Minimum	0.5	0.01	48	Maximum	40.1	0.199	7470	Mean	4.9	0.029	189.8	Metal	Nickel ppm	Copper ppm	Platinum	Palladium	Pt+Pd	Number Samples	308	308	308	308	308	Minimum	19.8	22.9	0.5	0.5	2	Maximum	1260	352	38	40	78	Mean	112.7	74.7	9.77	8.6	18.3
Metal	Gold ppb	Silver ppm	Sulphur ppm																																																	
Number Samples	219	219	219																																																	
Minimum	0.5	0.01	48																																																	
Maximum	40.1	0.199	7470																																																	
Mean	4.9	0.029	189.8																																																	
Metal	Nickel ppm	Copper ppm	Platinum	Palladium	Pt+Pd																																															
Number Samples	308	308	308	308	308																																															
Minimum	19.8	22.9	0.5	0.5	2																																															
Maximum	1260	352	38	40	78																																															
Mean	112.7	74.7	9.77	8.6	18.3																																															
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> Drilling not reported in this announcement 																																																		

Criteria	JORC Code explanation	Commentary
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> • Mineralisation has not yet been identified on the project within rocks or drilling
<i>Diagrams</i>	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> • See relevant maps in the body of this announcement.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> • All available data has been presented in figures.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> • <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> • Not applicable
<i>Further work</i>	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • Further work is detailed in the body of the announcement.