



ABN 20 109 361 195

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

Corporate Directory

Directors

Mr Andrew Viner
Mr Kevin Hart
Mr Allan Kelly

Executive Chairman
Non-Executive Director
Non-Executive Director

Company Secretary

Mr Kevin Hart

Principal Office

Level 3
35 Havelock Street
West Perth WA 6005
Telephone: (08) 9322 9903
Mobile: 0419 960 501

Registered Office

Suite 6, 7 The Esplanade
Mt Pleasant, Western Australia 6153
Telephone: (08) 9316 9100
Facsimile: (08) 9315 5475
Website: www.alloyres.com

Auditor

KPMG
235 St George's Terrace
Perth, Western Australia 6000

Share Registry

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross, Western Australia 6153

Stock Exchange Listing

The Company's shares are quoted on the Australian Securities Exchange.
The Home Exchange is Perth, Western Australia.

ASX Code

AYR – Ordinary shares

Contents Page

	Page
Directors' Report	1 - 4
Auditor's Independence Declaration	5
Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income	6
Condensed Consolidated Interim Statement of Financial Position	7
Condensed Consolidated Interim Statement of Changes in Equity	8
Condensed Consolidated Interim Statement of Cash Flows	9
Notes to the Condensed Consolidated Interim Financial Report	10 - 12
Directors' Declaration	13
Independent Auditor's Review Report	14

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 is a shareholder and option holder of Alloy Resources Limited. 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.

The Company confirms that it is not aware of any new information that materially affects the information included in the relevant ASX releases and the form and content of the announcements have not been materially modified. In the case of estimates of Mineral Resources, the Company confirms that all material assumptions and technical parameters underpinning the relevant market announcement, continue to apply and have not materially changed.

Directors' Report

The Directors present their report on Alloy Resources Limited and the entities it controlled at the end of, or during the half-year ended 31 December 2016 and the review report thereon.

Directors

The following persons were directors of Alloy Resources Limited during the entire half-year and up to the date of this report:

Mr Andrew Viner
Mr Kevin Hart
Mr Allan Kelly (Appointed 10 February 2017)
Mr Andre Marschke (Resigned 10 February 2017)

Results of Operations

The consolidated net loss after income tax for the half-year year was \$494,245 (31 December 2015: \$224,314) which includes exploration costs expensed and written off of \$250,364 (31 December 2015: Nil).

Financial Position

At the end of the period the consolidated entity had \$1,527,912 (30 June 2016: \$1,264,343) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure asset is \$3,161,108 (30 June 2016: \$2,408,785).

Review of Exploration

HORSE WELL GOLD PROJECT

The Horse Well Joint Venture with Doray Minerals Limited ('Doray') continued to explore the 1,000 square kilometre Horse Well Project during the period with completion of an extensive 28,000 metre Air-Core drill program focussed on first and second pass geochemical drilling to define new gold anomalies beneath the sand covered northern 'Dawn' prospects area

The Joint Venture has now completed a minimum of \$2 million in exploration expenditure during the 2016 calendar year as part of the final stage three minimum Joint Venture commitment. Future exploration will now be based on programmes and budgets agreed by the Joint Venture Management Committee.

Exploration completed

The second phase of the air-core drilling program saw holes allocated to 800 metre x 160 metre regional first pass drilling of an untested 7.5 kilometre section of the greenstone belt south of the Django prospect to the Pony prospect.

Interpretation of Results.

The first pass drilling across approximately 7.5 kilometres' strike of greenstone belt has been very successful in defining extensive new gold anomalies through the area south of the Django prospect down to historical drilling at the Pony prospect.

In the central portion of the belt at the junction of western metasedimentary rocks with eastern mafic rocks, a large suite of granite has intruded. This junction is also thought to be structural in nature and is interpreted to be the location of the Celia shear and offers significantly more geological complexity suitable for mineralisation than was found at the Django prospect. Gold mineralisation is intimately associated with this junction and two parallel 6 and 7 kilometre long continuous anomalous trends occur in this area. Anomalies are defined as +50 ppb Au due to the very wide spacing of the first pass drilling at 800m x 160m. The presence of the granite intrusives was unexpected and offers a compelling target for gold mineralisation, which may be similar in nature to the Company's Dusk til Dawn prospect. A third anomaly is located to the west and extends over three kilometres along the western contact of a siltstone unit.

Significant results included;

HWAC874, 20m @ 0.27 g/t Au from 56 mdh

HWAC915, 8m @ 0.84 g/t Au from 64 mdh

HWAC995, 4m @ 1.49 g/t Au from 72 mdh

HWAC1039, 8m @ 0.35 g/t Au from 56 mdh

HWAC1053, 4m @ 0.84 g/t Au from 48 mdh

HWAC1144, 28m @ 0.33 g/t Au from 52 mdh

HWAC1153, 4m @ 0.90 g/t Au from 76 mdh

Full results are contained in the Company's ASX release on 16 January 2017.

Planned Exploration

The Joint Venture is currently defining future exploration drilling programmes in the northern area where these new anomalies occur. Infill drilling to 400m x 80m is justified which would be undertaken following heritage clearance of new drill lines and be completed during the June quarter. RC drilling is also anticipated to be required to test the bedrock potential of this zone.

OPHARA COBALT GOLD PROJECT – Broken Hill West – 100%

The Ophara project lies adjacent to the South Australian border west of Broken Hill in New South Wales in an area which is known to have significant Cobalt mineralisation, with large resources defined at the adjacent Mutooroo and Thackaringa deposits.

The Company has an advanced cobalt-gold prospect at the Great Goulburn Prospect. The mineralisation style has similarities to both Mutooroo and Thackaringa Cobalt deposits however it is unique in having low copper and high gold mineralisation associated with the Cobalt.

Interpretation of the available geological and geophysical information suggests that there are numerous poorly tested indications of mineralisation throughout the Exploration Licence that warrants renewed exploration focus on the project area by Alloy.

Exploration Completed

The Company is focused on testing the extent of Cobalt-Gold mineralisation at Great Goulburn. Whilst the exact nature of the mineralisation is poorly understood, the correlation with 'stratabound' magnetite offers an excellent target which can be mapped below soil and thin cover by magnetic surveying. A seventy-five (75) line kilometre ground magnetic survey has been completed to define the trend of the host quartz-magnetite unit within a 6 km by 2km area where aeromagnetic data indicates the unit may continue.

Thirty-five rock chip samples and one-hundred and fifty-one soil samples have been collected from within the ground geophysics grid area. Results are being interpreted and it is likely that new orientation soil samples will be required to understand the effects of the complex and unpredictable regolith in this area.

Planned Activities

The Company believes that the Great Goulburn prospect and the general Exploration Licence area shows very good promise for the discovery of a significant Cobalt –Gold mineralised area at a time of renewed interest in both Cobalt and Gold. The Cobalt grades returned from past drilling are significantly higher than the Thackaringa deposits and are not part of a large low-priority Copper-Gold Resource such as at Mutooroo. The Company has compiled historic data and is now looking closely at the style and characteristics of mineralisation at Great

Goulburn and applying this to interpretation of regional prospectivity of the broader Licence area.

In the short term the Company intends to;

1. Complete orientation soil sampling of the Great Goulburn mineralised outcrop area
2. An initial RC drill program was completed in February in order to assist with defining the extent of shallower Great Goulburn mineralisation.
3. Investigate in detail the potential to use aerial geophysical surveying to locate Great Goulburn style mineralisation with the Project.

PROJECT GENERATION

Alloy Resources Limited project generation activities have been successful in delivering new projects at a low cost through astute application for prospective vacant ground over the last six to twelve months'.

WESTERN AUSTRALIAN PROJECTS

The Company has three large landholdings in highly prospective areas of Western Australia. The Kurnalpi South project has recently been granted and the Yamarna and Telfer West projects are both in the application stage.

KURNALPI SOUTH GOLD PROJECT

The Company is planning to undertake field checking of anomalous areas before planning future field work. An additional Exploration Licence has been applied for in this area.

TELFER WEST

Gold/copper.

No work has been completed on this Tenement as it is currently in the application stage and Native Title Access agreements are being negotiated.

YAMARNA PROJECT

No work has been completed on this Tenement as it is currently in the application stage and Native Title Access agreements are being negotiated.

CORPORATE

During the period the Company held a General Meeting of Shareholders at which approval was given for the issue of 250 million new shares which raised \$1.25 million before costs. Shareholders also approved the issue of 20 million unlisted options exercisable by payment of 1 cent each on or before 19 December 2019 to Hartley's Limited.

On 10th February 2017, Mr Allan Kelly was appointed Non-executive Director and Mr Andre Marschke resigned.

On his appointment, Mr Kelly was allotted 2,000,000 options exercisable at 1.6 cents each, expiring 10 February 2020, pursuant to the terms and conditions of the Alloy Resources Limited Option Incentive Scheme.

Other than the above there has not arisen in the interval between the end of the period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Auditors Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on the following page.

This report is made in accordance with a resolution of the Directors.

DATED at Perth this 15th day of March 2017.

A handwritten signature in black ink, appearing to read 'AViner', followed by a long horizontal flourish.

Andrew Viner
Executive Chairman



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Alloy Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the review for half-year ended 31 December 2016 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG.

KPMG

R Gambitta
Partner

Perth

15 March 2017

**Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive
Income
For the half-year ended 31 December 2016**

	Consolidated	
	31 December 2016 \$	31 December 2015 \$
Note		
Non-executive directors Fees	(20,000)	(16,867)
Depreciation and amortisation	(209)	-
Occupancy expenses	(11,646)	(12,269)
Accounting and administrative expenses	(138,887)	(76,176)
Directors remuneration – Share based payments	(33,891)	-
Employee expenses	(27,311)	(24,679)
Insurance	(6,089)	(6,753)
Other expenses	(8,861)	(7,941)
Project evaluation and generation	(61,735)	(81,488)
Exploration costs written off	(188,629)	-
Results from operating activities	(497,258)	(226,173)
Finance income	3,013	1,859
Loss before income tax	(494,245)	(224,314)
Income tax expense	-	-
Loss for the period	(494,245)	(224,314)
Other comprehensive income for the period	-	-
Total comprehensive profit/(loss) for the period	(494,245)	(224,314)
Earnings per share:		
Loss per share	(0.07) cents	(0.04) cents
Diluted loss per share	(0.07) cents	(0.04) cents

The above condensed consolidated interim statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

**Condensed Consolidated Interim Statement of Financial Position
As at 31 December 2016**

		Consolidated	
		31	30
		December	June
		2016	2016
		\$	\$
Current assets			
Cash and cash equivalents		1,527,912	1,264,343
Trade and other receivables		10,079	4,307
Other current assets		6,049	7,814
Total current assets		1,544,040	1,276,464
Non-current assets			
Plant and equipment		4,341	-
Formation expenses		669	669
Capitalised mineral exploration and evaluation expenditure	3	3,161,108	2,408,785
Total non-current assets		3,166,318	2,409,454
Total assets		4,710,158	3,685,918
Current liabilities			
Trade and other payables		344,580	54,796
Provisions		39,939	35,281
Total current liabilities		384,519	90,077
Total liabilities		384,519	90,077
Net assets		4,325,639	3,595,841
Equity			
Issued capital	4	17,477,602	16,287,450
Accumulated losses		(13,191,854)	(12,748,493)
Reserves		39,981	56,884
Total equity		4,325,639	3,595,841

The above condensed consolidated interim statement of financial position should be read in conjunction with the accompanying notes.

**Condensed Consolidated Interim Statement of Changes in Equity
For the half-year ended 31 December 2016**

Consolidated	Share Capital	Accumulated losses	Equity Remuneration Reserve	Total
	\$	\$	\$	\$
Balance as at 1 July 2016	16,287,450	(12,748,493)	56,884	3,595,841
Profit/(loss) for the period	-	(494,245)	33,891	(460,354)
Other comprehensive income for the period				
Total comprehensive loss for the period	-	(494,245)	33,891	(460,354)
Transfer from equity remuneration reserve	-	50,884	(50,884)	-
Transactions with equity holders in their capacity as equity holders:				
Issue of shares	1,280,000	-	-	1,280,000
Transaction costs of equity issued	(89,848)	-	-	(89,848)
Balance as at 31 December 2016	17,477,602	(13,191,854)	39,891	4,325,639

Consolidated	Share Capital	Accumulated losses	Equity Remuneration Reserve	Total
	\$	\$	\$	\$
Balance as at 1 July 2015	14,402,291	(12,255,138)	111,402	2,258,555
Loss for the period	-	(224,314)	-	(224,314)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	(224,314)	-	(224,314)
Transfer in equity remuneration reserve	-	54,517	(54,517)	-
Share based payment expense				
Transactions with equity holders in their capacity as equity holders:				
Issue of shares	700,000	-	-	700,000
Transaction costs of equity issued	(42,181)	-	-	(42,181)
Balance as at 31 December 2015	15,060,110	(12,424,935)	56,885	2,692,060

The above condensed consolidated interim statement of changes in equity should be read in conjunction with the accompanying notes.

Condensed Consolidated Interim Statement of Cash Flows
For the half-year ended 31 December 2016

	Consolidated	
	31	31
	December	December
	2016	2015
	\$	\$
Cash flows from operating activities		
Interest received	3,013	1,859
Payments to suppliers and employees	(174,392)	(202,169)
Net cash used in operating activities	(171,379)	(200,310)
Cash flows from investing activities		
Payments for exploration and evaluation	(799,304)	(114,952)
Net cash used in investing activities	(799,304)	(114,952)
Cash flows from financing activities		
Payment for the purchase of plant and equipment	(4,550)	-
Proceeds from issue of shares and shares to be issued	1,250,000	700,000
Payments for share issue costs	(11,198)	(42,181)
Net cash provided by financing activities	1,234,252	657,819
Net increase in cash held	263,569	342,557
Cash and cash equivalents at the beginning of the period	1,264,343	261,282
Cash and cash equivalents at the end of the period	1,527,912	603,839

The above condensed consolidated interim statement of cash flows should be read in conjunction with the accompanying notes.

**Notes to the Condensed Consolidated Interim Financial Report
For the half-year ended 31 December 2016**

Note 1 Summary of significant accounting policies

(a) Reporting entity

Alloy Resources Limited (the “Company”) is a company domiciled in Australia. The condensed consolidated interim financial report of the Company as at and for the half year ended 31 December 2016 comprises the Company and its subsidiaries (together referred to as the “consolidated entity”).

The consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2016 is available upon request from the Company’s registered office at Suite 6, 7 The Esplanade, Mt Pleasant, Perth or at www.alloyres.com.

(b) Statement of compliance

The condensed consolidated interim financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 ‘Interim Financial Reporting’, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (‘AASB’). Compliance with AASB 134 ensures compliance with IAS 34 ‘Interim Financial Reporting’.

This condensed consolidated interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as complete an understanding of the financial performance, financial position and cash flows of the Company as the annual financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2016 and any public announcements made by the consolidated entity during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The condensed consolidated interim financial report was approved by the Board of Directors on 15th March 2017.

(c) Going concern

The directors have prepared the financial statements on a going concern basis which contemplates the realisation of assets and the payment of liabilities in the normal course of business. The Group has no debt obligations. The Group has a working capital surplus of \$1,159,521 as at 31 December 2016 and received net cash inflows of \$263,569 for the financial year (including net proceeds from share issues of \$1,238,802). The Group incurred a loss for the year of \$494,245.

The directors have reviewed the Group’s financial position and forecast cash flows and have assessed that the Group will be required to raise additional funds by way of issuing equity to continue its exploration program as forecast. The directors reasonably expect that the Group will be able to raise additional funds as required to meet future costs associated with its operating and exploration activities for at least the next 12 months but is able to curtail expenditure if required. The directors are therefore of the opinion that the use of the going concern basis is appropriate in the circumstances.

**Notes to the Condensed Consolidated Interim Financial Report
For the half-year ended 31 December 2016**

(d) Significant accounting policies

Except as described below, the accounting policies applied by the Group in the condensed consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2016.

(e) Estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. In preparing this consolidated interim financial report, the significant judgements made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2016.

Note 2 Dividends

No dividends were paid or proposed during the half year ended 31 December 2016. The Company has no franking credits available as at 31 December 2016.

Note 3 Capitalised mineral exploration and evaluation expenditure

	Dec 2016	June 2016
<i>In the exploration and evaluation phase</i>	\$	\$
Cost brought forward	2,408,785	2,142,720
Exploration expenditure incurred during the year	140,858	220,038
Contributions to Horsewell Joint Venture	800,094	248,197
Exploration expenditure written off during the period	(188,629)	(202,170)
Cost carried forward	<u>3,161,108</u>	<u>2,408,785</u>

The recoverability of the carrying amount of the capitalised exploration and evaluation assets is dependent upon the successful development and commercial exploitation or alternatively sale of the respective areas of interest.

Exploration expenditure written off during the period of \$188,629 pertained mainly to the Martin's Well project.

Note 4 Contributed equity

		Company			
		31 December 2016		31 December 2015	
		No.	\$	No.	\$
Issued share capital		996,993,360	17,477,602	592,707,646	15,060,110
<i>Share movements during the period</i>					
At the beginning of the period		712,707,646	16,287,450	492,707,646	14,402,291
Placement	\$0.005	250,000,000	1,250,000	-	-
Provision of marketing services	\$0.007	4,285,714	30,000	-	-
Placement	\$0.007	-	-	100,000,000	700,000
Capital raising costs		-	(89,848)	-	(42,181)
At the end of the period		<u>966,993,360</u>	<u>17,477,602</u>	<u>592,707,646</u>	<u>15,060,110</u>

**Notes to the Condensed Consolidated Interim Financial Report
For the half-year ended 31 December 2016**

Note 5 Options

On 30 November 2016, 7,000,000 unlisted options exercisable at 1.5 cents expired unexercised. On 29 November 2016 7,000,000 unlisted options exercisable at 1.6 cents were issued to Directors pursuant to shareholder approval at the AGM held on 25 November 2016. On 25 November 2016, 20,000,000 unlisted options exercisable at 1 cent, expiring on 19 December 2019 were issued as part of the placement announced to ASX on 8 November 2016.

Note 6 Segment information

The Group has identified its operating segments based on the internal reports that are reviewed by the Board in assessing performance and determining the appropriate allocation of the Group's resources. The Group also has had regard to the qualitative thresholds for the determination of operating segments.

For management purposes the Group is organised into one operating segment, which involves mineral exploration and development in Australia. The Group's principle activities are interrelated and the Group has revenue from a farm-in on the Company's main exploration asset.

All significant operating decisions are based upon analysis of the Company as one segment. The financial results of this segment are equivalent to the financial statements of the Company as a whole.

The accounting policies applied for internal reporting purposes are consistent with those applied in preparation of the financial statements

Note 7 Events occurring after the balance sheet date

On 10th February 2017, Mr Allan Kelly was appointed Non-executive Director and Mr Andre Marschke resigned.

On his appointment, Mr Kelly was allotted 2,000,000 options exercisable at 1.6 cents each, expiring 10 February 2020, pursuant to the terms and conditions of the Alloy Resources Limited Option Incentive Scheme.

Other than the above there has not arisen in the interval between the end of the period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Directors' Declaration

In the opinion of the Directors of Alloy Resources Limited ("the Company")

- (a) the financial statements and notes set out on pages 6 to 12 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards and the Corporations Regulations 2001 and AASB 134 Interim Financial Reporting, and
 - (ii) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2016 and of its performance, for the half-year ended on that date; and
- (b) as set out in Note 1(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

Signed at Perth this 15th day of March 2017.

A handwritten signature in black ink, appearing to read 'AViner', with a long horizontal flourish extending to the right.

Andrew Viner
Executive Chairman



Independent auditor's review report to the members of Alloy Resources Limited

We have reviewed the accompanying interim financial report of Alloy Resources Limited, which comprises the condensed consolidated interim statement of financial position as at 31 December 2016, condensed consolidated interim statement of profit and loss and other comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the interim period ended on that date, notes 1 to 7 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Alloy Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Alloy Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the interim period ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG.

KPMG

R Gambitta
Partner

Perth

15 March 2017