

ABN 20 109 361 195

ASX Release
29 July 2016

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Issued Capital

Shares:
712,707,646

Unlisted Options:
9,000,000

ASX Symbol: AYR

June 2016

Quarterly Activities Report

HIGHLIGHTS

HORSE WELL GOLD PROJECT – W.A (40% Contributing)

- Joint Venture Manager, Doray Minerals Limited, completed an RC drill program of 4,529 metres at the Django Prospect during the quarter.
- The drilling defined extensive but low-grade gold mineralisation on the Django trends;
 - The Western trend yielded results including 15 metres @ 1.1 g/t Au, 11metres @ 0.5 g/t Au and 2 metres @ 3.5 g/t.
 - The Eastern trend returned results including 6 metres @ 2.9 g/t Au, 9 metres @ 0.3 g/t Au and 7 metres @ 0.6 g/t.
- The Joint Venture will now move its focus to testing the next group of targets which will begin immediately with approximately 22,000 metres of AC drilling to commence in the middle of August 2016;
 - First pass testing of a 7 kilometre strike of the greenstone belt south of Django containing another four aeromagnetic targets.
 - Infill AC drilling of anomalies in the Crack of Dawn area.

PROJECT GENERATION

- **Cobalt-gold** target pegged in the Broken Hill area of New South Wales (256 km² ELA). Poorly explored area with defined prospect mineralisation over at least a 1 kilometre strike length.
- **Gold-copper** ELA (386 km²) applied for in the Telfer area – 5 kilometre long anomaly of similar style to dolerite hosted mineralisation at the RIO-Antipa JV Citadel project.

CORPORATE

- At the end of the June Quarter the Company had cash of \$1.265 million.
- Ongoing cost minimisation policy in place.

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 an RC drill program focussed on the latest air-core drill anomaly defined within the project. 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.

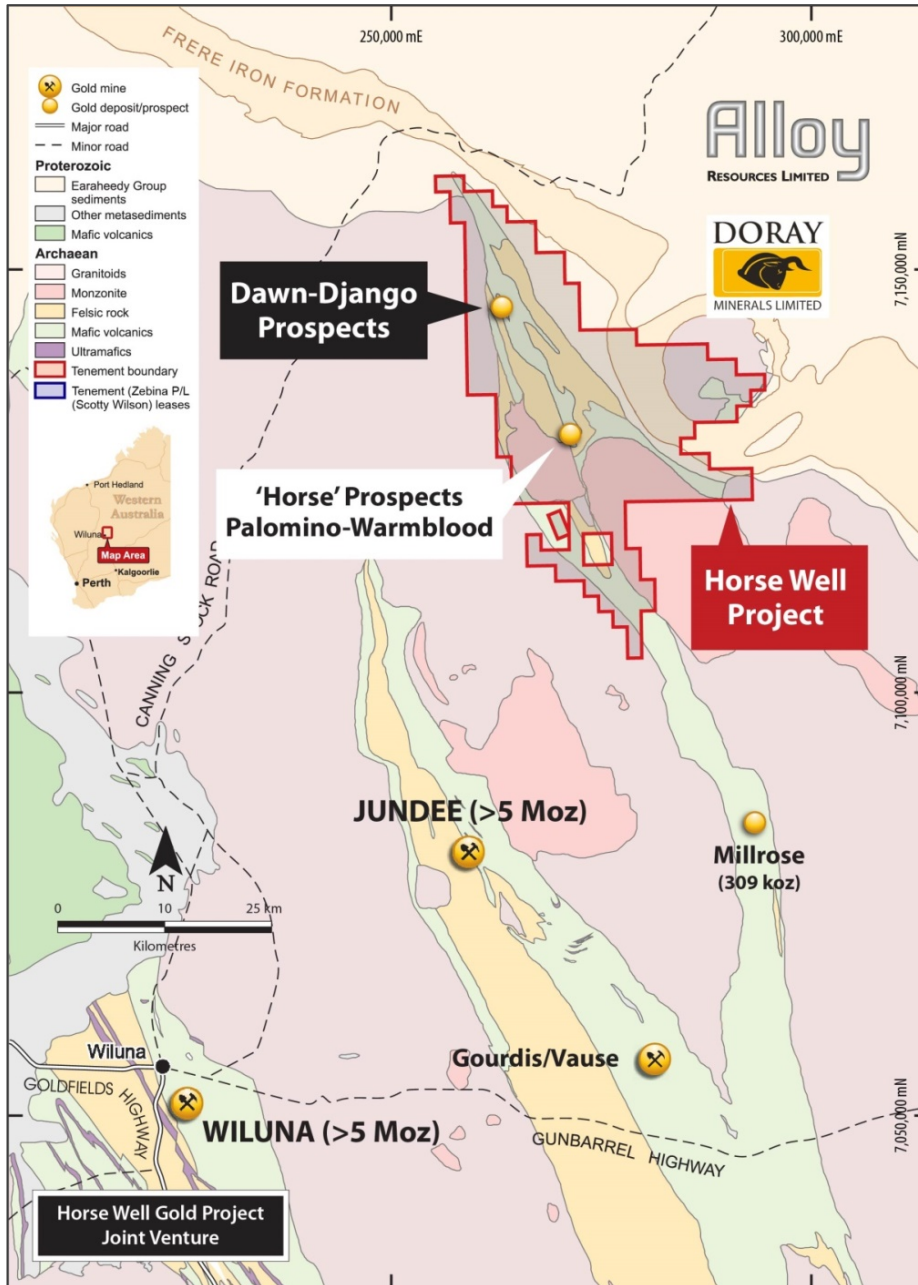


Figure 1 Horse Well location on regional geology

COMPLETED EXPLORATION

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

1. An RC drill program of 4,529 metres was undertaken during the quarter, targeting the Django prospect, which is one of the exploration targets defined by aeromagnetic interpretation and air-core drilling.
2. Results have been assessed and further drill programs planned for the July quarter of 2016.

Drill Program

The drilling was by Reverse Circulation methods drilled to depths of approximately 180 metres with drill lines 200 metres apart and holes 80 metre spaced (Figure 2). The aim of the program was to systematically test for mineralisation in fresh rock beneath interpreted geological target areas defined by recent air-core drilling.

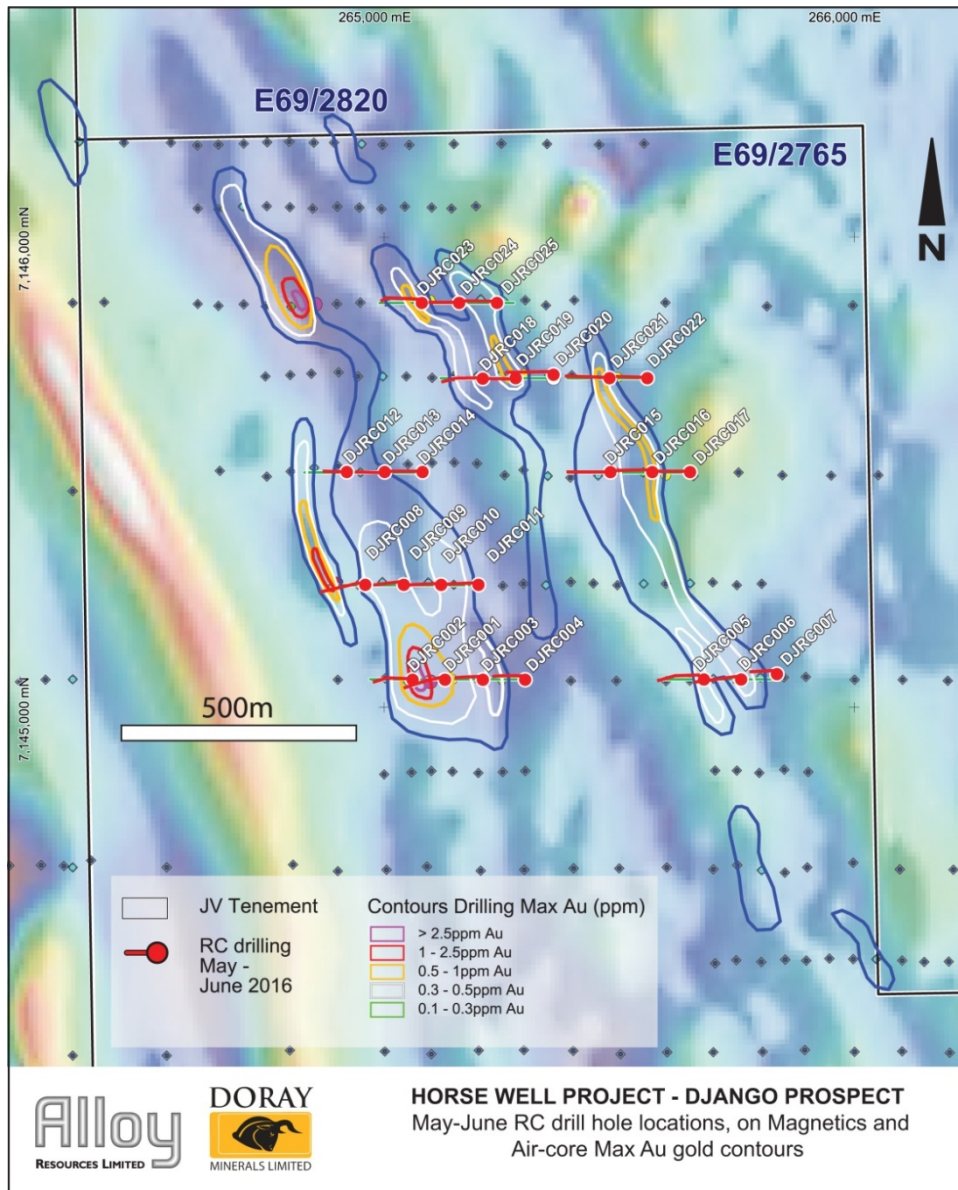


Figure 2 Django Prospect. June quarter 2016 RC drilling, drill hole location diagram

Django Prospect RC Drill Results

Drilling has completed a thorough test of the anomalous area and indicates that whilst there is widespread gold mineralisation it is of low grade in this area. Mineralised zones appear to be flat lying and stacked as shown on Figure 3.

A Table of Significant Results is included at the end of the report. Better results included;

DJRC001, 15 metres @ 1.1 g/t Au from 55 mdh

DJRC004, 2 metres @ 3.5 g/t Au from 159 mdh

DJRC009, 11 metres @ 0.5 g/t Au from 89 mdh

DJRC017, 6 metres @ 2.9 g/t Au from 128 mdh

Incl. 2 metres @ 8.3 g/t Au from 128 mdh

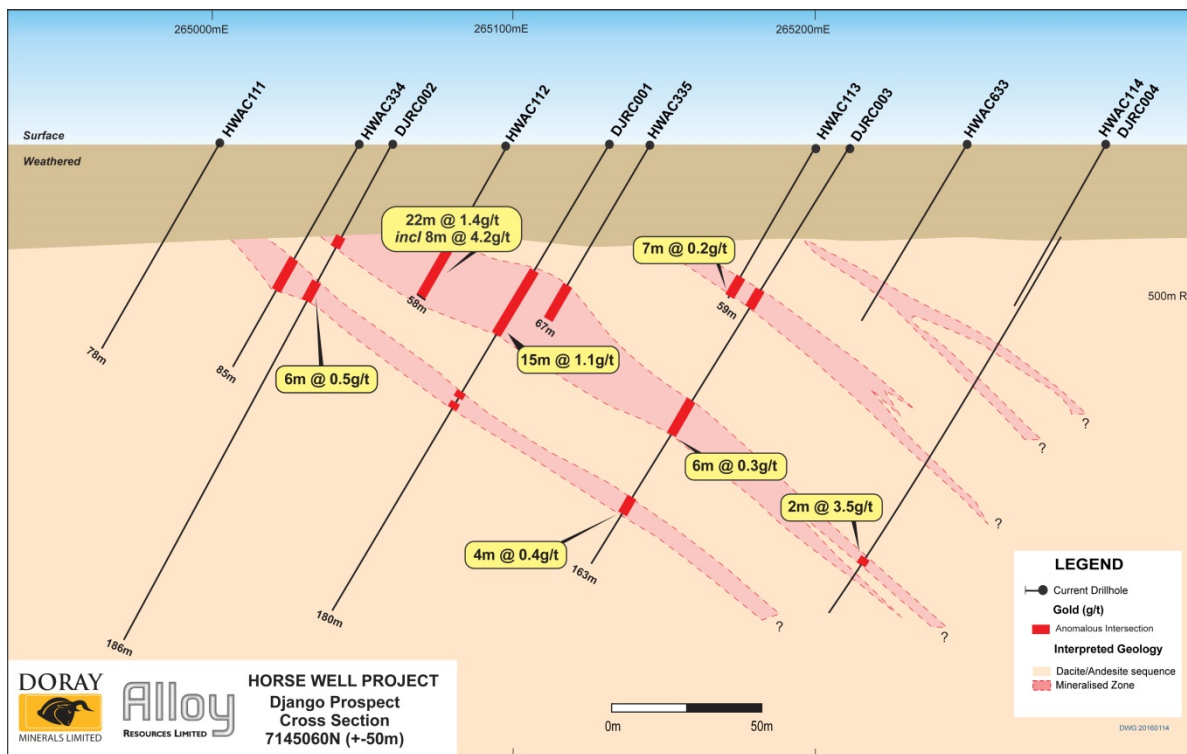


Figure 3 Django Prospect – RC drill cross section

PLANNED EXPLORATION

The Joint Venture will continue an extensive exploration campaign at the Project in the next 6 months in line with the required \$2 million in Joint Venture expenditure during the 2016 calendar year.

The main activity for the September quarter will be continued first-pass and second pass air-core drilling in the northern Dawn prospects area of the Project.

In particular a seven (7) kilometre strike of untested greenstone will be drilled on approximately 800 metre by 160 metre centres south of Django down to historical air-core drilling at the Pony prospect. This area has four interpreted aeromagnetic targets, the Celia Shear continues through this area, and there is complex structural deformation which may be encouraging for the focus of gold mineralising fluids (Figure 4).

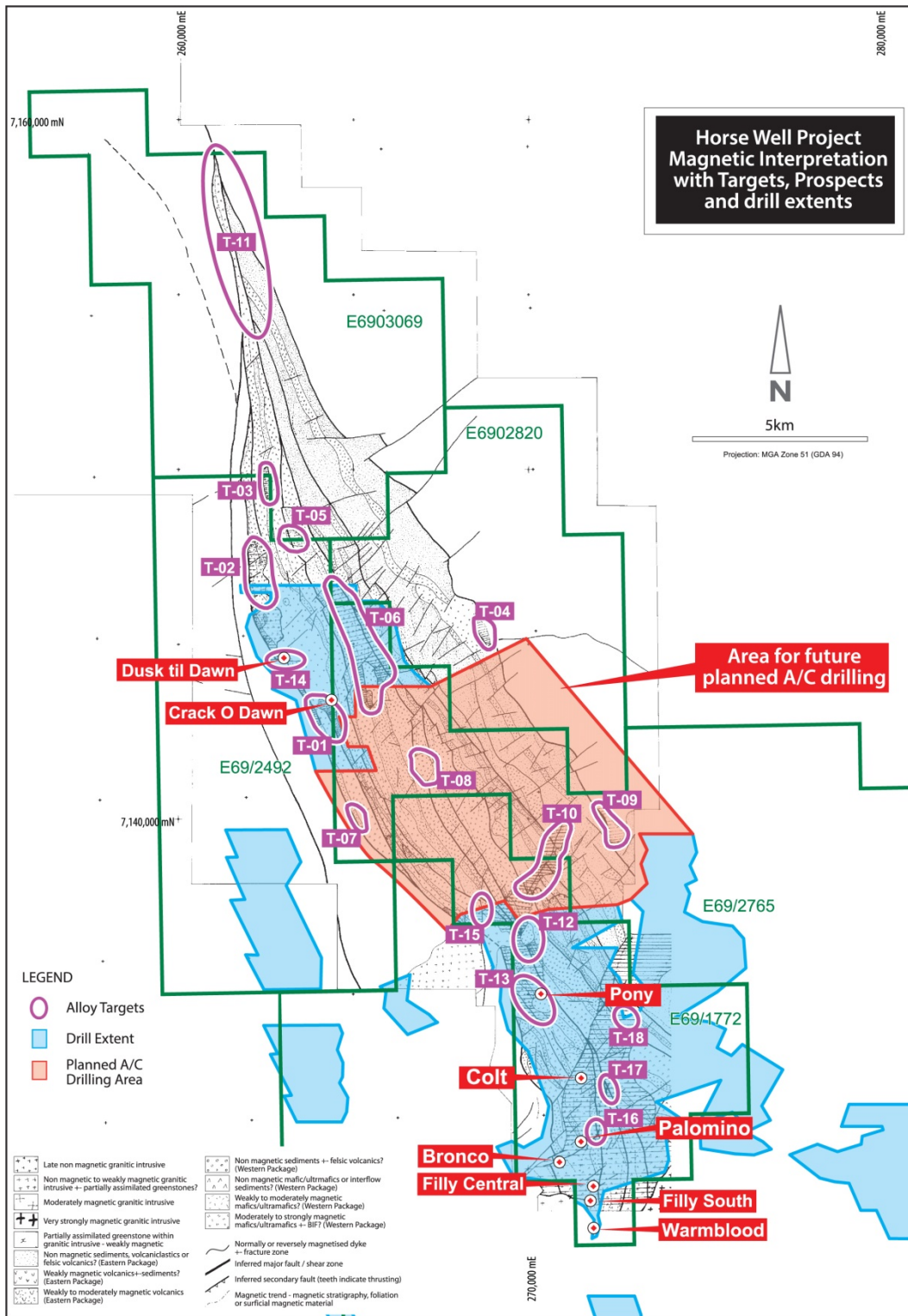


Figure 4 Project area for future first pass AC drilling with aeromagnetic targets

PROJECT GENERATION

Telfer – Gold/copper

The Company has pegged a 368 km² Exploration Licence application in the Telfer area which is prospective for gold and copper. The area contains an early stage prospect similar in style to the dolerite hosted copper-gold mineralisation in the RIO/Antipa Minerals 'Citadel' project.

Limited air-core drilling within the ELA area by BHP and Gindalbie Metals 15-20 years ago defined a dolerite sill extending at least 10 kilometres and a 5 kilometre strike of this was drilled on 400-800 metre spaced lines x 50-100 metre spaced holes and defined an extensive area of anomalism along the length of Dolerite drilled with supergene values up to 0.26% Copper and 0.23 g/t Gold (*refer WAMEX report number A61274*).

Broken Hill – Cobalt-Gold

A review of mineralisation in the Broken Hill region defined it as an area of interest for Rare Metals. In particular it was noted that the Curnamona Craton which hosts the Broken Hill deposit, has potential for large concentrations of Cobalt.

Cobalt is a major component metal in a number of prospects, the most advanced of which is at Muturoo located 60 km west of Broken Hill in South Australia, where Havilah Resources Limited have defined a Mineral Resources of 13.1 million tonnes of 1.48% Cu and 0.14% Co.

The Company has applied for a 256 km² area encompassing the western extent of the Broken Hill mineral field up to the South Australian border – only 10 kilometres from the Muturoo deposit. Desktop research has indicated that the Great Goulburn Cobalt-Gold prospect is located within the ELA. Limited drilling at this prospect has returned results including 23.3 metres @ 0.138% Co, 0.393 g/t Au and 581 ppm Cu (*Report GS1981_512.R00015182 by Jones Mining 1982*). Limited more recent drilling and exploration (only 6 drill holes have been noted in reports), has confirmed this tenor of mineralisation associated with a sub-cropping gossanous quartz-magnetite unit that extends for at least 1 kilometre strike.

The Company will expedite granting of this Licence and until then will prepare all information to allow planning for an early drill program at Great Goulburn as well as advancement of other Cobalt prospects.

CORPORATE

The Company has continued to maintain minimal operating cost expenditure.

Exploration expenditure is dominated by contribution to the 40% interest in the Horse Well Joint Venture. The Company continues with a policy of trying to secure valuable mineral properties for minimal outlay via tenement application and options to purchase.

For further information contact:

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Executive Chairman.

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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 and Mr Mark Cossom who is a full time employee of Doray Minerals Limited and is a Member of the Australasian Institute of Mining and Metallurgy. Mr Viner and Mr Cossom have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration 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." Mr Viner and Mr Cossom consent 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.

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
Horse Well				
Eskay Resources Pty Ltd 100%	WA	E69/1772	40%	40% ⁺
Doray Minerals Limited - Granted	WA	E53/1466	40%	40% ⁺
Doray Minerals Limited - Granted	WA	E53/1471	40%	40% ⁺
Doray Minerals Limited - Granted	WA	P53/1524	40%	40% ⁺
Doray Minerals Limited - Granted	WA	P53/1525	40%	40% ⁺
Doray Minerals Limited - Granted	WA	P53/1526	40%	40% ⁺
Doray Minerals Limited - Granted	WA	E69/2765	40%	40% ⁺
Doray Minerals Limited - Granted	WA	E69/3069	40%	40% ⁺
Doray Minerals Limited - Granted	WA	E69/2492	40% [^]	40% ^{^+}
Doray Minerals Limited - Granted	WA	E69/2820	32%	32% ⁺ *
<i>+ subject to Doray farmin Agreement – Doray have earned 60%</i>				
<i>* Phosphate Australia retain 20% free- carried to BFS</i>				
<i>^ Wayne Jones NSR</i>				
Millrose				
Alloy Resources Limited - Granted	WA	E53/1873	0%	100%
Murchison Downs				
Alloy Resources Limited – Application	WA	E51/1742	0%	0%
Alloy Resources Limited – Application	WA	E51/1743	0%	0%
Alloy Resources Limited – Application	WA	E51/1744	0%	0%
Telfer				
Alloy Resources Limited – Application	WA	E45/4807	0%	0%
Barrytown Mineral Sands Project				
Alloy Resources Limited – Granted	New	EL 51803	20%	20%**
<i>** Subject to farm-out and Sale</i>				
Martins Well				
Alloy Resources Limited – Granted	SA	EL 5577	0%	100%#
<i># Subject to 90% earn-in Agreement</i>				
Kurnalpi South				
Alloy Resources Limited – Application	WA	E28/2599	0%	0%
Mt Goddard				
Alloy Resources Limited – Application	WA	E15/1506	0%	0%

Table 1 Django RC drilling July 2016 – Significant Results

Hole ID	East	North	RL	Dip/Azi	Max Depth	Metres From	Metres To	Width (m)	Au Grade (g/t)
DJRC001	265132	265132	550	-60/270	180	53	54	1	0.2
DJRC001	"	"	550	-60/270	"	55	70	15	1.1
DJRC001	"	"	550	-60/270	"	72	74	2	0.2
DJRC001	"	"	550	-60/270	"	96	97	1	0.5
DJRC001	"	"	550	-60/270	"	100	102	2	0.5
DJRC002	265060	7145060	550	-60/270	186	36	38	2	0.4
DJRC002	"	"	550	-60/270	"	44	46	2	0.3
DJRC002	"	"	550	-60/270	"	52	58	6	0.5
DJRC003	265212	7145061	550	-60/270	163	58	62	4	0.2
DJRC003	"	"	550	-60/270	"	63	64	1	0.2
DJRC003	"	"	550	-60/270	"	101	102	1	0.4
DJRC003	"	"	550	-60/270	"	104	110	6	0.3
DJRC003	"	"	550	-60/270	"	138	142	4	0.4
DJRC004	265299	7145063	550	-60/270	181	77	78	1	0.4
DJRC004	"	"	550	-60/270	"	90	92	2	0.4
DJRC004	"	"	550	-60/270	"	121	122	1	0.2
DJRC004	"	"	550	-60/270	"	159	161	2	3.5
DJRC004	"	"	550	-60/270	<i>including</i>	159	160	1	6.4
DJRC004	"	"	550	-60/270	181	165	166	1	0.3
DJRC005	265679	7145066	550	-60/270	180	53	54	1	0.2
DJRC007	265834	7145075	550	-60/270	197	66	67	1	0.2
DJRC008	264956	7145265	550	-60/270	180	53	54	1	0.2
DJRC008	"	"	550	-60/270	"	56	63	7	0.6
DJRC009	265046	7145262	550	-60/270	194	58	59	1	0.2
DJRC009	"	"	550	-60/270	"	84	86	2	1.1
DJRC009	"	"	550	-60/270	"	89	100	11	0.5
DJRC009	"	"	550	-60/270	"	105	106	1	0.3
DJRC009	"	"	550	-60/270	"	151	152	1	0.2
DJRC010	265116	7145261	550	-60/270	180	69	75	6	0.9
DJRC010	"	"	550	-60/270	<i>including</i>	73	74	1	2.5
DJRC010	"	"	550	-60/270	180	123	124	1	0.2
DJRC010	"	"	550	-60/270	"	125	127	2	0.2
DJRC010	"	"	550	-60/270	"	133	139	6	0.4
DJRC011	265201	7145263	550	-60/270	181	86	88	2	0.3
DJRC011	"	"	550	-60/270	"	105	106	1	0.4
DJRC011	"	"	550	-60/270	"	110	111	1	0.2
DJRC011	"	"	550	-60/270	"	121	124	3	0.3
DJRC011	"	"	550	-60/270	"	178	180	2	0.5
DJRC012	264916	7145500	550	-60/270	99	93	97	4	0.5
DJRC013	265000	7145499	550	-60/270	181	63	65	2	0.6
DJRC013			550	-60/270	"	68	69	1	0.3
DJRC013	"	"	550	-60/270	"	81	85	4	1.0
DJRC013	"	"	550	-60/270	"	89	90	1	0.2
DJRC014	265080	7145504	550	-60/270	186	97	102	5	0.8
DJRC014	"	"	550	-60/270	"	139	143	4	1.4
DJRC015	265479	7145501	550	-60/270	180	38	39	1	2.1

DJRC015	"	"	550	-60/270	"	79	80	1	0.2
DJRC015	"	"	550	-60/270	"	134	136	2	0.1
DJRC015	"	"	550	-60/270	"	139	140	1	0.6
DJRC015	"	"	550	-60/270	"	141	143	2	0.2
DJRC015	"	"	550	-60/270	"	155	156	1	0.2
DJRC016	265570	7145500	550	-60/270	180	80	81	1	0.5
DJRC016	"	"	550	-60/270	"	152	153	1	0.2
DJRC016	"	"	550	-60/270	"	164	165	1	0.2
DJRC017	265650	7145500	550	-60/270	187	85	86	1	0.6
DJRC017	"	"	550	-60/270	"	95	97	2	0.5
DJRC017	"	"	550	-60/270	"	99	103	4	0.5
DJRC017	"	"	550	-60/270	"	106	108	2	0.3
DJRC017	"	"	550	-60/270	"	128	134	6	2.9
DJRC017	"	"	550	-60/270	<i>including</i>	128	130	2	8.3
DJRC018	265210	7145700	550	-60/270	183	63	65	2	0.2
DJRC018	"	"	550	-60/270	"	66	67	1	0.2
DJRC018	"	"	550	-60/270	"	93	102	9	0.3
DJRC019	265280	7145700	550	-60/270	183	64	66	2	0.3
DJRC019	"	"	550	-60/270	"	69	70	1	0.5
DJRC019	"	"	550	-60/270	"	74	77	3	0.3
DJRC019	"	"	550	-60/270	"	103	104	1	0.3
DJRC019	"	"	550	-60/270	"	107	109	2	0.2
DJRC019	"	"	550	-60/270	"	120	121	1	0.3
DJRC019	"	"	550	-60/270	"	132	139	7	0.6
DJRC019	"	"	550	-60/270	"	149	151	2	0.4
DJRC020	265358	7145714	550	-60/270	192	70	73	3	0.2
DJRC020	"	"	550	-60/270	"	153	154	1	0.4
DJRC020	"	"	550	-60/270	"	161	162	1	0.4
DJRC020	"	"	550	-60/270	"	188	190	2	0.3
DJRC021	265479	7145701	550	-60/270	192	135	136	1	0.4
DJRC021	"	"	550	-60/270	"	139	140	1	0.4
DJRC021	"	"	550	-60/270	"	163	164	1	0.4
DJRC022	265559	7145702	550	-60/270	193	45	46	1	0.7
DJRC022	"	"	550	-60/270	"	84	86	2	0.4
DJRC022	"	"	550	-60/270	"	179	180	1	0.4
DJRC023	265078	7145868	550	-60/270	180	111	112	1	0.2
DJRC023	"	"	550	-60/270	"	145	148	3	0.5
DJRC023	"	"	550	-60/270	"	154	155	1	0.3
DJRC024	265160	7145864	550	-60/270	200	114	115	1	0.4
DJRC024	"	"	550	-60/270	"	144	147	3	0.5
DJRC024	"	"	550	-60/270	"	151	154	3	0.5
DJRC024	"	"	550	-60/270	"	182	183	1	0.7
DJRC025	265241	7145865	550	-60/270	180	159	164	5	0.4

Note:

- All coordinates are MGA (GDA94 Zone 51). Azimuth is Magnetic Degrees.
- Intervals reported 0.2g/t cut-off with maximum 2m of internal dilution for multi-sample intersections.
- All assays are aqua-regia digest followed by ICP-MS at 1m intervals for multi-element assays, 25 g Fire assay with AAS finish for gold assays. Assays performed by Minanalytical Laboratories of Perth WA.

JORC Code 2012 Edition Summary (Table 1) – Django Prospect RC Drilling June 2015

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. 	<ul style="list-style-type: none"> Reverse circulation (RC) percussion drill chips collected through a cyclone and cone splitter at 1m intervals.
	<ul style="list-style-type: none"> Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. 	<ul style="list-style-type: none"> Spitter is cleaned regularly during drilling. Splitter is cleaned and levelled at the end of each hole.
	<ul style="list-style-type: none"> Aspects of the determination of mineralisation that are Material to the Public Report. 	<ul style="list-style-type: none"> Mineralisation determined qualitatively through rock type, sulphide and quartz content and intensity of alteration. Mineralisation determined quantitatively via assay (aqua-regia digest followed by ICP-MS for multi-element data and 25g Fire Assay and AAS determination for gold at 1m intervals).
	<ul style="list-style-type: none"> 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"> RC samples pulverized to 75 µm All samples analysed by aqua-regia digest followed by ICP-MS for multi-element data and 25g Fire Assay and AAS determination for gold at 1m intervals.
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"> 120mm Reverse Circulation to a maximum vertical depth of ~ 270m.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. 	<ul style="list-style-type: none"> RC drill chip recoveries recorded at the time of logging and stored in DRM database
	<ul style="list-style-type: none"> Measures taken to maximise sample recovery and ensure representative nature of the samples. 	<ul style="list-style-type: none"> RC Drilling: sample splitter is cleaned at the end of each rod to ensure no sample hang-ups have occurred. Sample bag weights are recorded and in general should be approximately 3kg. Wet samples due to excess ground water were noted when present.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> 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"> As sample recoveries are generally very high, there is no known relationship between sample recovery and grade.
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. 	<ul style="list-style-type: none"> Holes logged to a level of detail to support future mineral resource estimation: lithology; alteration; mineralization; structural.
	<ul style="list-style-type: none"> Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. 	<ul style="list-style-type: none"> Qualitative: lithology, alteration, foliation Quantitative: vein percentage; mineralization (sulphide) percentage; RQD measurement; structural orientation angles; assayed for gold; All RC holes are chipped and archived.
	<ul style="list-style-type: none"> The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> All holes logged for the entire length of hole.
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. 	<ul style="list-style-type: none"> N/A
	<ul style="list-style-type: none"> If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. 	<ul style="list-style-type: none"> RC chips cone split, sampled dry where possible and wet when excess ground water could not be prevented. Sample condition (wet, dry or damp) is recorded at the time of logging.
	<ul style="list-style-type: none"> For all sample types, the nature, quality and appropriateness of the sample preparation technique. 	<ul style="list-style-type: none"> The entire ~3kg RC sample is pulverized to 75µm (85% passing). This is considered best practice and is standard throughout the industry.
	<ul style="list-style-type: none"> Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. 	<ul style="list-style-type: none"> Pulp duplicates taken at the pulverising stage and selective repeats conducted at the laboratories discretion.
	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Duplicate samples taken every 50th sample
	<ul style="list-style-type: none"> Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Sample size appropriate for grain size of samples material.
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. 	<ul style="list-style-type: none"> Fire assay is a total digest technique and is considered appropriate for gold.
	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Magnetic susceptibility measurements are taken on each 1m interval downhole

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> 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"> Certified reference material standards, 1 in 50 samples. Blanks: A lab barren quartz flush is requested following a predicted high grade sample (i.e. visible gold). Lab: Random pulp duplicates are taken on average 1 in every 10 samples. Accuracy and precision levels have been determined to be satisfactory after analysis of these QAQC samples.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. 	<ul style="list-style-type: none"> All sampling is routinely inspected by senior geological staff. Significant intersections are inspected by senior geological staff and DRM corporate staff.
	<ul style="list-style-type: none"> The use of twinned holes. 	<ul style="list-style-type: none"> No twinned holes were drilled during this drill program.
	<ul style="list-style-type: none"> Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. 	<ul style="list-style-type: none"> DRM data is hard keyed into LogChief data capture software and synchronized with Datashed SQL based database on internal company server. Data is validated by DRM Database Administrator, import validation protocols in place. Visual checks of data is completed within Micromine or Surpac software by company geologists.
	<ul style="list-style-type: none"> Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> No adjustments made to assay data.
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. 	<ul style="list-style-type: none"> Collars: surveyed with GPS with expected relative accuracy of approximately 5m. Downhole: surveyed with in-rod Reflex tool every 40m. Some issues with magnetic units caused significant deviation in azimuth measurements at times downhole.
	<ul style="list-style-type: none"> Specification of the grid system used. 	<ul style="list-style-type: none"> Holes are located in MGA Zone 51.
	<ul style="list-style-type: none"> Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Estimated RLs were assigned during drilling and are to be corrected at a later stage.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. 	<ul style="list-style-type: none"> Holes the subject of this announcement were drilled on a collar spacing of 50m on section, with sections spaced 40m along strike.
	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Mineralisation at Django has not yet been demonstrated to be sufficient in both geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications to be applied.
	<ul style="list-style-type: none"> Whether sample compositing has been applied. 	<ul style="list-style-type: none"> Samples taken on a 1m basis. No Sample composites taken.
Orientation of data in relation to geological	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. 	<ul style="list-style-type: none"> Based on the current information at Django, the section presented here appears to be approximately perpendicular to the strike of the target structure targeted.

Criteria	JORC Code explanation	Commentary
structure	<ul style="list-style-type: none"> <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"> No sampling bias resulting from a structural orientation is known to occur at Django at this stage.
Sample security	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> All samples are selected, cut and bagged in a tied numbered calico bag, grouped into larger polyweave bags and cable tied. Polyweave bags are placed into larger Bulky Bags with a sample submission sheet and tied shut. Consignment note and delivery address details are written on the side of the bag and delivered to McMahon Burnett in Wiluna. The bags are delivered directly to MinAnalytical in Canning Vale, WA who are NATA accredited for compliance with ISO/IEC17025:2005.
Audits or reviews	<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"> Performance meetings held between a DRM and MinAnalytical representative are conducted monthly. QAQC data are reviewed with each assay batch returned, and on regular monthly intervals (trend analysis).

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 licence to operate in the area. 	<ul style="list-style-type: none"> The Django prospect is mostly located within Exploration License E69/2765. Alloy has a 40% interest in the tenement with Doray farming in to a 60% interest. E69/2765 is contained completely within land where the Wiluna People have been determined to hold native title rights. No historical, archaeological, ethnographic or environmentally sensitive sites have been identified in the area of work.
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"> Exploration prior to Alloy in the region was minimal and limited to shallow RAB and air-core drilling completed in the mid – 1990s, all of which had been sampled, assayed, and logged and records held by the Company. This early work, including aeromagnetic data interpretation, was focused on gold and provided anomalous samples which have formed the basis for current exploration.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Django is an Archean aged gold project with common host rocks and structures related to mesothermal orogenic gold mineralisation as found throughout the Yilgarn Craton of Western Australia.
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"> Refer to tabulations in the body of this announcement and previous releases by Alloy Resources and Doray Minerals during 2013 and 2014.
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 	<ul style="list-style-type: none"> No top-cuts have been applied when reporting results. The primary gold determination is reported where any secondary assaying does not differ significantly from the primary. The intervals referred to in this announcement are taken as values > 1m @ 0.2 g/t Au with a maximum of 2m internal dilution (< 0.2 g/t Au). No metal equivalent values are used for reporting exploration results.

Criteria	JORC Code explanation	Commentary
	<i>should be clearly stated.</i>	
Relationship between mineralisation widths and intercept lengths	<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"> • Broad geological and mineralisation features have been interpreted from generally wide spaced drilling sections. Based on the current information at Dusk til Dawn, the sections presented here appears to be approximately perpendicular to the strike of the target structure targeted therefore true widths may potentially be inferred from this section.
Diagrams	<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"> • Refer to body of this announcement.
Balanced reporting	<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 significant intercepts and summary of drill hole assay information are presented in the appendix to this announcement. Representative higher grade intervals have been presented in the section and plan.
Other substantive exploration data	<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"> • All meaningful and material information has been included in the body of the text • No metallurgical assessments have been completed at the date of this report.
Further work	<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"> • Aircore drilling of prospect areas adjacent to Django is planned to commence in the short term.

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 2016

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	(343)	(478)
(b) development	-	-
(c) production	-	-
(d) administration	(124)	(414)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other –	-	-
Net Operating Cash Flows	(464)	(886)
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)	(464)	(886)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(464)	(886)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,320	2,020
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	(88)	(130)
	Net financing cash flows	1,232	1,890
	Net increase (decrease) in cash held	768	1,004
1.20	Cash at beginning of quarter/year to date	497	261
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,265	1,265

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	66
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- \$45,524, (Includes payment of Directors Fees and Superannuation for the period
ii)	Accounting and company secretarial fees paid to Endeavour Corporate an entity related to Mr Kevin Hart - \$20,591. 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	100
Total	450

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	27	30
5.2 Deposits at call	1,238	574
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,265	604

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			
6.2	Interests in mining tenements acquired or increased	E45/4807 E51/1742-1744 E53/1873	0% 0% 100%	100% 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	712,707,646	712,707,646		Fully paid
7.4 Changes during quarter (a) Increases through: Shares Issued	120,000,000	120,000,000		
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 July 2016

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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