

ABN 20 109 361 195

ASX Release
29 April 2016

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Directors

Executive Chairman:
Andy Viner

Non-Exec Director
Andre Marschke

Non-Executive Director/Co Sec:
Kevin Hart

Issued Capital
Shares:
712,707,646

Unlisted Options:
9,000,000

ASX Symbol: AYR

March 2016

Quarterly Activities Report

HIGHLIGHTS

HORSE WELL GOLD PROJECT – W.A (40%)

- **Manager Doray Minerals Limited completed an air-core drill program of 17,124 metres across three target areas during the quarter.**
- **The drilling was very successful in confirming the Django trends and defining new gold mineralisation under the Warmblood South soil anomalies.**
- **Infill air-core drilling at the Django Prospect has confirmed a number of +100 ppb gold trends;**
 - The Western Trend covers a **1.5km x 300m** area and now appears to have two pods within it, the southern one hosting the previously announced discovery hole of **22 metres @ 1.4 g/t Au from 36mdh.**
 - An Eastern trend covering an area of **3km x 300m, which has at least two parallel anomalous zones.**
- Warmblood South drilling defines gold mineralisation beneath soil anomalies;
 - **8 metres @ 0.8 g/t Au from 56 mdh**
 - **3 metres @ 1.8 g/t Au from 52 mdh**
- **An RC drill program is planned to commence in the second week of May;**
 - 3,240 metres testing beneath the strongest Django anomalies.
 - 1,260 metres testing in fresh rock beneath the Warmblood gold mineralised zone.

PROJECT GENERATION

- Prospective **gold** and **lithium** targets pegged in W.A

CORPORATE

- In April the Company completed a placement to raise \$1,320,000 before costs through a new share issue of 120,000,000 shares at a price of 1.1 cents. Bell Potter Securities Limited acted as Manager to the Placement.

Funds raised are primarily to meet the Company's 40% contributing interest in the Horse Well Joint Venture.

HORSE WELL GOLD PROJECT JOINT VENTURE (ALLOY 40% CONTRIBUTING)

Joint Venture partner and manager Doray Minerals Limited ('Doray') continued to explore the 1,000 square kilometre Horse Well Project during the quarter with a large regional air-core drill program. The Joint Venture is completing a minimum of \$2 million in exploration expenditure during the 2016 calendar year as part of the final Stage 3 minimum Joint Venture commitment.

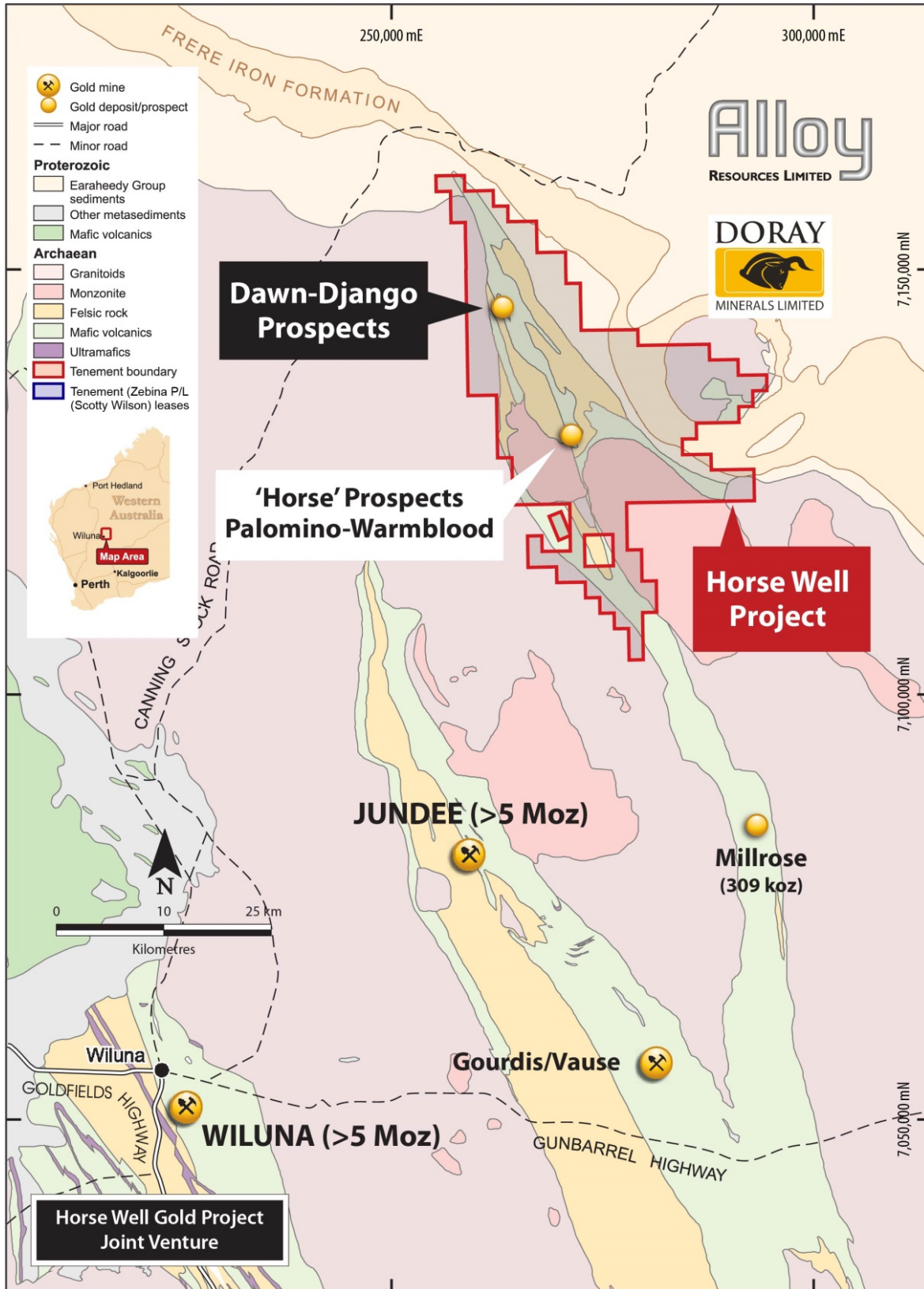


Figure 1 Horse Well location on regional geology

COMPLETED EXPLORATION

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

1. A substantial air-core drill program of 17,124 metres was undertaken during the quarter, targeting the Django, Warmblood South and Celia Shear areas.
2. Results have been assessed and RC drill programs planned for the June quarter of 2016.

Full exploration details including JORC 1 Table can be found in the Doray Minerals Limited (ASX:DRM) March 2016 Quarterly Report.

Drill Program

The drilling was all by air-core methods drilled to blade refusal which is normally the fresh rock level. The aim is to define geochemical trends within interpreted geological target areas. In particular the programs tested;

1. The "Django" prospect (formally the "T-06" target) was infill drilled to a 200 metre by 50 metre drill pattern to more clearly define the +100 ppb gold trends.
2. Soil anomalies at Warmblood South were tested with 80 metre spaced drill holes on eight drill lines.
3. The Celia shear target was tested by four drill lines.

Drill Results

Django Prospect

This drill program was designed to infill the extensive +100ppb Au gold anomalism defined as two coherent trends at the Django prospect.

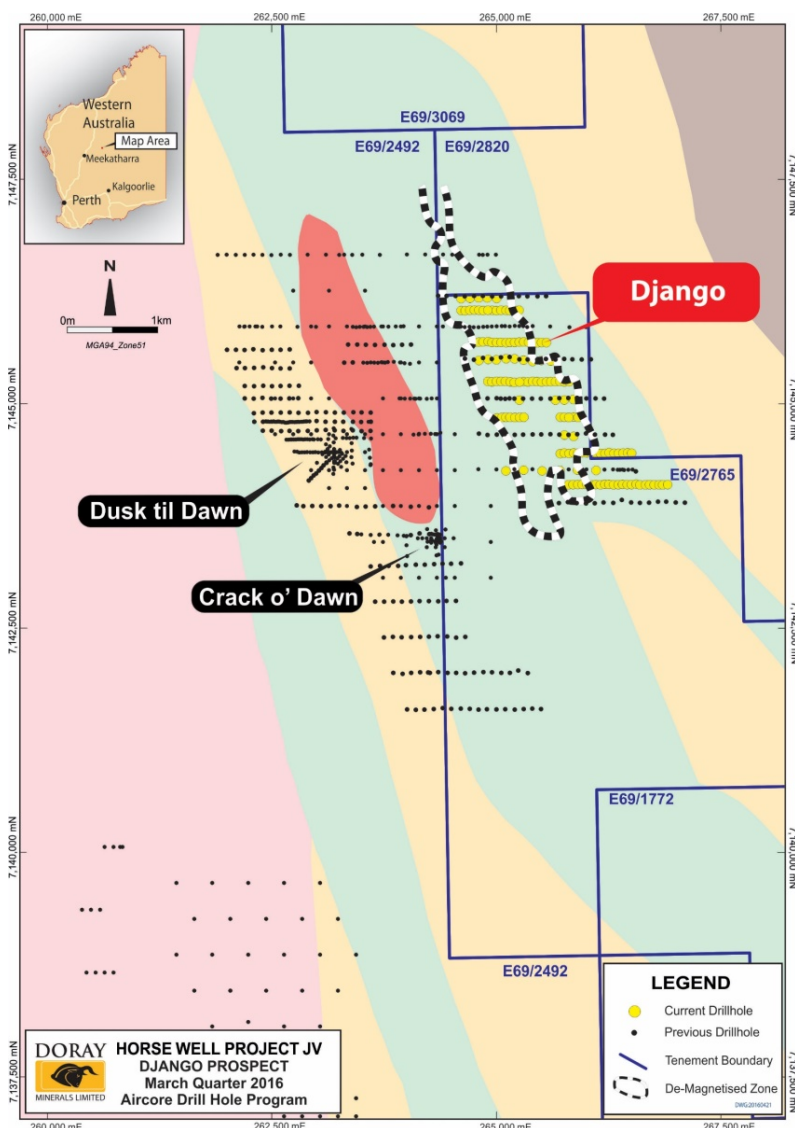


Figure 2 *Django Prospect. March quarter 2016 air-core drilling, drill hole location diagram*

Previously, 400 metre spaced lines had indicated that strong alteration and gold anomalism existed in two parallel trends within the area, and the latest drilling has now confirmed these anomalies as shown in Figure 3. The defined trends appear to correspond very well to a prospective structural corridor and an associated demagnetised zone (possibly representing a large alteration halo) interpreted from airborne magnetics.

The western trend extends over a strike length of at least 1.5km and a width of 300 metres. Infill drilling suggests there are two 'pods' within the trend, and the southern one remains the strongest where hole HWAC 112 intersected 22 metres at 1.4 g/t Au. Better results included;

HWAC358, 12 metres @ 0.2 g/t Au from 48 mdh

HWAC396, 4 metres @ 1.1 g/t Au from 44 mdh

HWAC633, 8 metres @ 0.4 g/t Au from 52 mdh

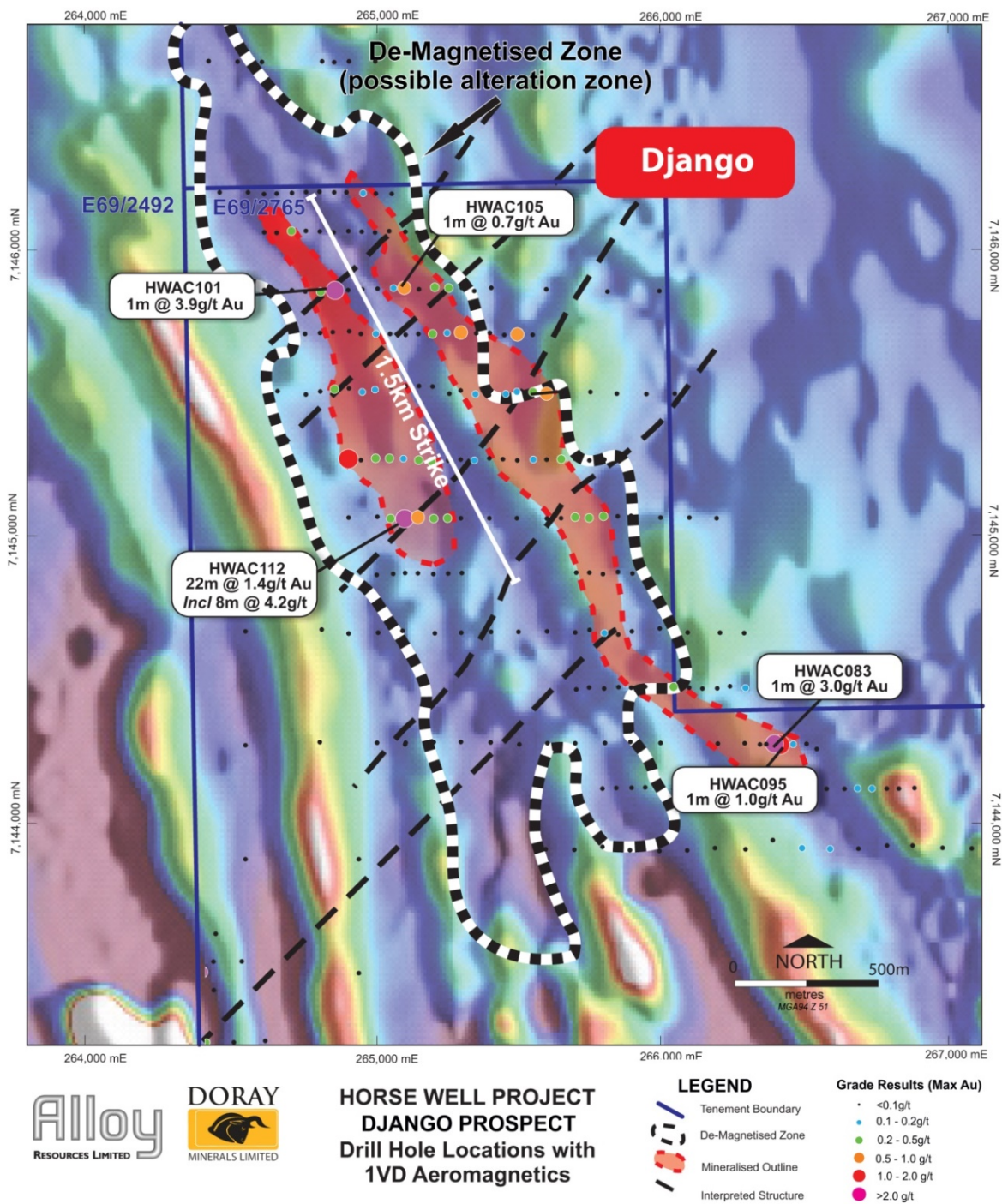


Figure 3 Django Prospect - aircore drilling anomalism and significant intercepts over 1vd aeromagnetics

The eastern trend is now appearing to break up into three subparallel zones within the larger 3 kilometre long zone. Continued strongly anomalous results were received including;

HWAC395, 8 metres @ 0.5 g/t Au from 60 mdh

HWAC636, 4 metres @ 0.5 g/t Au from 60 mdh

HWAC688, 8 metres @ 0.3 g/t Au from 72 mdh

Warmblood South and Celia Shear

Drilling at Warmblood South was designed to test two geochemical anomalies identified by Alloy during previous exploration campaigns. Drilling was designed on a nominal 200m x 50m grid. Locations of holes drilled during the Quarter are illustrated in Figure 4 below.

Drilling at Warmblood South intersected a range of lithology's along the margin of a granitic intrusion. The northern air-core pattern intersected limited anomalous results, with the best being **4m @ 1.4 g/t Au** in HWAC421 from 60mdh. Drill spacing of 80 metres means that a potential mineralised contact zone may be poorly tested, and infill drilling is required to confirm anomalous zones and the dip of the contact and gold mineralisation. Drilling at the southern anomaly intersected a number of anomalous results corresponding to chlorite and silica alteration and sulphides associated with the granite body. Best results include **3m @ 1.8g/t Au** in HWAC537 from 52mdh, and **4m @ 0.7g/t Au** in HWAC538 from 48mdh.

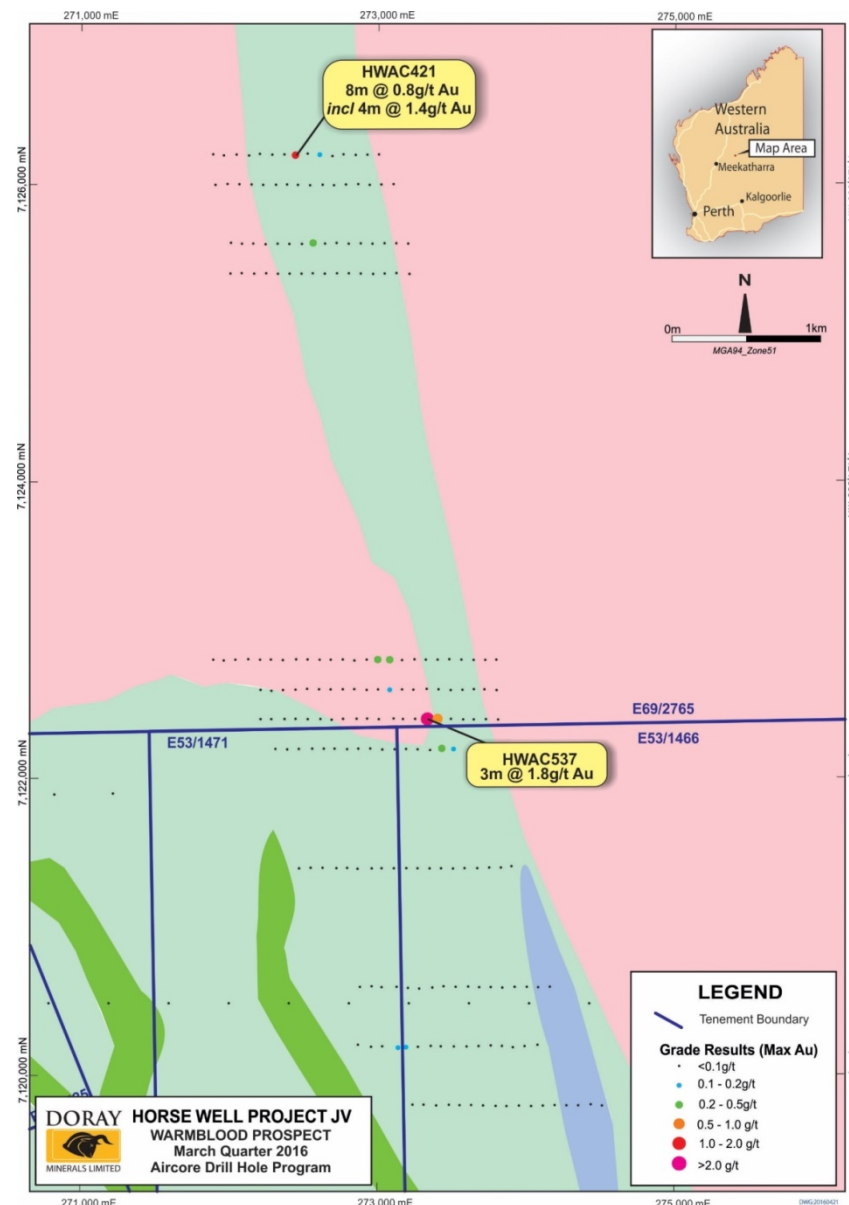


Figure 4 illustrates the anomalous results from Warmblood South. Drilling at the Celia Shear prospect was completed over 5 lines, on 80m spaced centres. This programme was designed to test the southern continuation of the regional Celia Shear structure, which hosts a number of gold deposits within the Millrose Greenstone Belt. Drilling intersected a zone of significant alteration adjacent to a contact between a granitic intrusion and mafic volcanic rocks. No significant results have so far been returned however a number of assays for this drill programme were still outstanding at the end of the Quarter.

Figure 4 *Warmblood South and Celia Shear air-core drilling*

PLANNED EXPLORATION

The Joint Venture is planning an aggressive exploration campaign at the Project in the next 9 months in line with the required \$2 million in Joint Venture expenditure during the 2016 calendar year.

The main activity for the June quarter will be RC drilling at the Django and Warmblood prospects and exploration planning for the second half of 2016.

Django RC drilling

RC drill testing of Django air-core anomalies is expected to commence in early May and involve approximately 18 holes to a depth of 180 metres for a total of 3,240 metres. As shown in figure 5 below, priority one holes will test four of the stronger air-core anomalies.

Multi-element analysis of air-core samples has shown that Tellurium is a strong pathfinder element for gold mineralisation at Dusk til Dawn and Django, and Figure 6 below illustrates how Tellurium clearly defines co-incident alteration trends with gold.

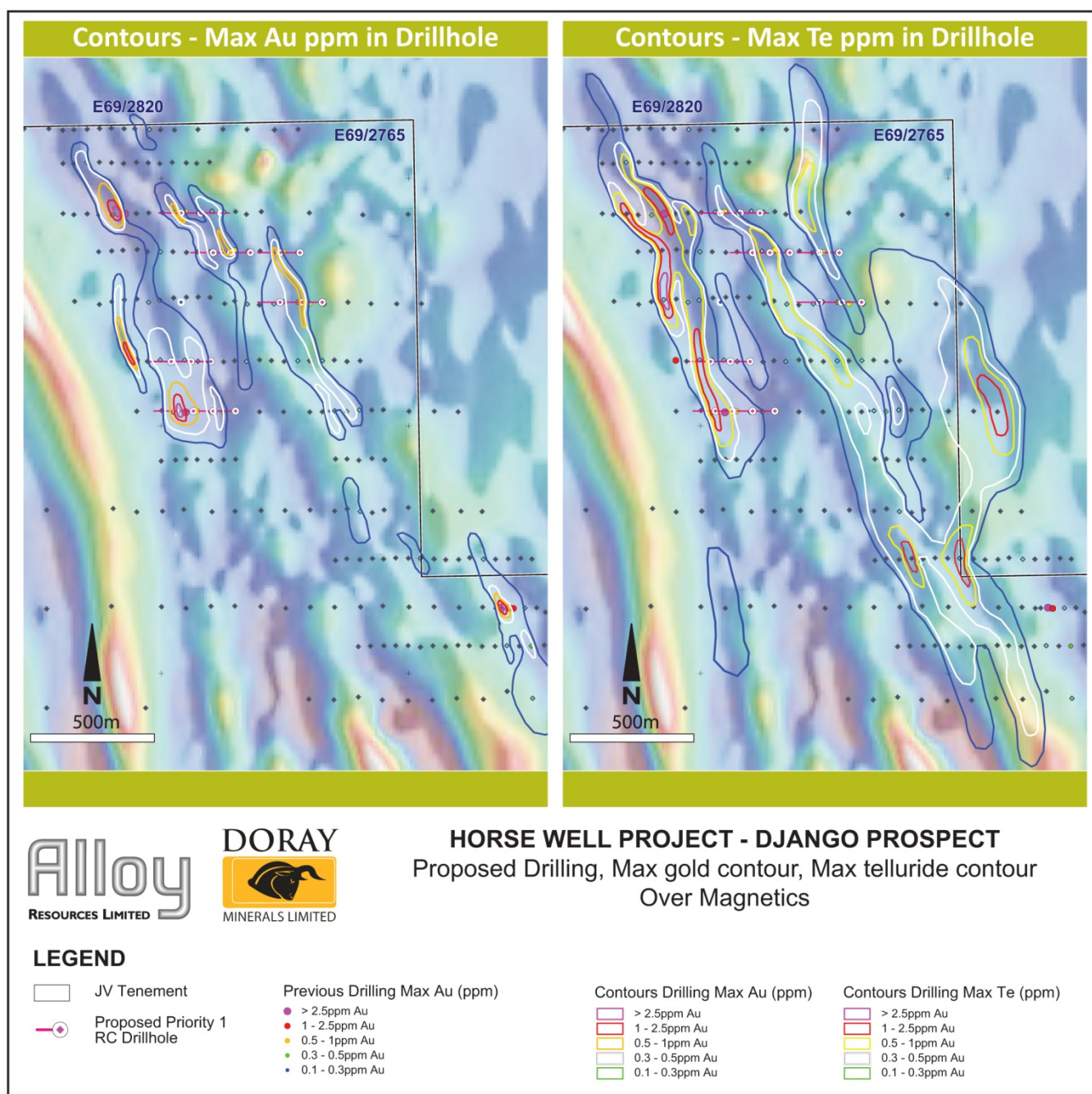


Figure 5 Django planned June quarter RC drilling on aeromagnetics and air-core gold/tellurium contours

Warmblood RC drilling

Subject to Heritage approvals still pending, the Joint Venture intends to complete approximately 1,200-1,300 metres of deeper RC drilling beneath known gold mineralisation at the Warmblood prospect. The aim will be to try and define the tenor and geometry of gold mineralisation in the fresh rock. Figure 6 below shows the location of Warmblood in relation to other prospects.

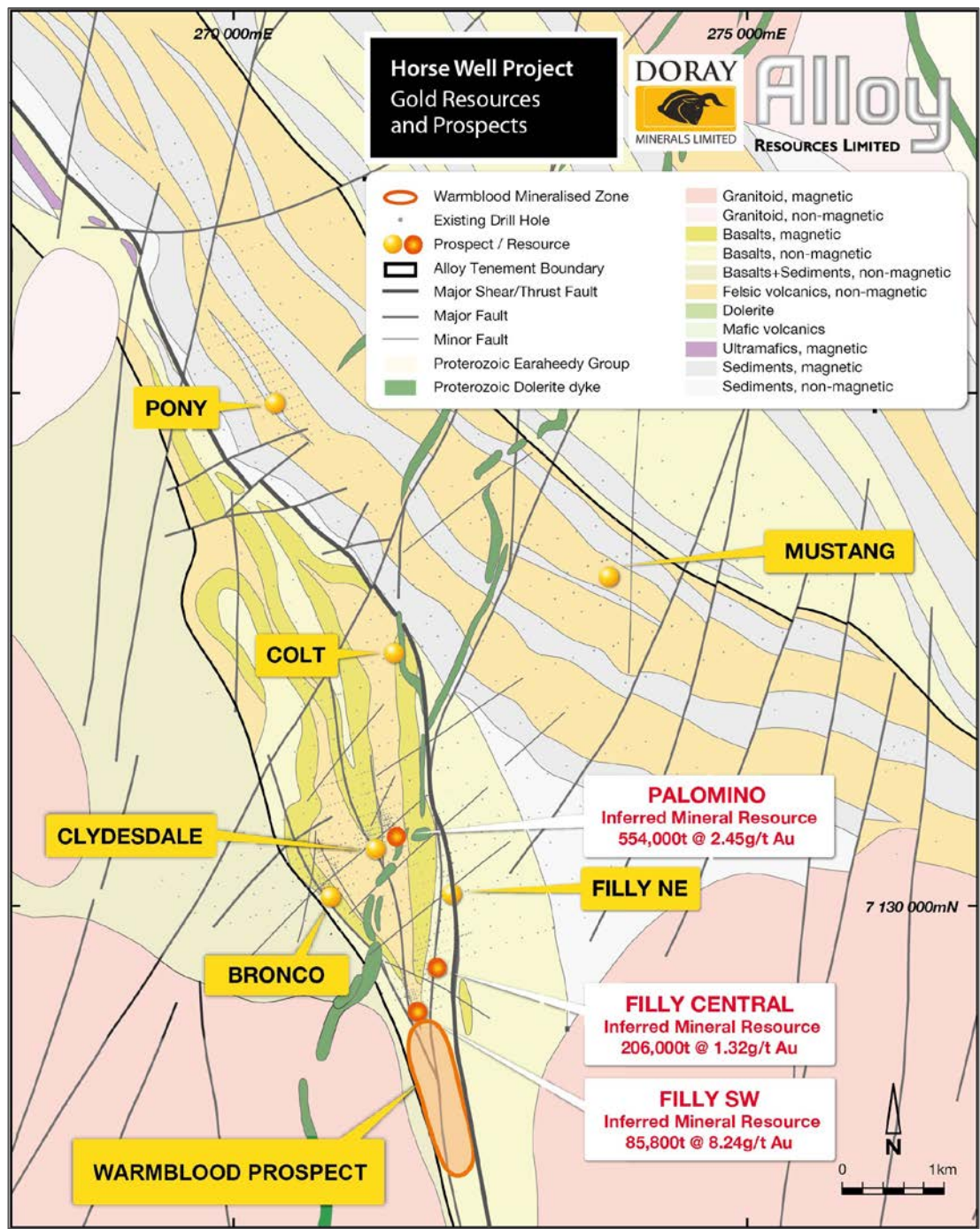


Figure 6 Warmblood prospect location on geology

MARTINS WELL PROJECT

The Martins Well Project is located in the north-eastern Flinders Ranges of South Australia. 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 614 square kilometres.

No active exploration was completed during the quarter. Field soil and rock chip sampling of prospects is planned for the June quarter.

BARRYTOWN (20% FREE CARRIED TO PFS)

The Barrytown Mineral Sands Project in New Zealand is being operated by 80% operating partner Westland Resources Limited. During the quarter Westland undertook project review and planning activities.

A final payment of either \$200,000 cash or AUD \$300,000 in listed entity shares is due to Alloy within 12 months after the granting of the Minerals Exploration Permit Extension which occurred on 25 November 2015.

PROJECT GENERATION

The Company has pegged an Exploration Licence application of approximately 194 square kilometres in the **Kurnalpi** area located 75 kilometres east of Kalgoorlie in Western Australia. This area is regarded as prospective for **gold** mineralisation and a more detailed review of past exploration is currently underway.

The Company has also pegged three Exploration Licence applications in the **Murchison region** near Meekatharra covering 610 square kilometres. The area covers **the Cobalark Tantalum prospect** and research of public information suggests that the area is **prospective for rare metal Pegmatites that may contain Lithium**. A mapped Pegmatite body is 250 metres wide and outcrops intermittently for 25 kilometres and very limited historical rock chip and soil sampling has returned up to 170ppm Ta₂O₅ and elevated Sn and Nb. No Lithium analysis appears to have been completed (*refer DOIR Mineral Resources Bulletin 22, pp124*). Field inspection is planned for May 2016.

CORPORATE

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

A placement of 120,000,000 ordinary fully paid shares at 1.1 cents each to professional and sophisticated investors to raise \$1,320,000 before costs was completed within the Company's 15% placement capacity under ASX Listing Rule 7.1 and 10% placement capacity under ASX listing Rule 7.1A on the 27 April 2016. Bell Potter Securities Limited acted as Lead Manager to the Placement.

Funds will largely be utilised to contribute to the 40% interest in the Horse Well Joint Venture.

For further information contact:

Andy Viner

Executive Chairman.

Phone: +61 8 9316 9100

www.alloyres.com

MINERAL RESOURCE STATEMENT

The Company's Mineral Resource Statement has been compiled and is reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC 2012 Edition) and Chapter 5 of the ASX Listing Rules and ASX Guidance Note 31.

Table 1: Horse Well Inferred Resource (as released to ASX on 28 October 2015)

Area	Tonnes	Grade (g/t)	Ounces
Palomino	554,000	2.45	43,600
Filly SW	85,800	8.24	22,700
Filly	206,000	1.32	8,700
TOTAL	846,000	2.76	75,100

Notes:

- All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.
- The cut-off grades for all Resources are; 0.50 g/t for Oxide, 0.75 g/t for Transition and 1.00 g/t for Fresh weathering classifications.
- Resources have been defined in an A\$1,800 per ounce Whittle optimal shell.
- The Inferred Resource has been estimated using appropriate high grade cuts, minimum mining widths and dilutions (see Appendix 1, Table 1, Section 3 for details).

COMPETENT PERSONS STATEMENT

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 included in the original market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not materially changed from the original market announcement.

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%	40% ⁺
<i>(Eskay Resources Pty Ltd is a wholly owned subsidiary of Alloy Resources Limited)</i>				
Alloy Resources Limited - Granted	WA	E53/1466	100%	40% ⁺
Alloy Resources Limited - Granted	WA	E53/1471	100%	40% ⁺
Alloy Resources Limited - Granted	WA	P53/1524	100%	40% ⁺
Alloy Resources Limited - Granted	WA	P53/1525	100%	40% ⁺
Alloy Resources Limited - Granted	WA	P53/1526	100%	40% ⁺
Alloy Resources Limited - Granted	WA	E69/2765	100%	40% ⁺
Alloy Resources Limited - Granted	WA	E69/3069	100%	40% ⁺
Alloy Resources Limited - Granted	WA	E69/2492	100% [^]	40% ^{^+}
Phosphate Australia Limited	WA	E69/2820	80%	32% ⁺
⁺ subject to Doray farmin Agreement – Doray have earned 60%				
[*] Phosphate Australia retain 20% free- carried to BFS				
[^] Wayne Jones NSR				
Millrose				
Alloy Resources Limited - Application	WA	E53/1873	0%	0%
Edjudina				
Alloy Resources Limited – Application	WA	E39/1858	0%	withdrawn
Alloy Resources Limited – Application	WA	E31/1095	0%	withdrawn
Alloy Resources Limited – Application	WA	E31/1105	0%	withdrawn
Alloy Resources Limited – Application	WA	E31/1106	0%	withdrawn
Alloy Resources Limited – Application	WA	E53/1888	0%	withdrawn
Barrytown Mineral Sands Project				
Alloy Resources Limited – Granted	New	EL 51803	20%	20% ^{**}
^{**} Subject to farm-out and Sale				
Martins Well				
Alloy Resources Limited – Granted	SA	EL 5577	0%	100% [#]
[#] Subject to 90% earn-in Agreement				
Kurnalpi				
Alloy Resources Limited – Application	WA	E28/2599	0%	0%
Mt Goddard				
Alloy Resources Limited – Application	WA	E15/1506	0%	0%

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")

31 March 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(20)	(135)
(b) development	-	-
(c) production	-	-
(d) administration	(88)	(290)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other –	-	-
Net Operating Cash Flows	(107)	(422)
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 –	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(107)	(422)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(107)	(422)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	700
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	-	(42)
	Net financing cash flows	-	658
	Net increase (decrease) in cash held	(107)	236
1.20	Cash at beginning of quarter/year to date	604	261
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	497	497

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	67
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- \$53,505, (Includes payment of Directors Fees and Superannuation for the period
ii)	Accounting, company secretarial and occupancy fees paid to Endeavour Corporate an entity related to Mr Kevin Hart - \$13,397. for the period

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	350
4.2 Development	-
4.3 Production	-
4.4 Administration	75
Total	338

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	30	87
5.2 Deposits at call	574	79
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	604	166

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	E31/1095 E31/1105 E31/1106 E39/1888 E38/3094	Tenement Application	100%	0%
6.2 Interests in mining tenements acquired or increased	E28/2599 E15/1506	Tenement Application	0%	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	592,707,646	592,707,646		Fully paid
7.4 Changes during quarter (a) Increases through: Shares Issued				
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>	7,000,000 2,000,000	- -	<i>Exercise price</i> 1.5 cents each 1.6 cents each	<i>Expiry date</i> 30 November 2016 30 November 2017
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>				

+ 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: 29 April 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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