

17 May 2017

ASX Compliance Pty Ltd
Level 40, Central Park
152-158 St George's Terrace
PERTH WA 6000

Attention: Anjuli Sinniah

Dear Anjuli,

We refer to your letter dated 15 May 2017 and respond as follows.

1. Alloy Resources Limited ('Alloy or the Company') does not consider the results included in Table 1 Geotem target rock chip samples included in the March Quarterly Review of Activities being information that a reasonable person would expect to have a material effect on the price or value of the securities.
2. The limited number of rock chip and soil sample results included in Table 1 whilst noteworthy, primarily provided corroborative information supporting the Company's decision to undertake a detailed electromagnetic (EM) survey over the Ophara Project area. The planned EM survey was communicated in the March Quarterly Review of Activities.
3. Not Applicable
4. Not applicable
5. The Company confirms that it is compliance with its obligations under the Listing Rules and, in particular Listing Rule 3.1.
6. The company confirms that the responses above have been authorised and approved by its Board.

Yours faithfully



Kevin Hart
Company Secretary



15 May 2017

Mr Kevin Hart
Company Secretary
Endeavour Corporate
Suite 8, 7 The Esplanade
MT PLEASANT WA 6153

By email: kevinh@endeavourcorp.com.au

Dear Mr Hart

Alloy Resources Limited (“AYR”): aware query

ASX Limited (“ASX”) refers to the following:

- A. AYR’s announcement entitled “Quarterly Activities Report” lodged on the ASX Market Announcements Platform and released at 6:43 pm (AEST) on 27 April 2017 (the “Announcement”), disclosing AYR’s activities for the quarter ended 31 March 2017. The Announcement discloses exploration results in relation to GEOTEM target rock chip samples from the Great Goulburn prospects (“Exploration Results”).
- B. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities.
- C. The definition of “aware” in Chapter 19 of the Listing Rules, which states that:

“an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity”

and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information”*.

- D. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*

- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed."*

E. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Having regard to the above, ASX asks AYR to respond separately to each of the following questions and requests for information:

1. Does AYR consider the Exploration Results to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view.
3. If the answer to question 1 is "yes", when did AYR first become aware of the Exploration Results, or any part thereof?
4. If the answer to question 1 is "yes" and AYR first became aware of the Exploration Results, or any part thereof, before 27 April 2017, being the date of the Announcement, did AYR make any announcement prior to the Announcement which disclosed the Exploration Results? If so, please provide details. If not, please explain why the Exploration Results were not released to the market at an earlier time, commenting specifically on when you believe AYR was obliged to release the Exploration Results under Listing Rules 3.1 and 3.1A and what steps AYR took to ensure that the information was released promptly and without delay.
5. Please confirm that AYR is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that AYR's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of AYR with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, **by not later than half an hour before the start of trading (ie before 7.30am AWST) on Thursday 18 May 2017**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in AYR's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, AYR's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at anjuli.sinniah@asx.com.au and tradinghaltspert@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to AYR's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that AYR's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in AYR's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Anjuli Sinniah
Adviser, Listings Compliance (Perth)