

ABN 20 109 361 195

ASX Release
27 July 2015

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Directors

Executive Chairman:
Andy Viner

Non-Exec Director
Andre Marschke

Non-Executive Director/Co Sec:
Kevin Hart

Issued Capital
Shares:
489,582,646

Unlisted Options:
35,142,821

ASX Symbol: AYR

June 2015

Quarterly Activities Report

HIGHLIGHTS

HORSE WELL GOLD PROJECT – W.A

- Doray Minerals Limited enters the second stage of Farm-in Agreement and commits to a further \$1 million in expenditure prior to May 2016.
- A 4,000 metre RC drill hole program **is currently underway** at the Dusk til Dawn prospect, designed to define the extent of high grade supergene and deeper primary gold mineralisation.
- Doray is planning reconnaissance air-core drilling over other targets at the Horse Well JV. Pending the receipt of heritage approvals it is expected that drilling will commence in the **September** quarter.

MARTINS WELL PROJECT – S.A

- A large polymetallic target defined over a 2.5 km strike and 1 kilometre width at the Mammoth Black Ridge Prospect.
- Core from two historical Mammoth Black Ridge Diamond Drill holes from 1959-60 analysed;
 - *Expected weathering depleted gossans surprised with historic diamond core returning a thick intersection of anomalous mineralisation of 20.27 metres @ 0.26% Copper from 69 metres down hole.*
 - *Higher remnant copper assays correlated with weathered semi-massive sulphide in gossans.*
 - *This result points to good potential for there to be strong mineralisation at depth below weathering in the fresh rock target zone.*

CORPORATE

- The Company maintains highly reduced operating costs to meet the current market conditions.
- Activities limited to low cost research of current projects and new project generation.

HORSE WELL GOLD PROJECT

Farm-in partner Doray Minerals Limited ('Doray') completed data review and planning for exploration at the project during the quarter, and has now commenced the second stage of the Farm-in Agreement which will see a further \$1 million of expenditure within the next 9 months to earn a 60% interest in the Horse Well project (Figure 1) prior to May 2016.

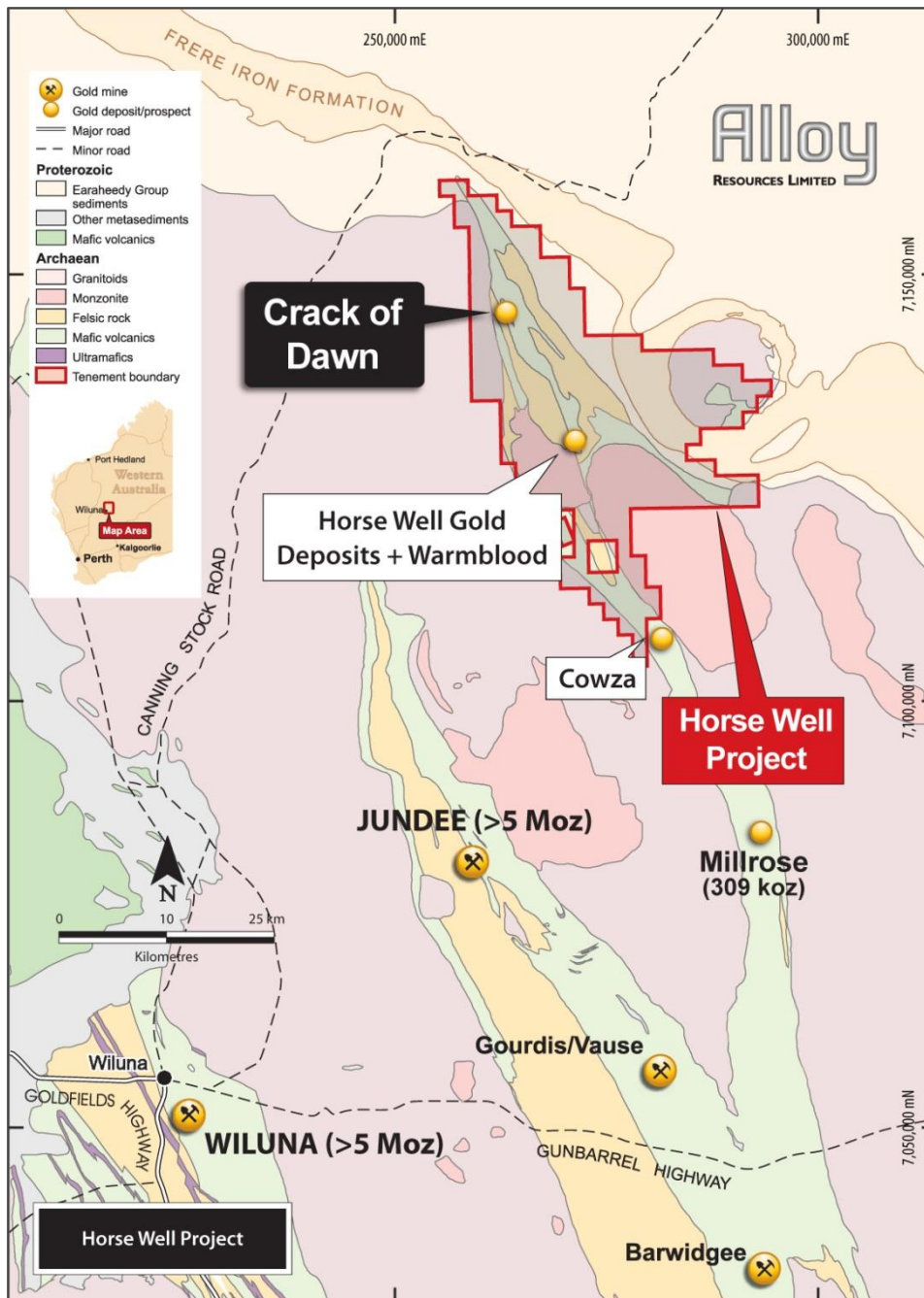


Figure 1 Horse Well location on regional geology

COMPLETED EXPLORATION

Joint Venture partner Doray Minerals Limited has completed the following activities;

1. Reviewed all geological data from 2014 exploration
2. Planned infill RC drilling over the Dusk til Dawn primary and supergene mineralisation.
3. Planned new and follow-up aircore drilling to test regional targets in the Crack of Dawn area
4. Submitted applications for Heritage surveying to cover planned aircore drilling.

5. The Dusk til Dawn area was confirmed to not need additional Heritage surveys, thus allowing RC drilling to be started on an 80 metre line spacing.
6. Timing of other Heritage surveys was still uncertain at the end of the quarter.

PLANNED EXPLORATION

Doray recently commenced further RC drilling at Dusk 'til Dawn. A program of 18 holes for 3,940 metres on an 80 x 40 metre pattern is planned.

A large reconnaissance and infill air-core drill program targeting regional trends at Crack of Dawn is pending Heritage clearance being completed. It is expected that this will occur during the September quarter.

MARTINS WELL PROJECT

The Martins Well Project is located in the north-eastern Flinders Ranges of South Australia (Figure 2). The Company is targeting high-grade copper-silver-gold and also lead-zinc in mesothermal structural deposits. The Company has one granted Exploration Licence of 850 square kilometres.

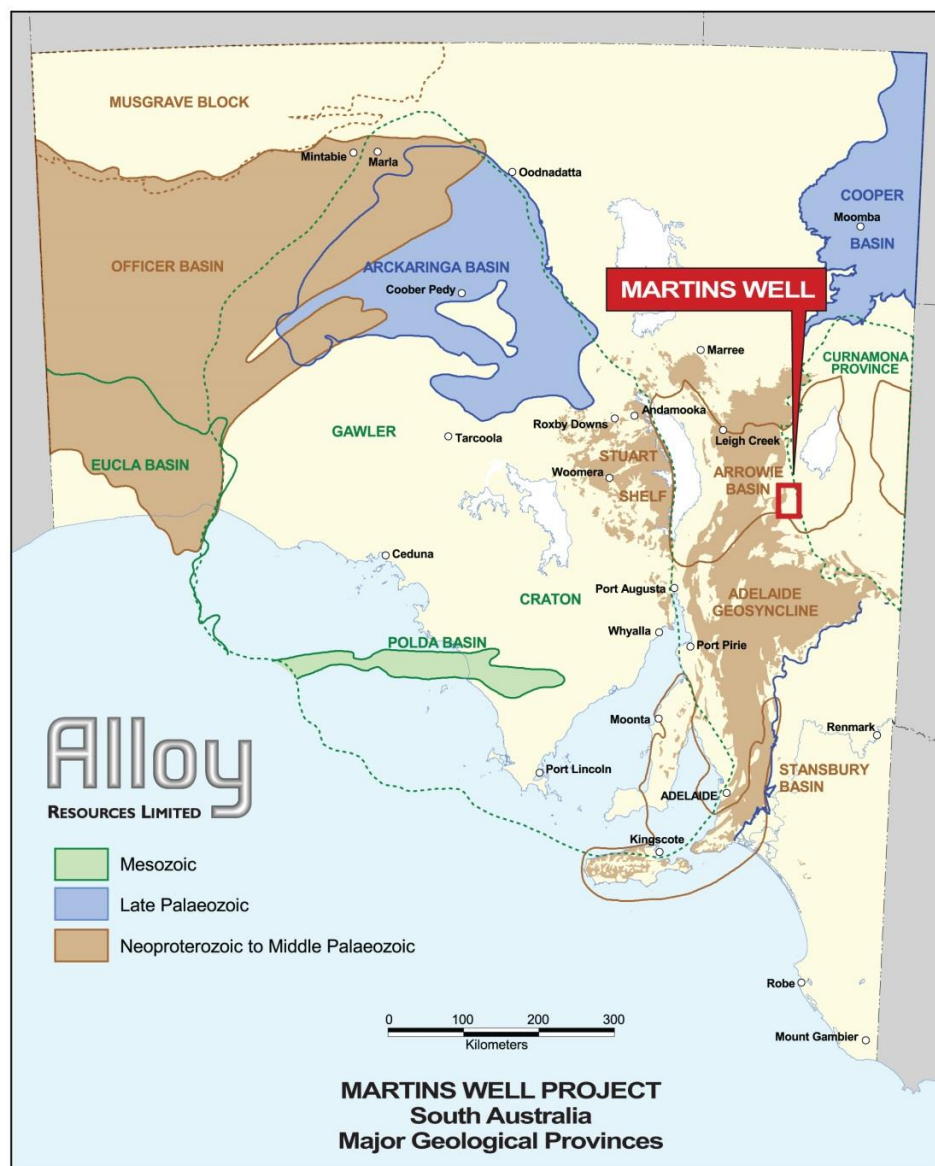


Figure 2 *Martins Well project location*

The primary target is the Mammoth Black Ridge prospect where three outcropping iron rich structures have been confirmed as gossans formed from strong weathering of sulphide rich material and hydrothermal siderite.

Historical rock chip sampling shows anomalous copper and arsenic values associated with the gossans and a historical shaft reported a sample of high-grade copper-silver-gold.

EXPLORATION COMPLETED

Historic Diamond Core Analyses (see ASX release 16 June 2015)

During initial field inspection by the Company, two historical drill hole sites were located, however the government was not able to locate any records for these. As reported to the ASX on 12 March and 23 April 2015, drill core dated from 1959-60 was subsequently discovered by the government at their Whyalla storage facility and bought to Adelaide where the Company has now logged and sampled the core from the two holes (DD-1 and DD-2) regarded as intersecting the Mammoth Black Ridge iron gossans.

A total of 86 core samples were collected by cutting half the available core and selecting intervals coinciding where core blocks were available. Samples were analysed for 65 multi-elements by four acid digestion or fire assay and ICP-AES/ICP-MS finish.

DD-1

DD-1 was sampled from 17.53 metres to 122.22 metres (e.o.h).

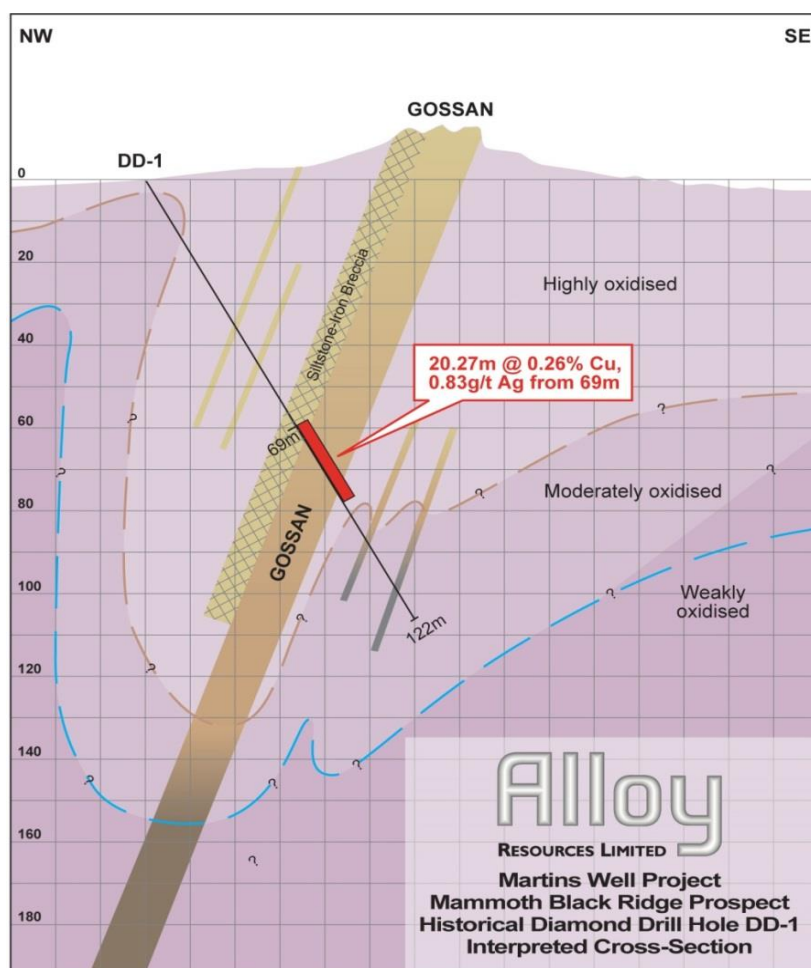


Figure 3 Hole DD-1 cross section with geology and assays

The main gossan was intersected over 16 metres between 71.5 metres and 87.5 metres and was observed to be very iron rich and obviously gossanous from massive sulphides. The sulphides have created very strong acid leaching and no sulphur was recorded in the samples. A significant intersection

of copper (>0.1%) was recorded from the gossan (see Figure 3 above), interpreted to be across the dip of structure;

- **20.27 metres @ 0.26% copper, 0.83 g/t silver and 648 ppm arsenic from 68.99 metres down hole**

DD-2

DD-2 was sampled from 53 metres to 221.21 metres (e.o.h).

The main gossan was intersected over 15.36 metres between 66.5 metres and 81.86 metres and was observed to be very iron rich with very strong botryoidal textures and some remnant gossanous zones. Oxidation may be stronger within this structure probably because sulphides have created very strong acid leaching and no sulphur was recorded in the samples.

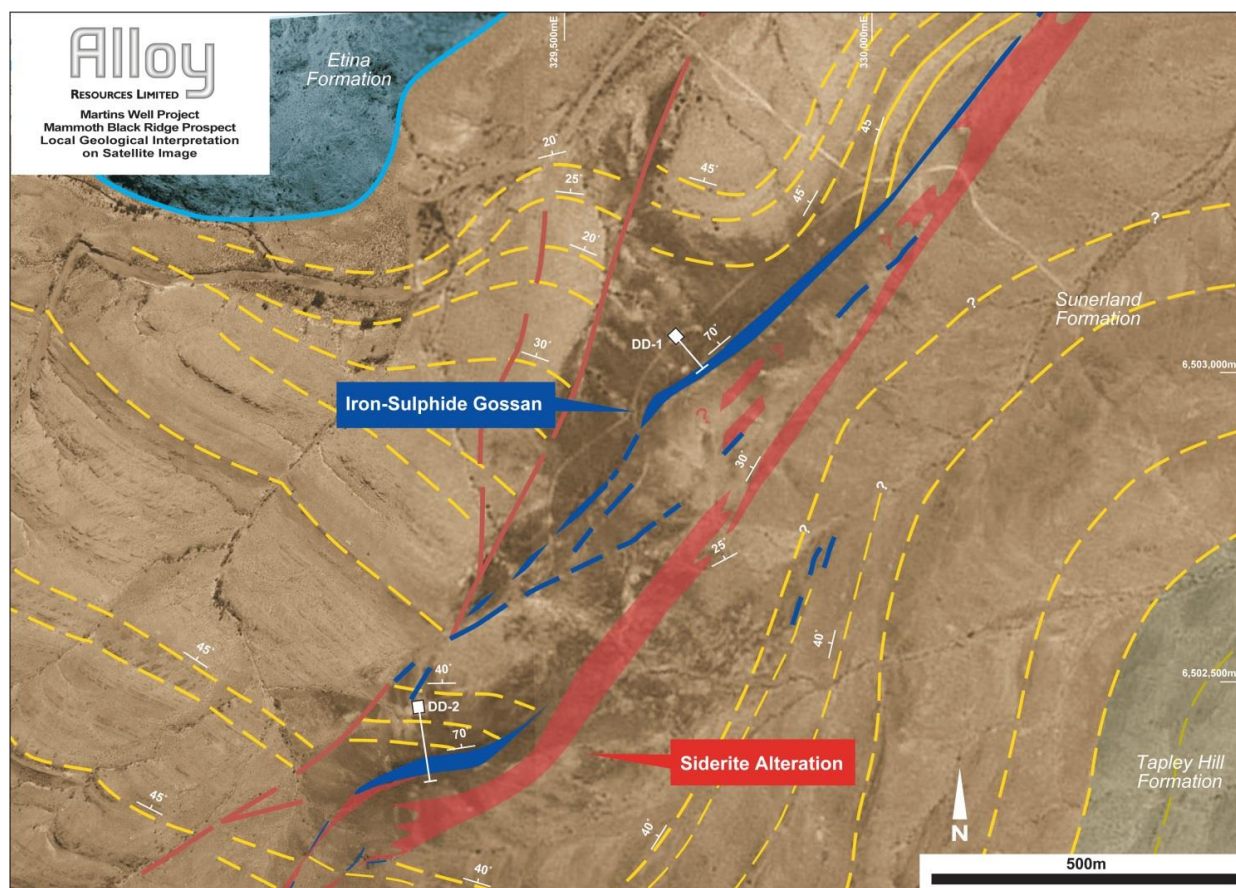
No significant copper was intersected within the iron rich structure although arsenic was anomalous.

Siderite mineralisation was anomalous as expected however in general copper and arsenic showed levels of only 200-1000 ppm and a peak value of 2960 ppm (0.29%) for copper and 6480 ppm (0.64%) for arsenic. These values mean the mineralisation is too disseminated to be nearing economic levels.

Geological model

Figure 4 below presents a map of the prospect with observations and interpretation of geological strata, sulphide gossans and siderite units at the Mammoth Black Ridge prospect. A very simple low to moderate temperature structurally controlled hydrothermal mineralisation style can be invoked to explain the observed mineralisation. The semi-massive sulphide (and quartz veining) appears to be a later phase in the system and requires further work to define the controls on its location and orientation.

Figure 4 Mammoth Black Ridge mapped geology on satellite image



PLANNED EXPLORATION

The Company has reviewed the historical drill core analyses and related geology and is of the opinion that better definition of the location of the semi-massive sulphides containing elevated copper assays is required prior to drilling. Two techniques to achieve this are under consideration, being either a detailed surface soil sampling program or a ground geophysical survey.

The Company has received a funding grant for 50% of direct drilling costs to the amount of up to \$75,000 under the South Australian Government's PACE Frontier co-operative exploration drilling project. The drilling proposal was focussed on RC and diamond drill testing of the Mammoth Black Ridge prospect and will be utilised for planned drilling.

Prior to commencement of drilling an ILUA will be signed with Native Title holders and a Heritage Survey completed to allow drilling to proceed.

The Company has noted that the project contains a number of other targets that appear similar to Mammoth Black Ridge in their style from satellite imagery, and little or no historical exploration exists. Some additional field inspection and sampling of some of these targets should be completed when field crews return to the project.

BARRYTOWN (20%)

The Barrytown Mineral Sands Project is being operated by partner Pacific Mineral Resources Limited. During the quarter the Company continued to pursue the granting of a Tenement Extension.

A final payment of either \$200,000 cash or AUD \$300,000 in listed entity shares within 12 months is due to Alloy after the granting of the Tenement Extension.

PROJECT GENERATION

The Company has secured approximately 155 square kilometres of Exploration Licence applications in the Edjudina area located 150 kilometres east of Kalgoorlie. This area is regarded as prospective for high grade gold mineralisation.

CORPORATE

The Company has continued to maintain minimal operating cost expenditure to meet the current market conditions.

For further information contact:

Andy Viner

Executive Chairman.

Phone: +61 8 9316 9100

www.alloyres.com

Exploration Results

The information in this report which relates to Exploration Results is based on information compiled by Andrew Viner, a Director of Alloy Resources Limited and a Member of the Australasian Institute of Mining and Metallurgy. Mr Viner 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 Viner consents to the inclusion in the report of the matters based on this information in the form and context in which it appears. Mr Viner is a shareholder and option holder of Alloy Resources Limited.

The Company confirms that it is not aware of any new information or data that materially affects the information in the relevant ASX releases and the form and context of the announcement has not materially changed

TENEMENT INFORMATION AS REQUIRED BY LISTING RULE 5.3.3

Project	Location	Tenement	Held at the beginning of the quarter	Held at the end of the quarter
(All tenements registered to Alloy Resources Limited except where noted below)				
Horse Well				
Eskay Resources Pty Ltd 100%	WA	E69/1772	100%	100% ⁺
<i>(Eskay Resources Pty Ltd is a wholly owned subsidiary of Alloy Resources Limited)</i>				
Alloy Resources Limited - Granted	WA	E53/1466	100%	100% ⁺
Alloy Resources Limited - Granted	WA	E53/1471	100%	100% ⁺
Alloy Resources Limited - Granted	WA	P53/1524	100%	100% ⁺
Alloy Resources Limited - Granted	WA	P53/1525	100%	100% ⁺
Alloy Resources Limited - Granted	WA	P53/1526	100%	100% ⁺
Alloy Resources Limited - Granted	WA	E69/2765	100%	100% ⁺
Alloy Resources Limited - Granted	WA	E69/3069	100%	100% ⁺
Wayne Jones – Alloy Earned Interest [^] <i>Awaiting transfer of interest</i>	WA	E69/2492	100% [^]	100% ^{^+}
Phosphate Australia Limited ⁺ <i>subject to Doray farmin Agreement</i>	WA	E69/2820	80%	80% ⁺
Millrose				
Alloy Resources Limited - Application	WA	E53/1839	0%	0%
Edjudina				
Alloy Resources Limited - Application	WA	E39/1858	0%	0%
Alloy Resources Limited - Application	WA	E31/1095	0%	0%
Alloy Resources Limited - Application	WA	E31/1105	0%	0%
Alloy Resources Limited - Application	WA	E31/1106	0%	0%
Barrytown Mineral Sands Project				
Alloy Resources Limited - Granted	New Zealand	EL 51803	20%	20%**
<i>** Subject to farm-out and Sale Agreement to Pacific Mineral Resources</i>				
Martins Well				
Alloy Resources Limited - Granted	SA	EL 5577	0%	100%#
Alloy Resources Limited - Application	SA	ELA 2015/23	0%	withdrawn
<i># Subject to 90% earn-in Agreement</i>				

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

ALLOY RESOURCES LIMITED

ABN

20 109 361 195

Quarter ended ("current quarter")

30 June 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(88)	(390)
(b) development	-	-
(c) production	-	-
(d) administration	(49)	(321)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – EIS Grant received on behalf of Doray Minerals	-	30
Net Operating Cash Flows	(136)	(675)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – Re-imburement of Horsewell Farm-in expenditure	-	103
Other – Barrytown sale	-	100
Net investing cash flows	-	203
1.13 Total operating and investing cash flows (carried forward)	(136)	(472)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(136)	(472)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	317
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Share Issue Expenses	(2)	(17)
	Net financing cash flows	(2)	300
	Net increase (decrease) in cash held	(138)	(172)
1.20	Cash at beginning of quarter/year to date	399	433
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	261	261

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	55
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

- | | |
|-----|---|
| i) | Directors Fees and Remuneration of Directors- \$33,151, Non-executive Directors did not receive any fees for June 2015 quarter. |
| ii) | Accounting, company secretarial and occupancy fees paid to Endeavour Corporate an entity related to Mr Kevin Hart - \$22,260 |

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	40
4.2 Development	-
4.3 Production	-
4.4 Administration	40
Total	80

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	132	110
5.2 Deposits at call	129	289
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	261	399

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter	
6.1	Interests in mining tenements relinquished, reduced or lapsed	ELA 2015/23	owner	100%	0%
6.2	Interests in mining tenements acquired or increased	E31/1105 E31/1106	owner owner	0% 0%	100% 100%

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	492,707,646	492,707,646		Fully paid
7.4 Changes during quarter (a) Increases through: Shares Issued	3,125,000	3,125,000	\$0.008 nominal value (1)	Fully paid
7.5 +Performance Share Rights <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	3,500,000 7,000,000 2,000,000 22,642,821	- - - -	<i>Exercise price</i> 4.5 cents each 1.5 cents each 1.6 cents each 1.5 cents each	<i>Expiry date</i> 30 August 2015 30 November 2016 30 November 2017 31 December 2015
7.8 Issued during quarter				
7.9 Exercised during quarter	-	-	-	-
7.10 Cancelled during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

(1) Shares issued as part consideration of the initial payment for the Martins Well Joint Venture as announced on 22 April 2015.

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:
(Director/Company secretary)

Date: 27 July 2015

Print name: **Kevin Hart**

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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