

8 December 2014

ASX Code: AGS

LOAN FACILITY & CASH-CALL PAYMENT

Alliance Resources Limited (ASX: AGS) ("**the Company**") is pleased to advise that it has entered into an agreement with Gandel Metals Pty Ltd ("**Gandel Metals**"), a company related to a director of the Company, Mr Ian Gandel, to secure immediate access to a loan facility of \$1,278,184 ("**Loan**").

The Loan is unsecured, interest free and no fees are payable in connection with it.

If the take-up of shares under the non-renounceable rights issue announced on 2 December 2014 ("**Rights Issue**") exceeds 50% it is intended that the Loan be repaid by being set off against the amount otherwise payable by Gandel Metals related entity Abbotsleigh Proprietary Limited ("**Abbotsleigh**") upon it subscribing for its entitlement under the Rights Issue. If this does not occur the parties will, in good faith, renegotiate repayment terms on an arms' length basis, including an appropriate interest rate.

The funds drawn under the Loan have been used to assist Alliance Craton Explorer Pty Ltd ("**ACE**") meet the November cash-call for the Four Mile Project, the full amount of which has been paid today. This cash-call was the final call under the 2014 program and budget for the Four Mile Project.

As previously advised (refer ASX Announcements 20 & 25 November 2014) ACE elected not to contribute to the 2015 program and budget for Four Mile. Accordingly, ACE will not be making any further cash-calls until after the approval of the next program and budget for the Four Mile Project (which is expected to be for the 2016 calendar year).

For and on behalf of the Board.

Steve Johnston
Managing Director