

30 January 2015

ASX Code: AGS

FURTHER HIGH GRADE COPPER AND URANIUM GEOCHEMISTRY MONARDES PROJECT, CHILE

HIGHLIGHTS

- **Additional rock chip sampling results of the eastern anomalous unit confirms copper mineralisation over 1.8 km with 11 samples reporting Cu >3000ppm (including a highest Cu value of 3.36%) and 4 samples reporting U >300ppm (including a highest U value of 2660ppm).**
 - **Preliminary rock chip sampling results of the western anomalous unit have reported copper mineralisation over 2.3km with 4 samples reporting Cu >3000ppm% (including a highest Cu value of 3.34%).**
 - **The results confirm a previously unrecognised or underexplored exploration target requiring systematic follow-up.**
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The Directors of Alliance Resources Limited are pleased to report the results of additional rock chip sampling at its 100% owned Monardes Project concessions in the eastern margin of the Monardes basin, located in Region III, 95 km east of Copiapo in northern Chile.

Forty one additional rock chip samples around known occurrences of uranium and copper have been analysed, including 35 samples from discontinuous outcrop localities within the eastern anomalous unit over a strike length of 1.8 km and 6 samples from discontinuous outcrop localities within the western anomalous unit over a strike length of 2.3km.

Inclusive of the previously reported results, 29 samples have now returned copper (Cu) >100ppm (including 21 >3000ppm and 13 >10000ppm) and 9 samples have returned uranium (U) >300ppm (including 5 >1000ppm).

Additional rock chip sampling results from eleven separate discontinuous outcrops of mineralised pebble conglomerate on the eastern anomalous unit have reported copper mineralisation over 1.8 km with 11 samples reporting Cu >3000ppm (including a highest Cu value of 3.36%) and 4 samples reporting U >300ppm (including a highest U value of 2660ppm). The latest results confirm the earlier sampling results.

Preliminary rock chip sampling results from five separate discontinuous outcrops on the western anomalous unit have reported copper mineralisation over 2.3km with 4 samples reporting Cu >3000ppm (including a highest Cu value of 3.34%).

Refer Table 1 for sample results and Figure 1 for sample locations.

Refer to Alliance's ASX announcement dated 27 October 2014 for further information on the Monardes Project.

ASX ANNOUNCEMENT

Table1: Cu and U results (for Cu >100ppm)

Sample ID	Sample No.	Easting	Northing	Cu (ppm)	U (ppm)	U-anomalous unit
352	662813	465128	6970131	>10000	1456	East*
392	662827	465159	6970154	>10000	2000	East*
MDR001	662940	464965	6969793	9275	2660	East
MDR002	662941	464956	6969788	3533	39	East
MDR003	662942	464956	6969788	8200	60	East
MDR004	662943	464951	6969770	287	9	East
MDR005	662944	464950	6969769	5626	49	East
MDR009	662948	464923	6969791	21980	715	East
MDR010	662949	464923	6969791	20790	232	East
MDR011	662950	464923	6969791	129	9	East
MDR013	662952	464923	6969791	5697	13	East
MDR015	662954	465218	6970724	172		East
MDR018	662953	465225	6970739	15640	30	East
MDR020	662967	465574	6971444	13230	61	East
MDR021	662968	465573	6971464	33620	1410	East
MDR050	662875	464974	6969665	184	10	East
MDR063	662961	465274	6970800	14190	690	East
MDR064	662969	465080	6971323	147	23	East
MDR065	662970	465083	6971142	33420	22	West
MDR066	662971	465013	6971156	164		East
MDR067	662972	464915	6970621	6864		West
MDR068	662973	464807	6970330	8354	11	West
MDR069	662974	464413	6968876	7607		West
MN04D	662820	465087	6970414	>10000	10	East*
MN05D	662823	465078	6970328	651	113	East*
MN06D	662901	465902	6971828	198	17	East*
MN07D	662902	465572	6971449	>10000	329	East*
MN08D	662903	465229	6970741	>10000	2000	East*
MN09D	629004	464985	6969981	>10000	766	East*

*previously reported results

Background

The project developed after Alliance's Exploration Manager Andrew Bowden recognised a quartz-pebble conglomerate containing a small artisanal excavation for copper (465150E, 6970140N) was locally anomalous with uranium-thorium based on results from a portable spectrometer. The uranium values are associated with the contact between a basalt and carbonate veining within a coarse grained arkose to pebble conglomerate striking N10°E and dipping 70°SE within the otherwise oxidised red-bed environment of the Monardes Formation.

An airborne radiometric survey (uranium channel spectrometer) was completed in late 2014 which confirmed and extended the potential strike length of the known (eastern) anomalous unit and identified a second parallel unit of potential interest some 300m to 500m west of the known unit. The combined strike length of the uranium anomalous units is 9 km within Alliance's concessions.

Rock chip samples were taken from outcrop with obvious copper secondaries and/or from outcrop showing high total counts per second on the RS-125 handheld spectrometer. The samples were taken to establish the presence and indicative grades of copper and uranium within the rock and as such the samples should not be considered necessarily representative of the mineralised rock unit as whole. Each sample comprised between three to five fist sized rock chips taken from an area of about 1 sq.m.

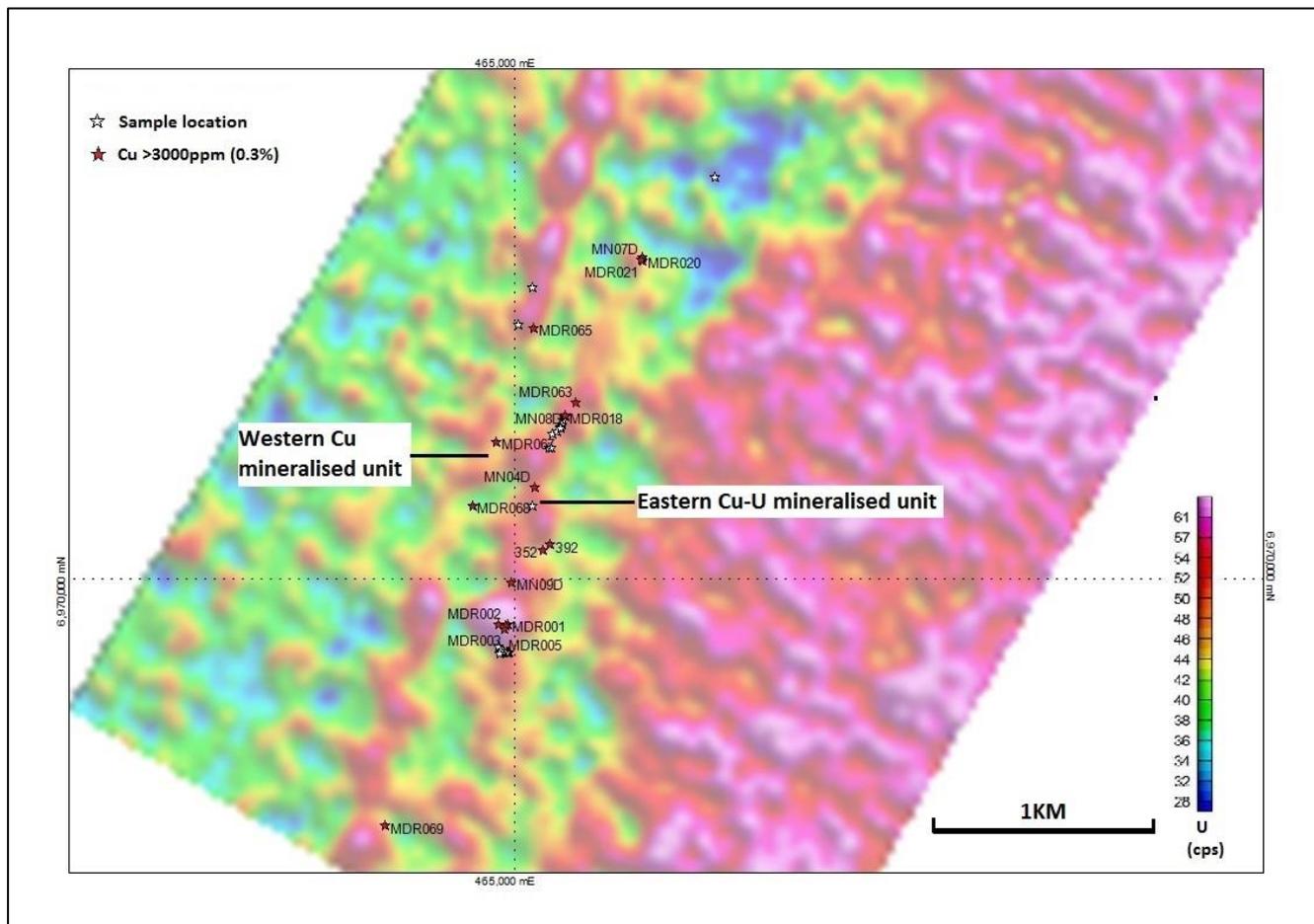


Figure 1: Uranium (U) channel spectrometer image and locations of rock chip samples

The samples were despatched to ACMELabs in Vancouver. The samples were crushed, split and pulverized to 200 mesh and subjected to 1:1:1 Aqua Regia digestion and ICP-ES analysis for 34 elements. The copper Cu and uranium U results are shown below.

The discovery of high grade copper and uranium mineralisation in a reduced conglomerate within a lower red-bed sandstone sequence represents, in Alliance's view, a previously unrecognised or underexplored exploration target requiring systematic follow-up.

Further work is warranted, including: costeaning, drilling and associated sampling and analysis to investigate the continuity, mineralogy and grade of the known Cu-U mineralisation along strike and down dip and follow-up of radiometric anomalies along the full strike length of the newly identified anomalous units from the airborne survey.

Steve Johnston
Managing Director

JORC Code, 2012 Edition – TABLE 1 report

Criteria	Commentary
<i>Sampling techniques</i>	Rock chip samples were taken from outcrop with obvious Cu secondaries and/or from outcrop showing high total counts per second on the RS-125 handheld spectrometer. The samples were taken to establish the presence and indicative grades of copper and uranium within the rock and as such the samples should not be considered necessarily representative of the mineralised rock unit as whole. Each sample comprised between three to five fist sized rock chips taken from an area of about 1 sq.m.
<i>Drilling techniques</i>	Not applicable
<i>Drill sample recovery</i>	Not applicable
<i>Logging</i>	Not applicable
<i>Sub-sampling techniques and sample preparation</i>	The samples were despatched to ACMELabs in Vancouver. The samples were crushed, split and pulverized to 200 mesh and subjected to 1:1:1 Aqua Regia digestion and ICP-ES analysis for 34 elements.
<i>Quality of assay data and laboratory tests</i>	Standard quality control by ACMELabs using standard reference materials and blanks Quality controls applied in accordance with ACMELabs standard procedures using standard reference materials and blanks.
<i>Verification of sampling and assaying</i>	Additional samples were taken and are the subject of this announcement.
<i>Location of data points</i>	Sample coordinates were determined by handheld GPS. Survey data are WGS84, Zone 19S
<i>Data spacing and distribution</i>	Entirely dependent on the location of outcrop. The samples were taken from eleven separate discontinuous outcrops of mineralised pebble conglomerate on the eastern anomalous unit over a strike length of 1.8km and from five separate discontinuous outcrops on the western anomalous unit over a strike length of 2.3km. Within outcrop each sample comprised between three to five fist-sized rock chips taken from an area of about 1 sq.m.
<i>Orientation of data in relation to geological structure</i>	The regional strike of the strata is approximately N10°E with steep dips to the east suggesting the strata may be overturned adjacent to the main “rift” fault defining the eastern margin of the basin. With this orientation samples were taken from within the exposed outcrop face.
<i>Sample security</i>	Not applicable
<i>Audits or reviews</i>	None undertaken
<i>Mineral tenement and land tenure status</i>	The Monardes project comprises 9 contiguous exploitation concessions. Alliance (Chile) Pty Ltd has an option agreement to purchase 100% of the concessions from Ghiglino and Compania Ltda.
<i>Exploration done by other parties</i>	Small workings for secondary Cu mineralisation by Ghiglino and Compania Ltda.

Criteria	Commentary
<i>Geology</i>	Cu-U mineralisation occurs in reduced facies matrix supported polymict pebble conglomerate within the Cretaceous Red-Bed Monardes Formation. At outcrop the mineralised unit is closely associated with a thin laminar siliceous limestone bed and in some outcrops with amygdaloidal basalt. A detailed interpretation of the sedimentary sequence is not yet available.
<i>Drill hole Information</i>	Not applicable
<i>Data aggregation methods</i>	Not applicable
<i>Relationship between mineralisation widths and intercept lengths</i>	Not applicable.
<i>Diagrams</i>	See Figure 1
<i>Balanced reporting</i>	This announcement communicates preliminary information from the early stages of an exploration program. All available results are reported however the samples collected were selected based on visual identification of Cu secondaries and on anomalous readings from a handheld spectrometer. The results are not necessarily representative of the mineralised rock unit as a whole.
<i>Other substantive exploration data</i>	The preliminary results of a heliborne radiometric and magnetic survey undertaken in September-October 2014 were reported on 27 October 2014.
<i>Further work</i>	Costeaming, drilling and associated sampling and analysis to investigate the continuity, mineralogy and grade of the known Cu-U mineralisation along strike and down dip. Follow-up of radiometric anomalies along the full strike length of the newly identified anomalous unit from the airborne survey.

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Andrew Bowden who is a Chartered Geologist and Fellow of the Geological Society of London, a Recognised Overseas Professional Organisation included in a list promulgated by the ASX from time to time. Mr Bowden is a part-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 Bowden consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.