ALLOY
RESOURCES LIMITED

2017
Annual Report

Corporate Directory

Directors

Mr Andrew Viner	Executive Chairman
Mr Kevin Hart	Non-Executive Director
Mr Allan Kelly	Non-Executive Director

Company Secretary
Mr Kevin Hart

Principal Office
Level 3, 35-37 Havelock Street
West Perth WA 6005

Registered Office
Suite 8, 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
Telephone: (08) 9315 2333
Facsimile: (08) 9315 2233

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

Corporate Governance
The Company has adopted the 3rd Edition of the ASX Corporate Governance Recommendations.

A summary statement which has been approved by the Board together with current policies and charters is available on the Company website at: http://www.alloyres.com/profile/corporate-governance

Contents

Chairman's Letter

Dear Fellow Shareholders,

It was a challenging year for Alloy Resources Limited (Alloy or the Company) with fluctuating levels of market support for junior resource companies as investment trends constantly changed. It was once again a time where gold prices were maintained and market interest in new technology mineral commodities such as Lithium and Cobalt continued. Of course, your Company has strong projects for these commodities which we believe will hold it in good stead as the coming year unfolds.

During the 2017 financial year our Horse Well Joint Venture with Doray Minerals completed the $2 million third stage of exploration expenditure with Alloy contributing its 40% share. This project continues to show strong potential following initial regional air-core drill testing of over seven kilometres of untested greenstone belt during the second half of 2016. This work has yielded three trends of anomalous gold in wide spaced drill holes.

We continue to believe there is a strong chance to define a major gold system at Horse Well which has the potential to yield a new stand-alone gold Project, and we await Doray, as manager of the joint venture, recommencing exploration following their short term decision to temporarily curtail regional project exploration expenditure within that company's exploration portfolio.

The Company has also been actively looking for new projects that can add value for shareholders and it has been exciting to commence exploration on the Ophara Cobalt-Gold project located near Broken Hill in New South Wales during the year.

The Ophara project is superbly located adjacent to two of the largest Cobalt deposits in Australia, and has had very little modern exploration. The project contains strong evidence of cobalt-gold mineralisation at the Great Goulburn prospect where we drilled some RC drill holes to confirm iron-sulphide hosted mineralisation. Our review of past exploration and regional geology and geophysics has led us to believe that this largely sand covered project may be hiding large areas of cobalt-gold-copper mineralisation.

The Company decided that a large helicopter-borne electro-magnetic survey (VTEM) was the most effective way to target the best iron-sulphide targets for drilling. This method is also more likely to locate conductors with copper + gold + cobalt which would be highly valuable. Following a wait for land access during sheep lambing season the VTEM survey was completed towards the end of September 2017 and the results have exceeded expectations, with 10 new conductors much larger and stronger than the known Great Goulburn sulphide conductor. These targets are easily tested by RC drilling and a program is planned for completion in November 2017.

The Company is very confident that its projects have the right geological signs and highly valuable mineralisation may be found through cost effective exploration that is planned for the coming year.

I would also like to take the time to thank our retired Director Andre Marschke who provided wise counsel and was instrumental in encouraging our move into battery technology commodities. His replacement Allan Kelly is a tremendous addition to the Board and his experience will be invaluable as we bring new discoveries to the market in the coming period.

Thank you for your continued support and we look forward in anticipation of the results to flow from our high-quality projects.

Andy Viner
Executive Chairman

Review of Operations

Horse Well Gold Project (Alloy 40% contributing)

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.

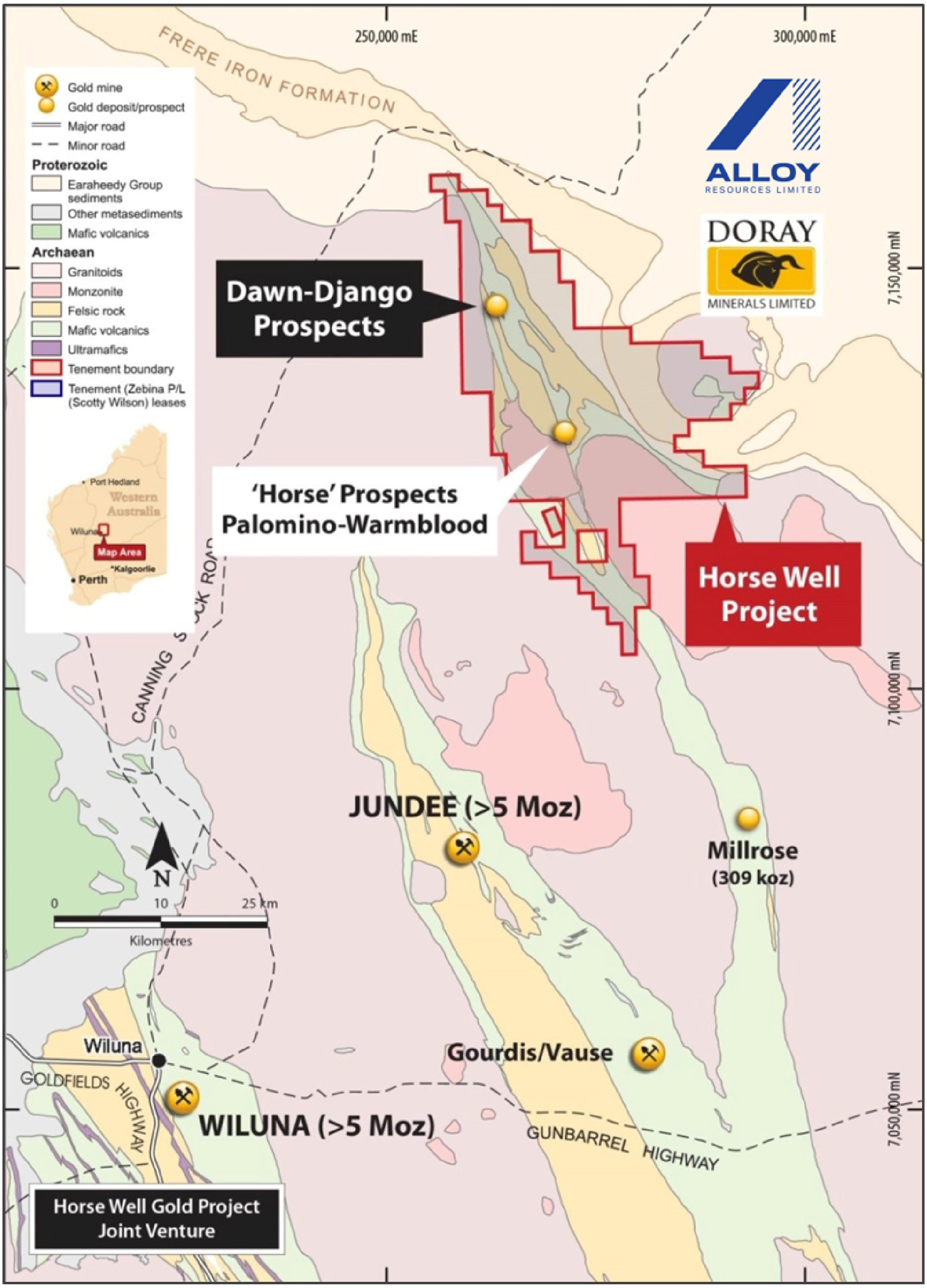

Figure 1: Horse Well location on regional geology

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.

The principal prospects are shown on Figure 2 below and those prospects with Mineral Resources are listed in the Statement at the end of this Report.

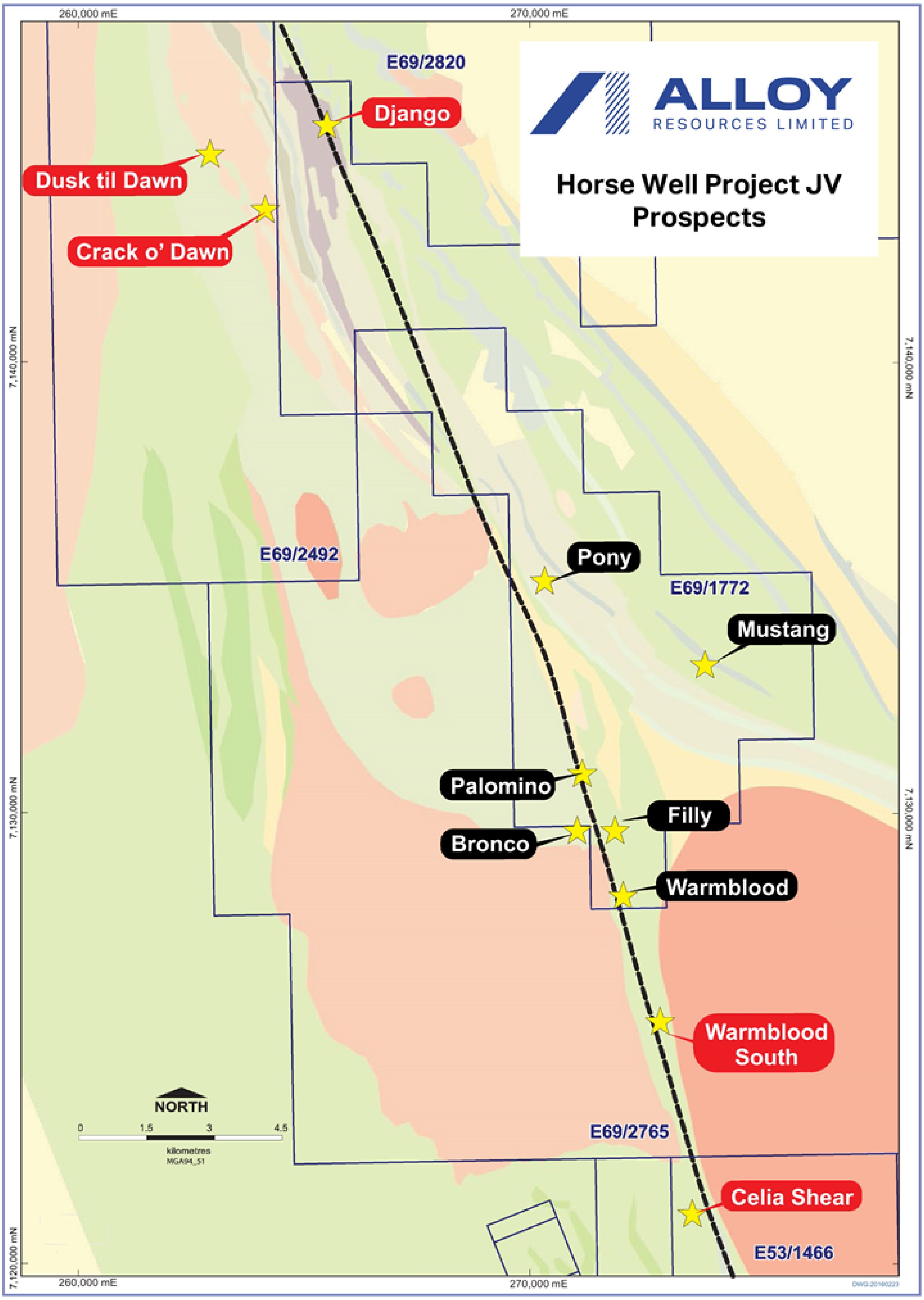

Figure 2: Horse Well prospect locations on interpreted project geology

Completed Exploration

Regional air core drilling

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. 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 (Figure 3). Anomalies are defined as +50 ppb Au due to the very wide spacing of the first pass drilling at 800m x 160m.

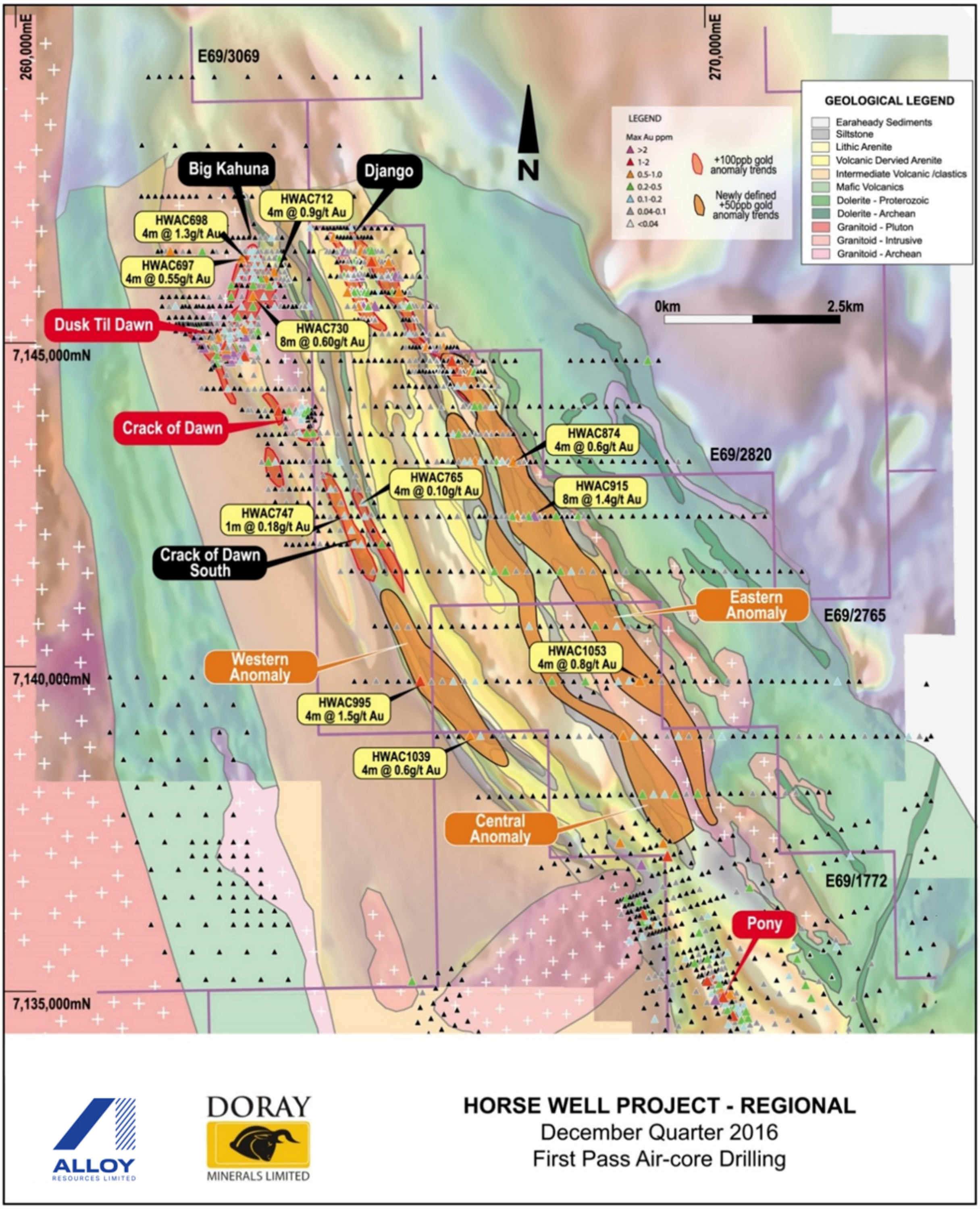

Figure 3: Completed drilling and anomalous trends in the Dawn prospects area on geology

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
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- HWAC1144 28m @ 0.33 g/t Au, from 52 mdh
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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. RC drilling is also anticipated to be required to test the bedrock potential of this zone. The Manager did not complete any field activities during the March and June quarters apart from minor rehabilitation work.

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 and is held in two Exploration Licences totalling 314 square kilometres. The area is known to have significant Cobalt mineralisation, with large resources defined at the adjacent Mutooroo (17,500 tonnes Co) and Thackaringa (50,000 tonnes Co) deposits as shown on Figure 4.

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.

Completed Exploration

The Company has initially been focused on testing the extent of Cobalt-Gold mineralisation at Great Goulburn and defining the nature of the mineralisation. In addition, an extensive compilation of available public data has been gathered and stored in a Geographic Information System. At Great Goulburn 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 from soil sampling are interpreted as affected by the complex and unpredictable regolith in this area and hence may not be an accurate exploration method.

RC drilling of the main mineralised area was completed in February 2017, with 12 new holes and a total of 809 samples analysed for multi-elements. The drilling confirmed extensive cobalt-gold mineralisation at the Great Goulburn prospect associated with wide sulphide alteration zones (shown on Figures 5 and 6). Results included:

- AORC002 15m @ 0.12% Co and 0.30 g/t Au, from 66 – 81 metres
- AORC004 12m @ 0.15 % Co and 0.29 g/t Au, from 57 – 69 metres
- AORC012 19m @ 0.1 % Co and 0.27 g/t Au, from 92 – 111 metres

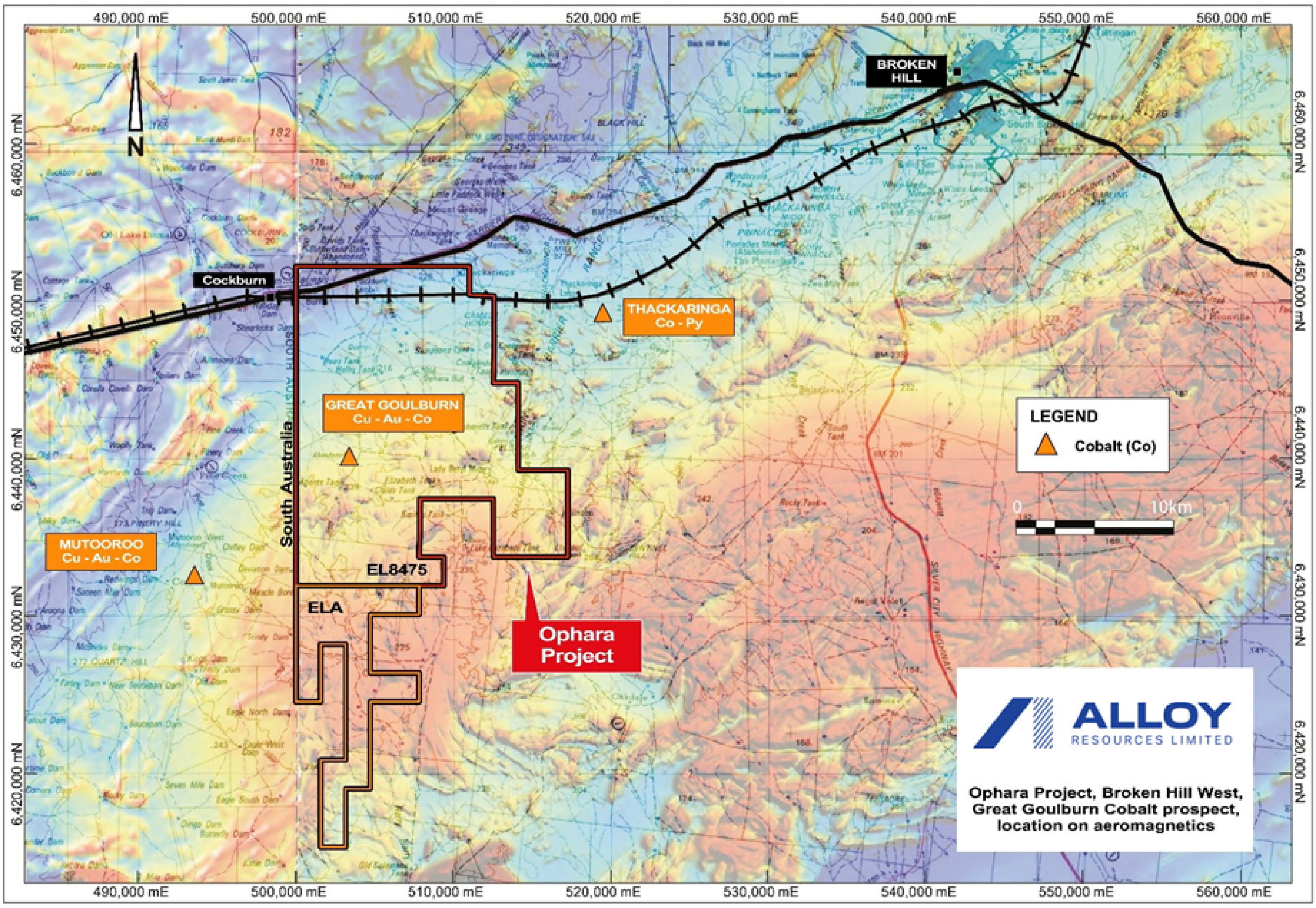

Figure 4: Ophara EL 8475 and ELA 5438 location on aeromagnetics showing Cobalt deposits

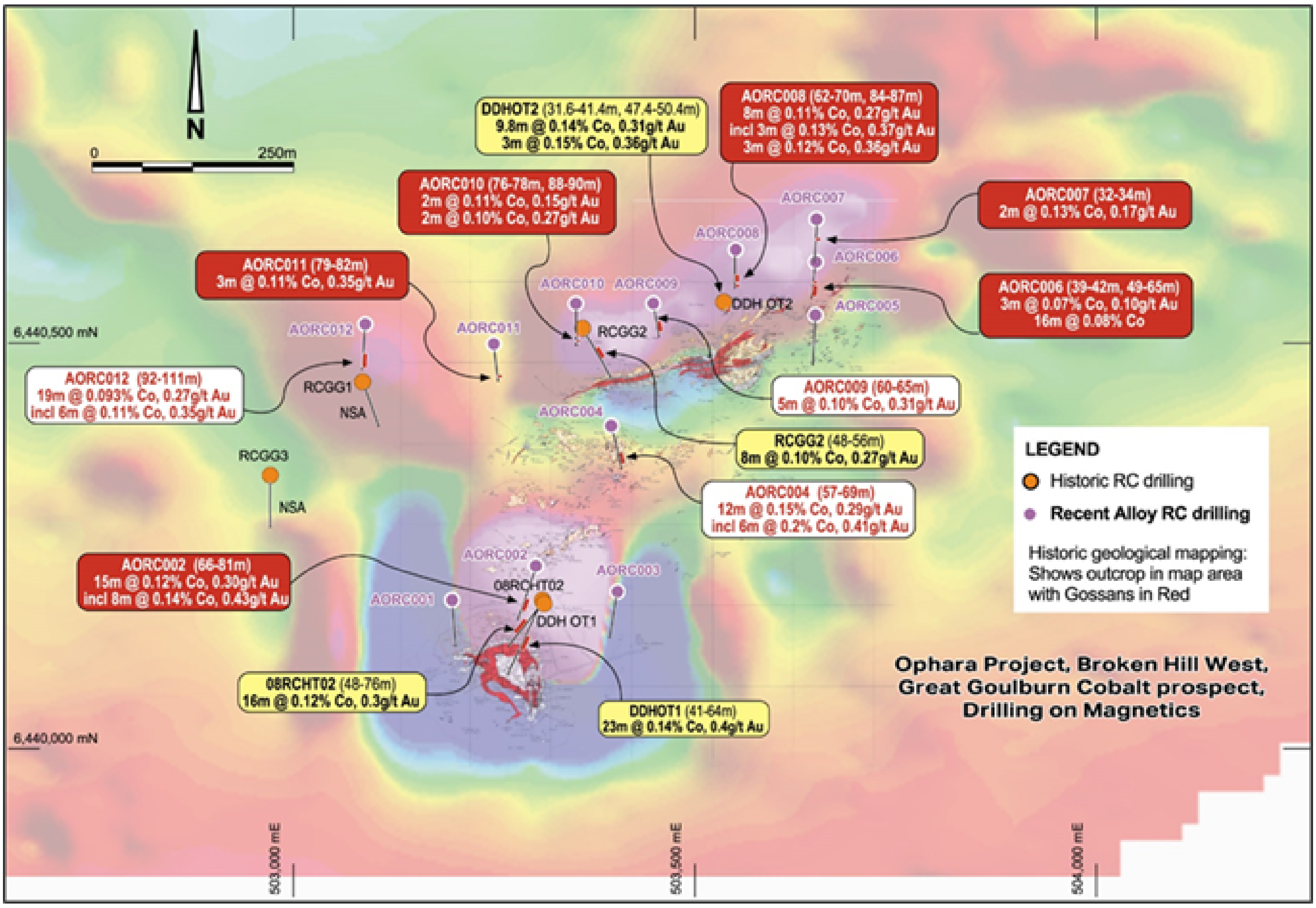

Figure 5: RC drill hole locations with assays on an image of November 2016 ground magnetic survey and outcrop mapping

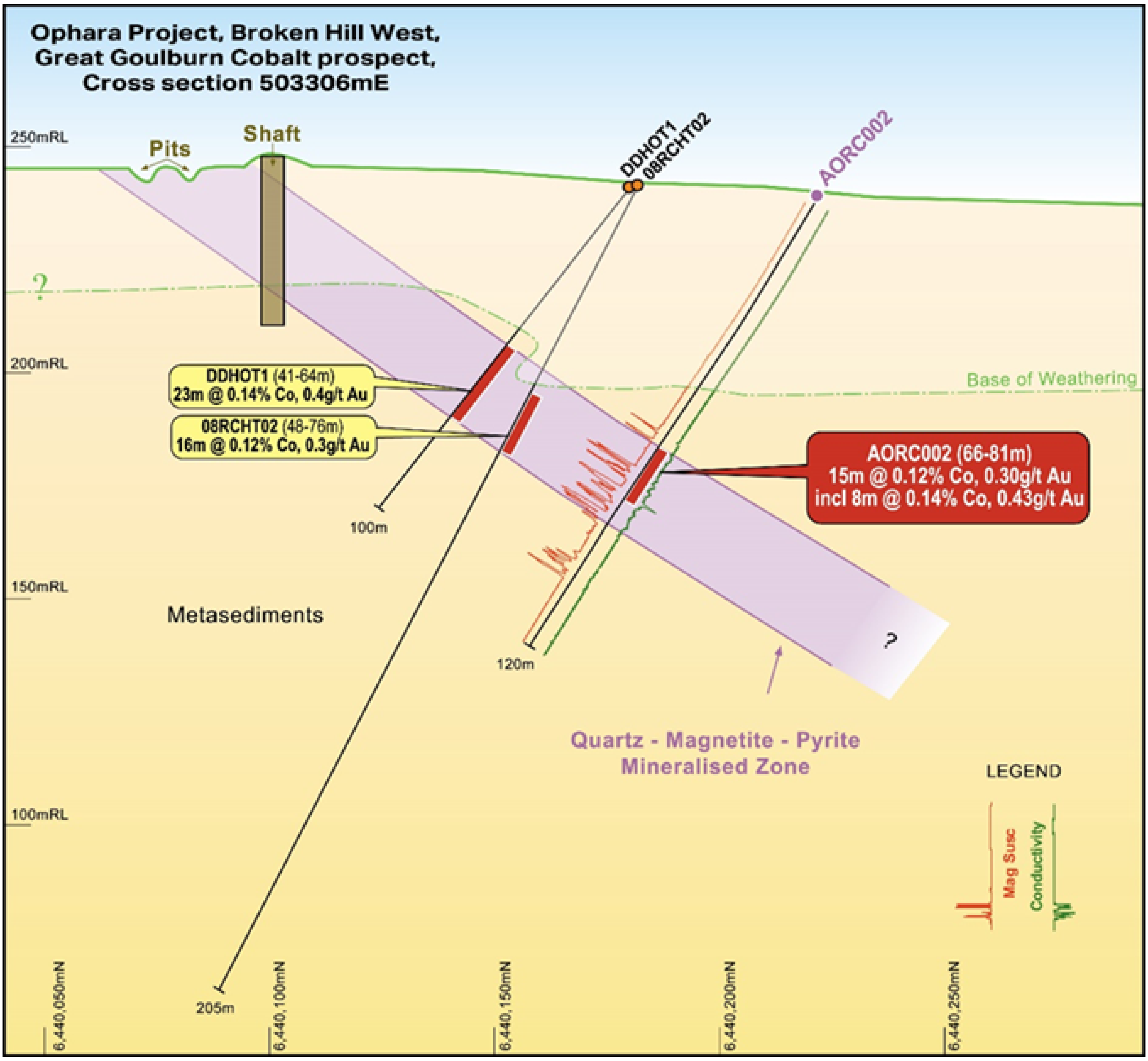

Figure 6: AORC002 drill hole cross-section at Great Goulburn

The regional review highlighted historical aerial EM surveying that indicates sulphide conductors like Great Goulburn may be very extensive within the area of the Exploration Licence (Figure 7). Field inspection of probable EM anomalies indicated a severe lack of outcrop, although some encouraging signs of mineralisation from rock chip sampling of isolated outcrop were located.

Recent Activities

The geological controls on Great Goulburn mineralisation is not entirely clear however there are strong indications that it is epigenetic in nature and associated with introduction of iron-sulphide-rich fluids into host rocks that are of a similar age to the adjacent Thackaringa and Mutooroo deposits. Geophysical techniques appear to be the best technique to locate mineralisation as Great Goulburn is a moderate to strong magnetic and electro-magnetic response in aerial and ground surveys completed. The best technique where modern methods can more accurately define targets is detailed aerial electro-magnetic (EM) surveying, and the Company decided that a new EM survey is the most effective method to quickly vector in to the strongest targets for extensive mineralisation. A helicopter-borne VTEM survey has been planned covering 102 square kilometres of the EL (shown on Figure 7). The survey is complete at the time of writing, and following processing and interpretation of the survey, 10 strong new conductors have been defined and drill testing is being planned for the December quarter to define cobalt-gold-copper mineralisation (Figures 8 and 9). The Conductors are regarded as very attractive and can be easily tested by relatively shallow RC drilling.

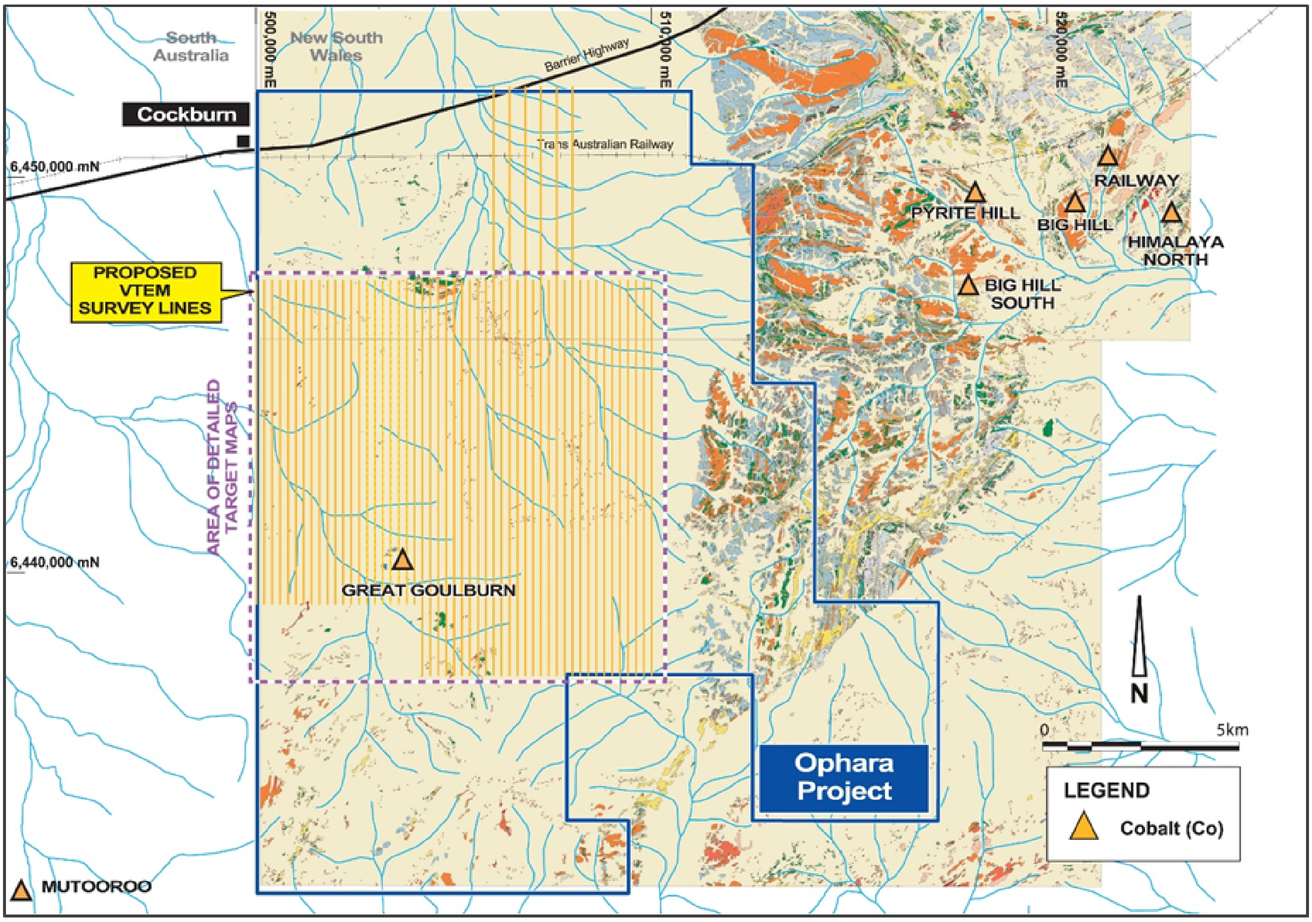

Figure 7: Ophara Project planned VTEM survey area.

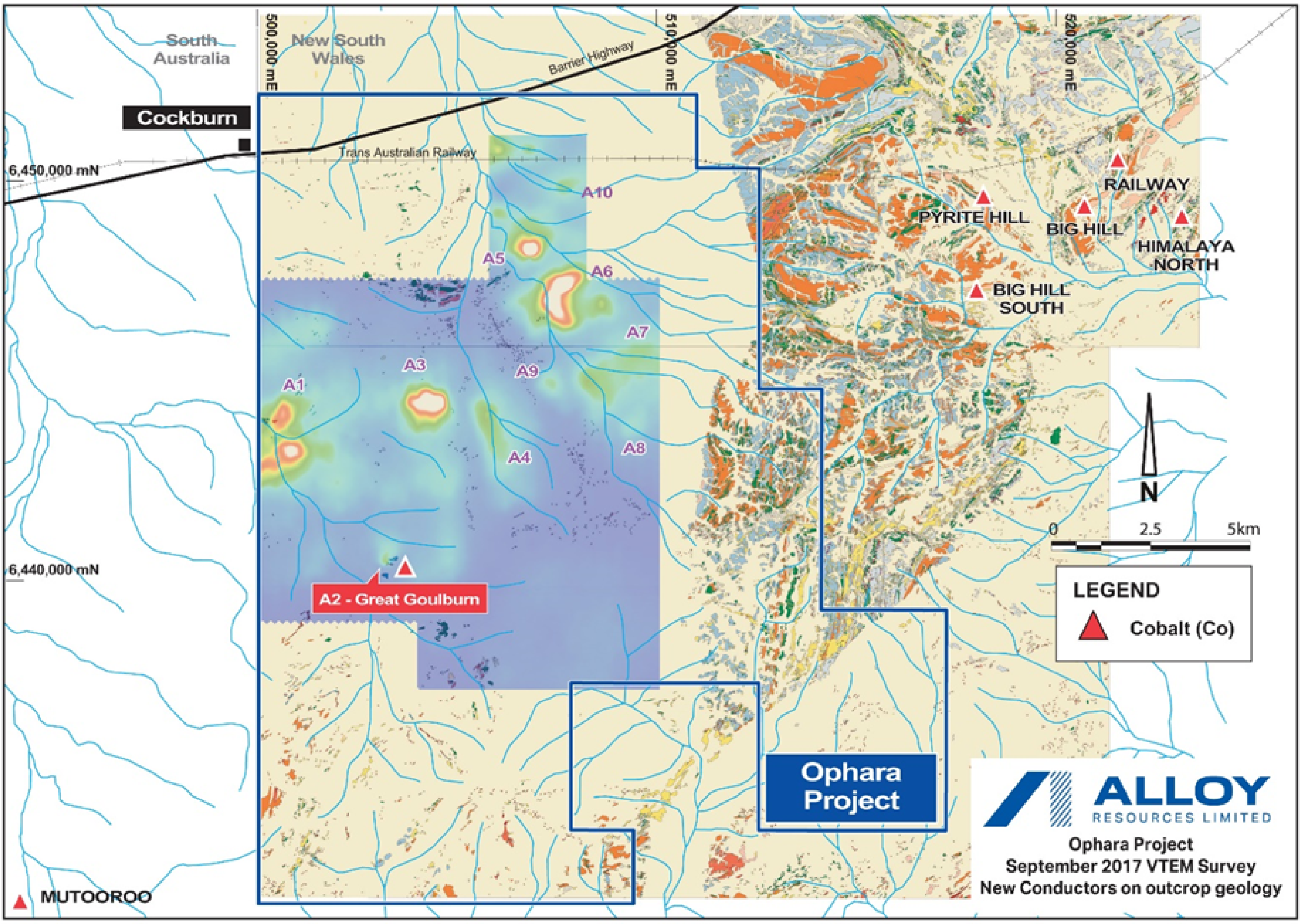

Figure 8: Ophara Project VTEM conductors from late time channel 45 L

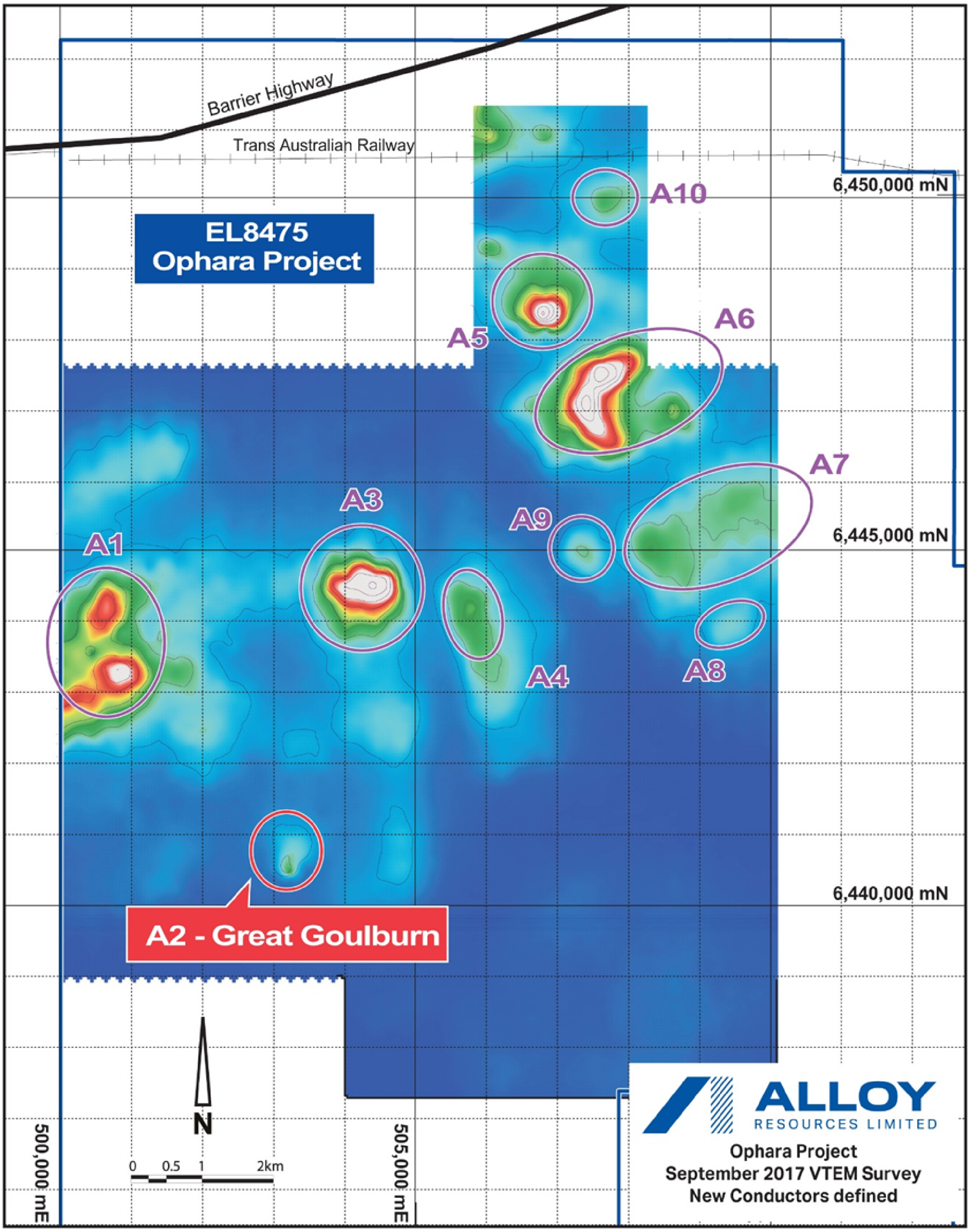

Figure 9: Ophara Project VTEM conductors from late time channel 45 L - Detailed view

Barrytown (20%)

The Barrytown Mineral Sands Project is being operated by partner Pacific Mineral Resources Limited (PMRL). PMRL is exploring the project for valuable mineral sands products and Alloy is free carried until completion of a Pre-feasibility Study.

The Company has an Option Agreement with PMRL whereby the can purchase the Company's 20% interest for $200,000 prior to 27 March 2018 and this may be extended for a further 6 months through payment of a further non-refundable payment of AUD 35,000.

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 (as detailed in Quarterly Reports during the last Financial Year).

Western Australian Projects

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

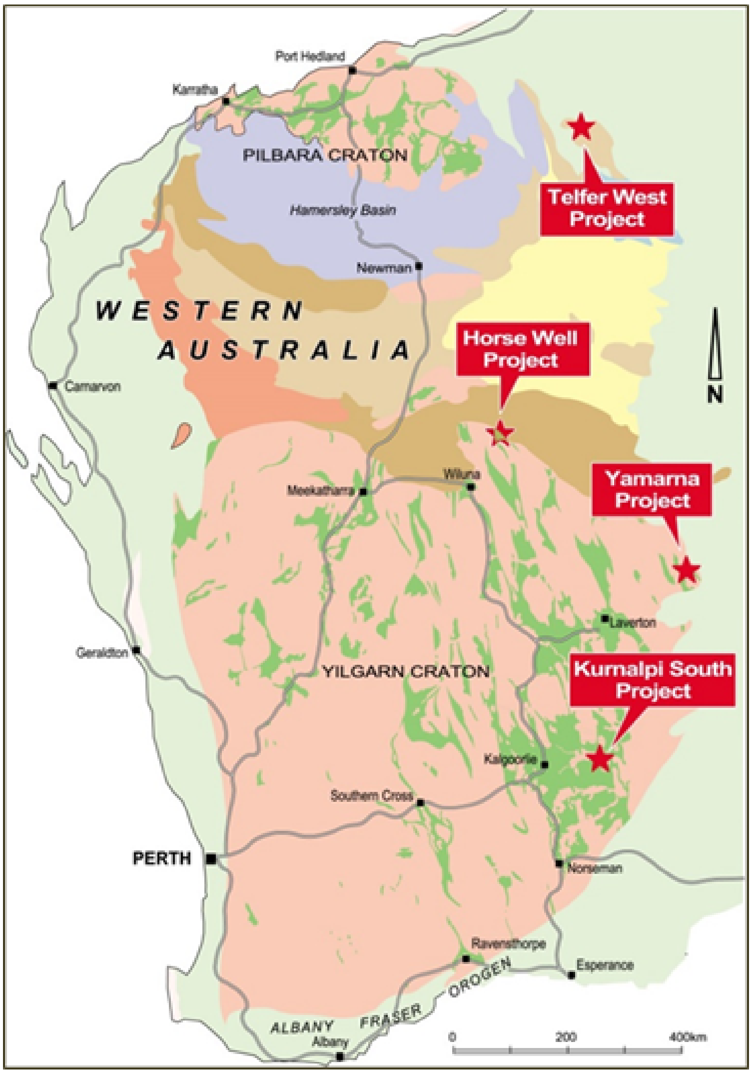

Figure 8: Western Australian Project locations on state geology

Kurnalpi South Gold Project

The Company is planning to undertake field checking of anomalous areas and some infill soil sampling. 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 Native Title Access agreement negotiation.

Kambalda Area

A number of small Exploration Licences have been accumulated in this area located to the south and west of the St Ives Mining Centre.

Annual Mineral Resource Statement

The Company's Annual 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.

Horse Well has an Inferred Resource of 846,000 tonnes at a grade of 2.76g/t for 75,100 ounces as defined in Table 1 below.

Table 1: Horse Well Inferred Resource

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:

i. All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.
ii. 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.
iii. Resources have been defined in an A$1,800 per ounce Whittle optimal shell.
iv. The Inferred Resource has been estimated using appropriate high grade cuts, minimum mining widths and dilutions (see Table 1, Section 3 ASX Release for details).
v. There has been no change in the Company's mineral resources from the previous year.

Competent Persons Statement

The Mineral Resources Statement is based on, and fairly represents, information and supporting documentation prepared by the respective competent persons named below.

The information in this Mineral Resource Statement as a whole has been approved by Mr 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 Annual Report in the form and context in which it appears.

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

Mineral Resources

The resources in this release are based on work carried out by Dr. S. Carras FAusIMM of Carras Mining Pty Ltd. Dr. Carras has 35 years of 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 "Australian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves" and consents to the inclusion in this report of the information in the form and context in which it appears.

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 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 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 that the form and context in which the Competent Person's findings are presented have not materially changed from the original market announcement.

Schedule of Tenements

Project	Location	Tenement
Horse Well		
Eskay Resources Pty Ltd 100%	WA	E69/1772
Doray Minerals Limited - Granted	WA	E53/1466
Doray Minerals Limited - Granted	WA	E53/1471
Doray Minerals Limited - Granted	WA	P53/1524
Doray Minerals Limited - Granted	WA	P53/1525
Doray Minerals Limited - Granted	WA	P53/1526
Doray Minerals Limited - Granted	WA	E69/2765
Doray Minerals Limited - Granted	WA	E69/3069
Doray Minerals Limited - Granted	WA	E69/2492
^ *Awaiting transfer of interest*		
Doray Minerals Limited - Granted	WA	E69/2820
+ *subject to Doray farmin Agreement – Doray have earned 60%*		
* *Phosphate Australia retain 20% free- carried to BFS*		
^ *Wayne Jones NSR*		
Millrose		
Alloy Resources Limited - Granted	WA	E53/1873
Telfer		
Alloy Resources Limited – Application	WA	E45/4807
Barrytown Mineral Sands Project		
Alloy Resources Limited – Granted	NZ	EL 51803
** *Subject to farm-out and Sale Agreement to Pacific Mineral Resources*		
Martins Well		
Alloy Resources Limited – Granted	SA	EL 5577
# *Subject to 90% earn-in Agreement*		
Kurnalpi South		
Alloy Resources Limited – Granted	WA	E28/2599
Alloy Resources Limited - Application	WA	E28/2665
Mt Goddard - Kambalda		
Alloy Resources Limited – Granted	WA	E15/1506
Madoonia Downs - Kambalda		
Alloy Resources Limited – Application	WA	E15/1544
Alloy Resources Limited – Withdrawn	WA	E15/1545
Alloy Resources Limited – Application	WA	E15/1546
Lake Cowan - Kambalda		
Alloy Resources Limited – Application	WA	E15/1575
Yamarna		
Alloy Resources Limited - Granted	WA	E38/3096
Ophara – Broken Hill West		
Alloy Minerals Limited - Application	NSW	ELA5438
Alloy Minerals Limited - Granted	NSW	EL8475

Directors' Report

The Directors present their report on Alloy Resources Limited and the entities it controlled at the end of, or during the year ended 30 June 2017 and the auditor's report thereon.

Directors

The names and details of the Directors of Alloy Resources Limited during the financial year and until the date of this report are:

Andrew Viner / Executive Chairman

Appointed a Director on 21 June 2011, Appointed Executive Chairman 1 July 2014

Andy is a geologist with over 30 years technical, managerial and corporate experience in mineral exploration and development. During his career he has generated and managed projects for a number of commodities, with a particular focus on precious metals, in Australia, Asia and South America. Andy was founding Managing Director of Jackson Gold Limited from 2002 to 2007 and Executive Director of Matsa Resources Limited from 2008 to 2010. He is a member of the Australian Institute of Mining and Metallurgy and the Institute of Company Directors.

Kevin Hart / Non-executive Director and Company Secretary

Appointed a Director on 2 June 2004

Kevin holds a Bachelor of Commerce Degree and is a Chartered Accountant. He is a Partner at Endeavour Corporate Pty Ltd, an advisory firm that specialises in the provision of Company Secretarial services to ASX listed entities. Kevin has over 30 years of professional experience with various public companies, mostly in the exploration and mining industry. Kevin is also a former director of Gold Road Resources Limited from May 2007 to June 2013.

Allan Kelly / Non-executive Director

Appointed a Director on 10 February 2017

Mr Kelly has over 25 years' experience in mineral exploration geology, geochemistry and project management throughout Australia and the Americas, as well as general management experience in the resources, tourism, manufacturing and hospitality sectors. In 2019 Mr Kelly founded Doray Minerals Limited which listed on the ASX in early 2010. He was managing director of Doray Minerals Limited until his resignation in November 2016. Mr Kelly is a former Councillor of the Association of Mining and Exploration Companies (AMEC), a Fellow and former Councillor of the Association of Applied Geochemistry (AAG) and a member of the Australian Institute of Geoscientists (AIG).

Former Director

Andre Marschke / Non-executive Director

Appointed a Director on 7 January 2014 resigned 10 February 2017

Andre has 18 years' experience in financial markets. He was formerly a Stockbroker with Smith Barney Citigroup, Hartleys and Pembroke Josephson and Wright and then became a joint founder of Scintilla Capital Pty Ltd, a boutique investment advisory business based in Queensland. He holds a Bachelor of Economics degree from the University of Queensland, a Graduate Diploma in Applied Finance and a Graduate Diploma in Technical Analysis from the Securities Institute of Australia.

Directors' Interests

As at the date of this report the Directors' interests in shares and options of the Company are as follows:

Director	Directors' Interests in Ordinary Shares	Directors' Interests in Unlisted Options (Vested)	Directors' Interests in Share Rights (Not Vested)
Andrew Viner	25,991,799	5,000,000 (i)	-
Kevin Hart	8,811,458	2,000,000 (ii)	-
Allan Kelly	1,546,987	2,000,000 (iii)	-

i. 5,000,000 unlisted options exercisable by payment of 1.5 cents each on or before 24 November 2019.
ii. 2,000,000 unlisted options exercisable by payment of 1.5 cents each on or before 24 November 2019.
iii. 2,000,000 unlisted options exercisable by payment of 1.6 cents each on or before 10 February 2020.

Directors' Meetings

The number of meetings of the Company's Directors held during the year ended 30 June 2017 and the number of meetings attended by each Director was:

	Board of Directors' Meetings	
Director	Held	Attended
Andrew Viner	6	6
Kevin Hart	6	6
Allan Kelly (Appointed 10 February 2017)	2	2
Andre Marschke (Resigned 10 February 2017)	4	2

Principal Activities

The principal activities of the Group during the financial year consisted of mineral exploration and investment.
There were no significant changes in these activities during the financial year.

Results of Operations

The consolidated net loss after income tax for the financial year is $734,436 (2016: $547,872). Included in the loss is an amount of $283,312 (2016: $202,170) being a write off of exploration assets following a review as detailed in note 10.

Dividends

No dividend has been paid since the end of the previous financial year and no dividend is recommended for the current year.

Review of Activities

During the year the Company actively explored the Horse Well and Ophara Project's. The Company continues with its policy of reviewing new project opportunities to secure valuable mineral properties via tenement application and options to purchase.

Project highlights during the financial year include:

HORSE WELL GOLD PROJECT – Alloy Resources Limited 40%

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;

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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. RC drilling is also anticipated to be required to test the bedrock potential of this zone.

The Manager did not complete any field activities during the March and June quarters apart from minor rehabilitation work.

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.

Exploration Completed

The Company has initially been focused on testing the extent of Cobalt-Gold mineralisation at Great Goulburn and defining the nature of the mineralisation. In addition, an extensive compilation of available public data has been gathered and stored in a Geographic Information System.

At Great Goulburn 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 from soil sampling are interpreted as affected by the complex and unpredictable regolith in this area and hence may not be an accurate exploration method.

RC drilling of the main mineralised area was completed in February 2017, with 12 new holes and a total of 809 samples analysed for multi-elements (refer ASX release 22 February 2017). The drilling confirmed extensive cobalt-gold mineralisation at the Great Goulburn prospect associated with wide sulphide alteration zones. Results included;

- AORC002 – 8 metres @ 0.14% Cobalt and 0.43 g/t Gold, from within 15m @ 0.12% Co and 0.30 g/t Au.
- AORC004 – 12m @ 0.15 % Cobalt and 0.29 g/t Gold from 57 – 69m
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The regional review highlighted historical aerial EM surveying that indicates sulphide conductors like Great Goulburn may be very extensive in the area of the Exploration Licence. Field inspection of probable EM anomalies indicated a severe lack of outcrop, although some encouraging signs of mineralisation from rock chip sampling were located.

Planned Activities

The geological controls on Great Goulburn mineralisation is not entirely clear however there are strong indications that it is epigenetic in nature and associated with introduction of sulphide-rich (pyrite) fluids into host rocks that are of a similar age to the adjacent Thackaringa and Mutooroo deposits.

Geophysical techniques appear to be the best technique to locate mineralisation as Great Goulburn is a moderate to strong magnetic and electro-magnetic response in regional and ground surveys completed. The best technique where modern methods can more accurately define targets is detailed aerial electro-magnetic (EM) surveying, and the Company has decided that a new EM survey is the most effective method to quickly vector in to the strongest targets for extensive mineralisation.

A helicopter-borne VTEM survey has been planned covering 100 square kilometres of the EL. The timing of the survey is expected to be during the September quarter, and following interpretation of the survey, the strongest conductors will be defined and RAB drill testing completed to define cobalt-gold-copper mineralisation.

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 and some infill soil sampling. An additional Exploration Licence has been applied for in this area.

Telfer West

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 Native Title Access agreement negotiation.

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.

Financial Position

At the end of the financial year the Group had $759,174 (2016: $1,264,343) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure was $3,524,427 (2016: $2,408,785).

Expenditure on exploration and acquisition of tenements during the year was $1,398,954 (2016: $468,236). During the year the Group contributed $864,509 (2016: $248,197) towards the Horsewell Joint Venture in accordance with the Farm-in Agreement.

Impact of Legislation and other External Requirements

There has been no impact on the Group as a result of new legislation or other external requirements.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Group during the financial year.

Options over Unissued Capital

As at the date of this report unissued ordinary shares of the Company under option are:

Number of Options Granted	Exercise Price	Expiry Date
2,000,000 (i)	1.6 cents	30 November 2017
7,000,000 (ii)	1.5 cents	25 November 2019
2,000,000 (iii)	1.6 cents	10 February 2020
20,000,000 (iv)	1 cent	19 December 2019

i. The unlisted options issued to a former director are fully vested and exercisable by payment of 1.6 cents on or before 30 November 2017.
ii. The unlisted director's options are fully vested and exercisable by payment of 1.5 cents on or before 25 November 2019.
iii. The unlisted director's options are fully vested and exercisable by payment of 1.6 cents on or before 10 February 2020.
iv. Unlisted options issued to Hartley's Limited.

These options do not entitle the holder to participate in any share issue of the Company or any other body corporate. The holders of options are not entitled to any voting rights until the options are converted into ordinary shares.

Matters Subsequent to the End of the Financial Year

There has not arisen in the interval between the end of the financial year 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 Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the Group are included elsewhere in the Annual Report. Disclosure of any further information has not been included in this report because, in the reasonable opinion of the Directors to do so would be likely to prejudice the business activities of the Group and is dependent upon the results of the future exploration and evaluation.

Environmental Regulation and Performance

The Group holds various exploration licences to regulate its exploration activities in Australia. These licences include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of its exploration activities.

As far as the Directors are aware, all exploration activities have been undertaken in compliance with all relevant environmental regulations.

Remuneration Report (audited)

The remuneration report is set out under the following main headings:

a. Details of key management personnel
b. Principles used to determine the nature and amount of remuneration
c. Details of remuneration
d. Service agreements
e. Share-based compensation
f. Option holdings of key management personnel
g. Shareholdings of key management personnel
h. Loans made to key management personnel
i. Other transactions with key management personnel and their related entities.
j. Additional information

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group, including directors of the Company and other executives. Key management personnel comprise the directors of the Company and senior executives for the Group.

2016 Annual General Meeting Votes

Alloy received 55% of yes votes on its remuneration report resolution for the 2016 financial year (2015: 74% yes vote).

a. Details of Key Management Personnel

Directors:

- Andrew Viner — Executive Chairman
- Kevin Hart — Non-executive Director and Company Secretary
- Allan Kelly — Non-executive Director (Appointed 10 February 2017)
- Andre Marschke — Non-executive Director (Resigned 10 February 2017)

b. Principles used to determine the nature and amount of remuneration

The key principles include:

- Competiveness and reasonableness
- Acceptability to shareholders
- Performance linkage/alignment of executive compensation
- Transparency
- Capital management

The framework provides a mix of fixed and variable pay, and a blend of short and long-term incentives.

Non-executive Directors

Non-executive directors' fees not exceeding an aggregate of $150,000 per annum were approved by the shareholders at the Annual General Meeting held on 27 November 2007.

Executive Pay

The combination of the following comprises the executive's total remuneration:

- Base pay and benefits, including superannuation,
- Short term performance incentives, and
- Long term incentives through participation in the Alloy Resources Limited Incentive Option Scheme and Performance Rights Plan.

Remuneration Report (continued)

Base pay

Structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion. Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion. There are no guaranteed base pay increases included in any executives' contracts.

Benefits

Executives can salary sacrifice certain benefits including motor vehicle.

Superannuation

Retirement benefits are paid to complying superannuation funds nominated by the executives. During the period ended 30 June 2017 the Company contribution rate was 9.5% of ordinary time earnings.

Short term incentives

The Board has not established any ongoing short-term incentives. It is noted that the Executive Chairman's service agreement includes a performance based component. Upon meeting certain key performance criteria set by the Board, the Executive Chairman can earn up to 30% of his base salary as a short term cash incentive. No short term inventive programme is currently in place.

Long-term incentives

Long term incentives are provided via the Alloy Resources Limited Incentive Option Scheme and Performance Rights Plan.
The plans were approved by shareholders at the Annual General Meeting held on 25 November 2016.

Remuneration Report (continued)

c. Details of remuneration

Details of the nature and amount of each element of the emoluments of each key management personnel of the Company and the consolidated entity for the year ended 30 June 2017 and 2016 are set out in the following tables:

2017	Short-term		Post Employment	Share-based payment	Total	Performance Related	Value of options as proportion of remuneration
Directors	Fees and Salaries	Non-monetary Benefits	Superannuation Contributions	Options			
	$	$	$	$	$	%	%
Andrew Viner	168,050	-	15,965	24,208	208,223	**11.63**	11.63
Kevin Hart	25,000	-	-	9,683	34,683	**27.92**	27.92
Allan Kelly	10,000	-	-	16,982	26,983	**62.94**	62.94
Former Director							
Andre Marschke	10,654	-	1,012	-	11,666	**-**	-
TOTAL	**213,704**	**-**	**16,977**	**51,374**	**281,555**	**18.25**	**18.25**

No short-term incentive payments were paid or payable to Mr Andrew Viner under his service agreement during the period.

2016	Short-term		Post Employment	Share-based payment	Total	Performance Related	Value of options as proportion of remuneration
Directors	Fees and Salaries	Non-monetary Benefits	Superannuation Contributions	Options			
	$	$	$	$	$	%	%
Andrew Viner	119,189	-	11,323	-	130,512	-	-
Kevin Hart	17,333	-	-	-	17,333	-	-
Andre Marschke	15,805	-	1,502	-	17,307	-	-
TOTAL	**152,327**	**-**	**12,825**	**-**	**165,152**	**-**	**-**

Remuneration Report (continued)

d. Service Agreements

Remuneration and other terms of employment for the Executive Chairman are formalised in a service agreement. The agreement provides for the provision of performance-related cash bonuses and participation, when eligible, in the Alloy Resources Ltd Incentive Option Scheme ('Scheme') and Performance Rights Plan ('Plan'). Other major provisions of the agreements relating to remuneration are set out below:

The contract may be terminated early by either party with notice as set out in the service agreement, subject to termination payments as detailed below.

Andrew Viner, Executive Chairman

- Term of agreement – no fixed term, commenced 21 June 2011.
- Termination notice – 6 months' notice.
- Base salary inclusive of superannuation of $235,000 to be reviewed annually.
- Short term incentives up to 30% of base salary at the discretion of the Board.

In February 2017, the executive chairman's salary was reviewed to $235,000 per annum inclusive of superannuation based on a comparative analysis of peer companies. The review was undertaken in light of the company's increased levels of exploration activity.

e. Share-based compensation

Options and Performance Rights

Options over shares in Alloy Resources Limited are granted under the Alloy Resources Limited Incentive Option Scheme and the Alloy Resources Limited Performance Rights Plan which were approved by shareholders at an Annual General Meeting of shareholders of the Company held on 25 November 2016.

The Option Scheme and the Performance Rights Plan is designed to provide long term incentives for executives to deliver long term shareholder returns, and participation in the future growth of the Company. Under the Scheme participants are granted options which typically vest on issue with a strike price as determined at the discretion of the Board. The Scheme allows the Company to issue free options to an eligible person. The options are exercisable at a fixed price in accordance with the Plan. The options of any participant in the scheme lapse where the relevant person ceases to be an employee or director of, or vendor services to the Company.

Performance rights to be issued under the Plan have varying vesting periods as determined by the Board at the date of grant except under certain circumstances whereby performance rights may be capable of exercise prior to the expiry of the vesting period. Participation in the Scheme is at the Board's discretion and no individual has a contractual right to participate in the Scheme or to receive any guaranteed benefits.

The terms and conditions of each grant of options affecting remuneration in the current reporting periods are as follows:

Directors	Number of options granted	Grant date	Fair value per option at grant date ($)	Exercise price per option ($)	Expiry date	Vesting date
Andrew Viner	5,000,000	25 Nov 2016	0.0048	0.015	24 Nov 2019	25 Nov 2016
Kevin Hart	2,000,000	25 Nov 2016	0.0048	0.015	24 Nov 2019	25 Nov 2016
Andre Marschke	2,000,000	10 Feb 2017	0.0085	0.016	10 Feb 2020	10 Feb 2017

Remuneration Report (continued)

The following factors and assumptions were used in determining the fair value of options on grant date:

Grant Date	Option life	Fair value per option	Exercise price	Price of shares on grant date	Expected volatility	Risk free interest rate	Dividend yield
7,000,000 Unlisted Options							
25 Nov 2016	3 Years	$0.0048	$0.015	$0.007	143.12%	1.70%	0%
2,000,000 Unlisted Options							
10 Feb 2017	3 Years	$0.0085	$0.016	$0.011	149.48%	1.91%	0%

The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date.

Fair values at grant date are independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

There were no performance rights in existence as at 30 June 2017.

No options or performance rights have been granted since the end of the financial year.

The movement during the reporting period, by value, of options over ordinary shares in the Company held by each key management person is detailed below:

Options	Granted in the year $	Value of options exercised in the year $	**Lapsed in the year $**
Andrew Viner	24,208	-	**36,346**
Kevin Hart	9,683	-	**14,538**
Allan Kelly	16,982	-	**-**

The value of options that lapsed during the year represents the benefits forgone and is calculated using the Black Scholes option-pricing model at the grant date.

Given the Company is involved in mineral exploration and Company performance is in part measured by exploration success, the share-based compensation of the persons referred to above is not dependent on the satisfaction of individual performance conditions.

There is no policy in place for the KMP's to limit their exposure to risk in relation to the shares and share options granted as part of their remuneration.

Exercise of options granted as compensation

During the reporting period, no shares were issued on the exercise of options previously granted as compensation.

Remuneration Report (continued)

Analysis of options and rights over equity instruments granted as compensation

Details of vesting profile of the options granted as remuneration to each key management person of the Group are detailed below:

	Options granted				
Directors	Number	Date	Financial years in which grant vested	% lapsed in 2017	% vested as at 30 June 2017
Andrew Viner	5,000,000	29 Nov 2013	2014	100	-
Kevin Hart	2,000,000	29 Nov 2013	2014	100	-
Andrew Viner	5,000,000	25 Nov 2016	2017	-	100
Kevin Hart	2,000,000	25 Nov 2016	2017	-	100
Allan Kelly	2,000,000	10 Feb 2017	2017	-	100
Andre Marschke (i)	2,000,000	4 Dec 2014	2015	-	100

i. Resigned 10 February 2017

f. Option holdings of key management personnel

The numbers of options over ordinary shares in the Company held during the financial year by each director of the Company and other key management personnel of the Group are set out below:

2017 Name	Balance at start of the year	Granted during the year as compensation	Exercised during the year	Expired unexercised	Balance at the end of the year	Vested and exercisable at the end of the year
Andrew Viner	**5,000,000**	**5,000,000**	**-**	**(5,000,000)**	**5,000,000**	**5,000,000**
Kevin Hart	**2,000,000**	**2,000,000**	**-**	**(2,000,000)**	**2,000,000**	**2,000,000**
Allan Kelly	**-**	**2,000,000**	**-**	**-**	**2,000,000**	**2,000,000**
Andre Marschke (i)	**2,000,000**	**-**	**-**	**-**	**2,000,000**	**2,000,000**

i. Resigned 10 February 2017

2016 Name	Balance at start of the year	Granted during the year as compensation	Exercised during the year	Expired unexercised	Balance at the end of the year	Vested and exercisable at the end of the year
Andrew Viner	9,556,447	-	-	(4,556,447)	5,000,000	5,000,000
Kevin Hart	2,400,522	-	-	(400,522)	2,000,000	2,000,000
Andre Marschke	3,065,000	-	-	(1,065,000)	2,000,000	2,000,000

Remuneration Report (continued)

g. Share holdings of key management personnel

The number of shares in the Company held during the financial year by each director of the Company and other key management personnel of the Group, including their personally related parties are set out below. There were no shares granted during the reporting period as remuneration.

2017 Directors	Balance at start of the year	Received during the year on exercise of rights	Other changes during the year	Balance at the end of the year
Andrew Viner	**25,991,799**	-	-	**25,991,799**
Kevin Hart	**8,811,458**	-	-	**8,811,458**
Allan Kelly (i)	**1,546,987**	-	-	**1,546,987**
Andre Marschke (ii)	**23,655,000**	-	-	**23,655,000**

i. Opening balance of shares at date of appointment.
ii. Closing balance of shares at date of resignation.

2016 Directors	Balance at start of the year	Received during the year on exercise of rights	Other changes during the year	Balance at the end of the year
Andrew Viner	23,741,799	-	2,250,000	25,991,799
Kevin Hart	8,811,458	-	-	8,811,458
Andre Marschke	23,655,000	-	-	23,655,000

h. Loans made to key management personnel

No loans were made to a director of Alloy Resources Limited or any other key management personnel, including personally related entities during the financial year.

i. Other transactions with key management personnel and their related parties

Some Directors and Executives hold positions within other entities which cause them to have control or exert significant influence over the financial or operating policies of those entities.

The following entities transacted with the Company during the financial year. In each instance normal commercial terms and conditions applied. Terms and conditions were not more favourable than those available, or which might reasonably be expected to be available, for a similar transaction to unrelated parties on an arms-length basis.

Mr. Kevin Hart has an interest as a partner in a Chartered Accounting firm Endeavour Corporate. This firm provides company secretarial and accounting services to the Company in the ordinary course of business. The value of the transactions in the financial year ending 30 June 2017 amount to $53,681 (2016: $53,830). The amount owing to Endeavour Corporate at 30 June was $9,040 (2016: $2,974).

Remuneration Report (continued)

j. Company performance

The table below shows the performance of the Company as measured by share price and change in market capitalisation.

	30 June				
	2017	2016	2015	2014	2013
	$	$	$	$	$
Share price	0.035	0.01	0.005	0.006	0.003
Market capitalisation	3,489,477	7,127,076	2,463,538	2,640,032	821,013
Loss for the year	(734,436)	(547,872)	(2,822,968)	(488,608)	(1,029,217)

- THIS IS THE END OF THE REMUNERATION REPORT -

Officer's Indemnities and Insurance

During the year the Company paid an insurance premium to insure certain officers of the Company. The officers of the Company covered by the insurance policy include the Directors named in this report.

The Directors and Officers Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company.

Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

The Company has not provided any insurance for an auditor of the Company.

Corporate Governance

In recognising the need for high standards of corporate behaviour and accountability, the Directors of the Company support and have adhered to the principles of corporate governance to the extent they are applicable to the company given its size and scale of operations.

Auditors' Independence Declaration

A copy of the Auditors' Independence Declaration as required under Section 307C of the Corporations Act is set out on page 29 and forms part of the director's report for the financial year ended 30 June 2017.

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

DATED at Perth this 26th day of September 2017.

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 audit of Alloy Resources Limited for the financial year ended 30 June 2017 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

R Gambitta
Partner

Perth

26 September 2017

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 30 June 2017

	Note	30 June 2017 $	30 June 2016 $
Other income	4	**35,000**	-
Non-executive Directors Fees		**(46,667)**	(34,640)
Depreciation and amortisation	5	**(1,044)**	-
Occupancy expenses	5	**(23,292)**	(21,372)
Accounting and administrative expenses		**(253,956)**	(192,162)
Employee expenses		**(87,709)**	(72,420)
Insurance expenses		**(13,147)**	(11,479)
Share based payments	18	**(50,884)**	-
Other expenses		**(22,734)**	(19,808)
Exploration costs impaired/written off	10	**(283,312)**	(202,170)
Results from operating activities		**(747,745)**	(554,051)
Finance and other income	4	**13,309**	6,179
Loss before income tax		**(734,436)**	(547,872)
Income tax expense	6	**-**	-
Loss for the period		**(734,436)**	(547,872)
Other comprehensive income for the year		**-**	-
Total comprehensive loss for the year		**(734,436)**	(547,872)
Earnings/(loss) per share (cents):			
Basic earnings/(loss) per share (cents)	26	**(0.085)**	(0.09)
Diluted earnings/(loss) per share (cents)	26	**(0.085)**	(0.09)

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

Consolidated Statement of Financial Position

As At 30 June 2017

	Note	30 June 2017 $	30 June 2016 $
Current assets			
Cash and cash equivalents	7	**759,174**	1,264,343
Trade and other receivables	8	**3,037**	4,307
Other current assets	9	**10,377**	7,814
Total current assets		**772,588**	1,276,464
Non- current assets			
Plant and equipment		**3,506**	-
Formation expenses		**669**	669
Capitalised mineral exploration and evaluation expenditure	10	**3,524,427**	2,408,785
Security deposits		**10,000**	-
Total non-current assets		**3,538,602**	2,409,454
Total assets		**4,311,190**	3,685,918
Current liabilities			
Trade and other payables	11	**137,854**	54,796
Provisions	12	**70,906**	35,281
Total current liabilities		**208,760**	90,077
Total liabilities		**208,760**	90,077
Net assets		**4,102,430**	3,595,841
Equity			
Issued capital	14	**17,477,602**	16,287,450
Accumulated losses		**(13,432,045)**	(12,748,493)
Reserves		**56,873**	56,884
Total equity		**4,102,430**	3,595,841

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

Consolidated Statement of Changes in Equity

For the financial year ended 30 June 2017

	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**
Loss for the period	**-**	**(734,437)**	**57,874**	**(683,563)**
Other comprehensive loss for the period	**-**	**-**	**-**	**-**
Total comprehensive loss for the period	**-**	**(734,437)**	**57,874**	**(683,563)**
Transfer from equity remuneration reserve	**-**	**50,884**	**(50,884)**	**-**
Transactions with equity holders in their capacity as equity holders:				
Issue of shares for cash	**1,280,000**	**-**	**-**	**1,280,000**
Transaction costs of shares issued	**(89,848)**	**-**	**-**	**(89,848)**
Balance at 30 June 2017	**17,477,602**	**(13,432,045)**	**56,873**	**4,102,430**

	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	-	(547,872)	-	(547,872)
Other comprehensive loss for the period	-	-	-	-
Total comprehensive loss for the period	-	(547,872)	-	(547,872)
Transactions with equity holders in their capacity as equity holders:				
Issue of shares for cash	2,020,000	-	-	2,020,000
Transaction costs of shares issued	(134,841)	-	-	(134,841)
Movement in equity remuneration reserve	-	-	-	-
Expiry of options	-	54,518	(54,518)	-
Balance at 30 June 2016	16,287,450	(12,748,493)	56,884	3,595,841

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

Consolidated Statement of Cash Flows

For the financial year ended 30 June 2017

	Note	2017 $	2016 $
Cash flows from operating activities			
Interest received		**13,309**	6,179
Payments to suppliers and employees		**(349,372)**	(394,911)
Net cash (used in) operating activities	25	**(336,063)**	(388,732)
Cash flows from investing activities			
Payments for exploration expenditure		**(1,428,358)**	(492,697)
Proceeds from option agreement		**35,000**	-
Formation costs of subsidiary company		**-**	(669)
Security deposits paid		**(10,000)**	-
Net cash (used in) investing activities		**(1,403,358)**	(493,366)
Cash flows from financing activities			
Payment for the purchase of plant and equipment		**(4,550)**	-
Proceeds from issue of shares		**1,250,000**	2,020,000
Payments for transaction costs on issue of shares		**(11,198)**	(134,841)
Net cash from financing activities		**1,234,252**	1,885,159
Net increase/(decrease) in cash held		**(505,169)**	1,003,061
Cash and cash equivalents at 1 July		**1,264,343**	261,282
Cash and cash equivalents at 30 June	7(a)	**759,174**	1,264,343

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

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2017

Note 1 Summary of significant accounting policies

Alloy Resources Ltd is domiciled in Australia. The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Consolidated Financial Statements of the Company as at and for the year ended 30 June 2017 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”).

The financial report was authorised for issue by the directors on 26th September 2017.

(a) Basis of preparation

Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial report of the Group complies with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

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 $563,828 as at 30 June 2017 and its net cash out-flows were $505,169 in the financial year. (including net proceeds from share issues of $1,160,152). The Group incurred a loss for the year of $734,436, which included non-cash impairment and write off of exploration costs of $283,312.

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 or alternatively reduce its discretionary expenditure. 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.

Should the company not be successful in obtaining adequate funding or cashflows are not as planned, there is a material uncertainty as to the ability of the group to continue as a going concern and to realise its assets and extinguish its liabilities in the ordinary course of business.

(a) Basis of preparation (continued)

Historical cost convention
These Consolidated Financial Statements have been prepared under the historical cost convention.

Functional and presentation currency
These Consolidated Financial Statements are presented in Australian dollars, which is the Company's functional currency and the functional currency of the Group.

Critical accounting estimates
The preparation of Consolidated Financial Statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Consolidated Financial Statements are disclosed in note 2.

(b) Principles of consolidation

(i) *Business combinations*

All business combinations are accounted for by applying the acquisition method.

For every business combination, the Group identifies the acquirer, which is the combining entity that obtains control of the other combining entities or businesses. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Measuring goodwill
The Group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination (see below). If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

(b) Principles of consolidation (continued)

(i) *Business combinations (continued)*

Share-based payment awards
When share-based payment awards exchanged (replacement awards) for awards held by the acquiree's employees (acquiree's awards) relate to past services, then a part of the market-based measure of the awards replaced is included in the consideration transferred. If they require future services, then the difference between the amount included in consideration transferred and the market-based measure of the replacement awards is treated as post-combination compensation cost.

Contingent liabilities
A contingent liability of the acquiree is recognised in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Non-controlling interest
The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs
Transaction costs that the Group incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees, are expensed as incurred.

(ii) *Subsidiary companies*

The Consolidated Financial Statements of the subsidiary companies are included in the Consolidated Financial Statements from the date control commences until the date control ceases.

Outside interests in the equity and results of the entities that are controlled by the Company are shown as a separate item in the Consolidated Financial Statements.

(iii) Transactions Eliminated on Consolidation

Inter-entity balances resulting from transactions with or between controlled entities are eliminated in full on consolidation.

(c) Segment reporting

The Group determines and presents operating segments based on the information that internally is provided to the Board of directors ("the Board"), who is the Group's chief operating decision maker.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's Board to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Board include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and exploration and evaluation assets.

The Group operates in one segment, identifying, evaluating and exploring for resources.

(d) Revenue recognition and receivables

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, allowances and amounts collectable on behalf of third parties.

Interest income
Interest income is recognised on a time proportion basis and is recognised as it accrues.

Farm-in income
Farm-in income is measured based on consideration received. Income is recognised when the performance obligations have been satisfied under the agreement.

(e) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary timing differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantially enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to those timing differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity or other comprehensive income are also recognised directly in equity or other comprehensive income.

(f) Impairment of tangible and intangible assets other than goodwill

The Group assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability or facts and circumstances suggest the carrying amount exceeds the recoverable amount.

The fair value assessment is based on generally accepted industry market practice for estimating value for exploration assets.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimate used to determine the assets recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in previous years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such reversal the depreciation charge is adjusted in future periods to allocate the assets revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(g) Impairment of financial assets

The Group assesses at each balance date whether a financial asset or Group of financial assets is impaired.

Financial assets carried at amortised cost
If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in profit or loss.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a Group of financial assets with similar credit risk characteristics and that Group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

Financial assets carried at cost
If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset. Such impairment loss shall not be reversed in subsequent periods.

(h) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the consolidated statement of financial position.

(i) Fair value estimation

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

(j) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Consolidated Statement of comprehensive income during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the written down value method to allocate their cost, net of residual values, over their estimated useful lives, as follows:

Office equipment and fittings	12.5 – 33% written down value
Motor vehicles	25% written down value
Site equipment	25% written down value

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)).

(k) Mineral exploration and evaluation expenditure

Mineral exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- such costs are expected to be recouped through the successful development and exploitation of the area of interest, or alternatively by its sale; or
- exploration and/or evaluation activities in the area have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active or significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment when:

- sufficient data exists to determine technical feasibility and commercial viability; and
- facts and circumstances suggests that the carrying amount exceeds the recoverable amount.

For the purpose of impairment testing, exploration and evaluation assets are allocated to cash-generated units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off in the year in which that assessment is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Farm-in expenditure
Any exploration expenditure met by the Farmee under a Farm-in agreement are not recorded by the Company. The Company does not recognise a gain or loss on the basis of the partial disposal of any exploration expenditure that has already been capitalised. Any proceeds received that are not attributable to future expenditure are credited against the carrying amount of any existing exploration asset. To the extent that the proceeds received from the Farmee exceed the carrying amount of any exploration asset that has already been capitalised, the excess is recognised as a gain in profit or loss.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and usually paid within 30 days of recognition.

(m) Employee benefits

Wages, salaries and annual leave
Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Share based payments
Share based compensation payments are made available to directors and employees pursuant to the Company's Incentive Option Scheme and Performance Rights Plan.

The fair value of these equity settled transactions is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the award.

At each subsequent reporting date until vesting, the cumulative charge to the statement of comprehensive income is the product of:

i. The grant date fair value of the award;
ii. The current best estimate of the number of options or rights that will vest, taking into account such factors as the likelihood of market vesting conditions during the vesting period and the likelihood of non-market performance conditions being met; and
iii. The expired portion of the vesting period.

The charge to the statement of profit and loss and other comprehensive income for the period is cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to equity.

The fair value at grant date is independently determined using a Black and Scholes option pricing model that takes into account the exercise price, the term of the option or rights, the share price at grant date, expected price volatility of the underlying share and the risk free rate for the term of the option or rights.

The fair value of the award granted is adjusted to reflect market vesting conditions. Non-market vesting conditions are included in assumptions about the number of awards that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of awards that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Defined contribution plans
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as a personnel expense in profit or loss when they are due.

(n) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(o) Goods and service tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as a part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Consolidated Statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flow.

(p) Trade and other receivables

Trade and other receivables are recognised and carried at original invoice amount less any allowance for any uncollectible amounts. An allowance for a doubtful debt is made when there is objective evidence that the Company will not be able to collect the debt. Bad debts are written off when identified.

(r) Jointly controlled operations and assets

The interest of the Group in unincorporated joint ventures and jointly controlled assets are brought to account by recognising in its Consolidated Financial Statements the assets it controls, the liabilities that it incurs, the expenses it incurs and its share of income that it earns from the sale of goods or services by the joint venture.

(s) New Accounting Standards for Application in Future Periods

In the year ended 30 June 2017, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the group’s operations and effective for the current annual reporting period.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group’s business and, therefore, no change is necessary to Group accounting policies.

A number of new or amended standards became applicable for the current reporting period, however, the Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. Information on these new standards which are relevant to the Company is presented below.

AASB 9 Financial Instruments

AASB 9, published in July 2014, replaces the existing guidance in IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from IAS 39.

AASB 9 is effective for annual reporting periods beginning on or after 1 January, 2018, with early adoption permitted.

The entity is yet to undertake a detailed assessment of the impact of IFRS 9. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

AASB 15 *Revenue from Contracts with Customers*

AASB 15 establishes a comprehensive framework for determining whether, how much, and when revenue is recognised. It replaces exiting revenue recognition guidance, including IAS 18 *Revenue*, IAS 11 *Construction Contracts*, and IFRC 13 *Customer Loyalty Programmes*.

AASB 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

The entity is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

AASB 16 Leases

AASB 16:

- replaces AASB 117 *Leases* and some lease-related Interpretations
- requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases
- provides new guidance on the application of the definition of lease and on sale and lease back accounting
- largely retains the existing lessor accounting requirements in AASB 117
- requires new and different disclosures about leases.

The entity is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.

Note 2 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Recoverability of mineral exploration and evaluation expenditure
The Group's accounting policy is stated at 1(k). The ultimate recoupment of the value of exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale, of the underlying mineral exploration properties.

The Group undertakes at least on an annual basis, a comprehensive review for indicators of impairment of these assets. Should an indicator of impairment exist, there is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

The key areas of estimation and judgement that are considered in this review include: (i) recent drilling results and reserves and resource estimates (ii) environmental estimates that may impact the underlying tenements (iii) the estimated market value of assets at the review date (iv) independent valuations of underlying assets that may be available (v) fundamental economic factors such as commodity prices, exchange rates, discount rates, and current and anticipated operating costs in the industry (vi) the Group's market capitalisation compared to its net assets.

Refer Note 10 for details of carrying amounts, estimates and assumptions used.

Measurement of share-based payments
The Group's accounting policy is stated at 1(m). The fair value of options granted is measured using a valuation model taking into account the share price at the grant date, exercise price, expected option life and the expected volatility of the share price traded on the ASX.

Refer Note 15 for details of carrying amounts, estimates and assumptions used.

Note 3 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 no revenue from operations.

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 4 Finance and other income

	2017	2016
	$	$
Finance income		
Interest received	**13,309**	6,179
Other income		
Proceeds from Barrytown option agreement	**35,000**	-
	35,000	-

On 4 December 2014, the Company announced that it had completed the first stage of the sale of an 80% interest in the Barrytown Mineral Sands Project to farm-in partner Pacific Mineral Resources Limited for $100,000.

Not later than 12 months after the granting of the Minerals Exploration Permit Extension which occurred on 25 November 2015, a final payment was due for the remaining 20% interest being either $200,000 cash or $300,000 worth of shares in a listed entity which owns (directly or indirectly) the mining permit. If the payment of Alloy's final 20% is not completed then Alloy will be free carried until completion of a pre-feasibility study. Alloy entered into an agreement in March 2017 and received $35,000 from Pacific Mineral Resources Limited in consideration for the extension of the option period for a further 6 months.

Notes to the Consolidated Financial Statements

For the financial year ended 30 June 2017

Note 5 Loss for the year

	2017 $	2016 $
Loss before income tax includes the following specific expenses:		
Depreciation:		
Office Equipment	**1,044**	-
Total depreciation	**-**	-
Occupancy expenses	**23,292**	21,372
Contributions to defined contribution superannuation funds	**16,977**	1,502

Note 6 Income tax

	2017 $	2016 $
(a) Reconciliation of income tax expense/(benefit) to prima facie tax payable		
Loss from continuing operations before income tax expense/(benefit)	**(734,436)**	(547,872)
Tax at the Australian rate of 27.5% (2016 – 30%)	**(201,970)**	(164,362)
Tax effect of permanent differences:		
Non-deductible share based payment	**13,990**	-
Exploration costs impaired	**77,911**	60,651
Capital raising costs	**(23,847)**	(16,509)
Other	**24,997**	10,925
Deferred tax assets not brought to account	**108,919**	109,295
Income tax expense	**-**	-

	2017 $	2016 $
(b) Deferred tax – Consolidated Statement of Financial Position		
Deferred Tax Liabilities		
Prepayments	**(2,854)**	(2,344)
Capitalised Exploration and Evaluation expenditure	**(969,217)**	(722,636)
Formation expenses	**(184)**	(201)
	(972,255)	(725,181)
Less: Deferred Tax Assets		
Accrued expenses	**16,319**	5,438
Employees entitlement	**19,499**	10,584
Deductible equity raising costs	**70,638**	44,144
Tax losses available to offset against future taxable income (a)	**865,799**	665,015
	972,255	725,181
Net Deferred Tax Balance	**-**	-

Note 6 Income tax (continued)

(a) Tax losses

The balance of potential deferred tax assets of $5,129,071 (2016: $4,616,550) attributable to tax losses carried forward in respect of the Group has not been brought to account because the directors do not believe it is appropriate to regard realisation of the future tax benefit as probable. Tax loss availability is dependent on the company deriving future assessable income of a nature and amount sufficient to enable the benefit from the tax losses to be realised; the Company continuing to comply with the conditions for deductibility imposed by tax legislation and no changes in tax legislation adversely affecting the Company.

All unused tax losses were incurred by Australian entities.

Note 7 Current assets - Cash and cash equivalents

	2017	2016
	$	$
Cash at bank and in hand	**759,174**	1,264,343
	759,174	1,264,343

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the cash flow statement as follows:

Balances as above and per Cash flow statement	**759,174**	1,264,343

(b) Cash at bank

Cash balances earn interest at 1.5% p.a. (2016: 0.55% p.a.).

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 16.

Note 8 Trade and other receivables

	2017	2016
	$	$
Current		
GST recoverable	**3,037**	4,307

Note 9 Other current assets

	2017	2016
	$	$
Prepayments	**10,377**	7,814

Note 10 Capitalised mineral exploration and evaluation expenditure

	2017	2016
In the exploration and evaluation phase	**$**	$
Cost brought forward	**2,408,785**	2,142,720
Exploration expenditure incurred during the year	**534,345**	220,038
Contributions to Horsewell Joint Venture	**864,609**	248,197
Exploration expenditure impaired or written off during the year	**(283,312)**	(202,170)
Cost carried forward	**3,524,427**	2,408,785

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 year of $283,312 pertained mainly to project generation expenditure in the beginning of the financial year.

Note 11 Trade and other payables

	2017	2016
	$	$
Trade payables and accruals	**137,854**	54,796
	137,854	54,796

a) Interest rate risk exposure
Details of the Group's exposure to interest rate risk on liabilities are set out in note 16.

Note 12 Provisions

	2017	2016
Current provisions	**$**	**$**
Employee provisions	**70,906**	35,281
	70,906	35,281

Note 13 Parent Entity Disclosures

As at, and throughout, the financial year ending 30 June 2017 the parent company of the Group was Alloy Resources Limited.

	2017 $	2016 $
Result of the parent entity		
(Loss) for the year	**(734,436)**	(517,599)
Other comprehensive income	**-**	-
Total comprehensive loss for the year	**(734,436)**	(517,599)
Financial position of the parent entity at year end		
Total current assets	**746,035**	1,276,455
Investment (ii)	**350,000**	350,000
Trade and other receivables (i)	**1,945,663**	1,544,392
Plant and equipment	**3,506**	-
Capitalised mineral exploration and evaluation expenditure (iii)	**1,296,348**	545,347
Total non-current assets	**3,595,517**	2,439,739
Total assets	**4,341,552**	3,716,194
Current liabilities	**208,759**	90,077
Total liabilities	**208,759**	90,077
Total equity of the parent entity comprising of:		
Issued capital	**17,477,602**	16,287,450
Accumulated losses	**(13,401,682)**	(12,718,217)
Reserves	**56,873**	56,884
Total Equity	**4,132,793**	3,626,117

(i) Loans to Eskay Resources Pty Ltd and Alloy Minerals Pty Ltd (controlled entities) are interest free, unsecured and is repayable on demand. Whilst the loans are at call there is no expectation at reporting date that it will be called in the next 12 months and have accordingly been classified as non-current. The loan is in respect of exploration expenditure incurred by the subsidiary companies on the Group's mining tenements. The ultimate recoupment is dependent on successful development and commercial exploitation or alternatively, sale of the underlying mineral exploration properties.

(ii) The ultimate recoupment of the investment in Eskay Resources Pty Ltd is dependent on successful development and commercial exploitation or alternatively, sale of the underlying mineral exploration properties.

(iii) 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.

Note 14 Contributed equity

a) Share Capital

		2017 No.	2016 No.	2017 $	2016 $
Issued share capital		**966,993,360**	712,707,646	**17,477,602**	16,287,450
Share movements during the year	*Issue price*				
At the beginning of the year		**712,707,646**	492,707,646	**16,287,450**	14,402,291
Placement	$0.005	**250,000,000**	-	**1,250,000**	-
Issue in lieu of consulting fees	$0.007	**4,285,714**	-	**30,000**	-
Placement	$0.007	**-**	100,000,000	**-**	700,000
Placement	$0.011	**-**	120,000,000	**-**	1,320,000
Capital raising costs			-	**(89,848)**	(134,841)
At the end of the year		**966,993,360**	712,707,646	**17,477,602**	16,287,450

b) Ordinary shares

The Company is a public company limited by shares. The Company was incorporated in Perth, Western Australia on 2 June 2004. The Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

c) Options

Information relating to options issued by Alloy Resources Limited is set out in note 16.

d) Equity Remuneration Reserve

The equity remuneration reserve comprises of the share based payment expense recognised at the fair value of options granted to employees and directors.

Note 15 Share-based payments

Details of the Company's share right and option plans, under which share rights and options are issuable to employees, directors and consultants are summarised below. Details of share rights and options issued to Directors are set out below.

(a) Incentive Option Plan

The Company has a formal option plan for the issue of options to employees, directors and consultants, which was approved by shareholders at the Company's Annual General Meeting on 28 November 2013. Options are granted free of charge and are exercisable at a fixed price in accordance with the terms of the grant. Options over unissued shares are issued under the terms of the Plan at the discretion of the Board.

(b) Performance Rights Plan

The Company has a formal plan for the issue of performance share rights to employees, which was approved by shareholders at the Company's Annual General Meeting on 28 November 2013. Share rights are granted free of charge and are exercisable into ordinary fully paid shares in accordance with the terms of the grant. Share rights are issued to employees under the terms of the Plan at the discretion of the Board.

(c) Terms and conditions of the grants

The terms and conditions of the grants are set out in Note 15(d). All options and performance rights are to be settled by physical delivery of shares.

(d) Options and Performance Rights issued during the year

During financial year ended 30 June 2017, the following options were granted.

Directors' Options

Grant date	Number	Exercise Price	Vesting conditions	Expiry date
25 November 2016	7,000,000	1.5 cents	At grant	25 November 2019
10 February 2017	2,000,000	1.6 cents	At grant	10 February 2020

Consultant's Options

Grant date	Number	Exercise Price	Vesting conditions	Expiry date
25 November 2016	20,000,000	1.0 cents	At grant	19 December 2019

Note 15 Share-based payments (continued)

(e) Number and weighted average exercise prices of share options

	2017 Weighted average exercise price (cents)	2017 Number of options	2016 Weighted average exercise price (cents)	2016 Number of options
Outstanding at 1 July	1.43	9,000,000	1.80	35,142,821
Expired during the period	1.43	(9,000,000)	1.06	(26,142,821)
Granted	1.16	31,000,000	-	-
Outstanding at 30 June	1.16	31,000,000	1.43	9,000,000
Exercisable at 30 June		31,000,000		9,000,000

(f) Options on issue at the balance date

The number of options outstanding over unissued ordinary shares at 30 June 2017 is 31,000,000 (2016: 9,000,000).

The terms of these options are as follows:

Number of Options Outstanding	*Exercise Price*	*Expiry Date*
7,000,000 Unlisted	1.5 cents	25 November 2019
2,000,000 unlisted	1.6 cents	30 November 2017
2,000,000 unlisted	1.6 cents	10 February 2020
20,000,000 unlisted	1 cent	19 December 2019

(h) Weighted average remaining contractual life

The weighted average remaining contractual life for the share options outstanding as at 30 June 2017 is 2.33 years (2016: 0.64 years).

(i) Weighted average fair value

The fair value of share options granted in the 2017 financial year were measured using a Black-Scholes model with the following inputs:

Fair value of share options and assumptions	Options 2017	Options 2017	Options 2017
Fair value at grant date	$0.0048	$0.085	$0.053
Share price	$0.0070	$0.011	$0.007
Exercise price	$0.015	$0.016	$0.01
Expected volatility (weighted average volatility)	143.12%	149.48%	146.12%
Option life (expected weighted average life)	3 years	3 years	3.1 years
Expected dividends	-	-	-
Risk-free interest rate (based on government bonds)	1.70%	1.91%	1.70%

Note 16 Financial instruments

Financial risk management

The Group has exposure to a variety of risks arising from its use of financial instruments. This note presents information about the Group's exposure to the specific risks, and the policies and processes for measuring and managing those risks and the management of capital. Further quantitative disclosures are included throughout this financial report. The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Group does not use any form of derivatives as it is not at a level of exposure that requires the use of derivatives to hedge its exposure. The Group has exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

(a) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance resources to finance the Group's current and future operations, and consideration is given to the liquid assets available to the Company before commitment is made to future expenditure or investment.

(b) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising any return.

(c) Capital management

The Board's policy is to maintain a sound capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors capital expenditure and cash flows as mentioned in 16 (a).

The Group's objectives when managing capital is to safeguard the Group's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Group may return capital to shareholders issue new shares or sell assets to reduce debt. The Group's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Note 17 Dividends

No dividends were paid or proposed during the financial year.
The company has no franking credits available as at 30 June 2017.

Note 18 Key management personnel disclosures

(a) Details of Key Management Personnel

Directors	
Andrew Viner	Executive Chairman
Kevin Hart	Non-executive Director and Company Secretary
Allan Kelly	Non-executive Director
Andre Marschke	Former Non-executive Director

(b) Compensation for key management personnel

	Carrying amount	
	2017	2016
	$	$
Short-term employee benefits	**213,704**	152,347
Post-employee benefits	**16,977**	12,825
Share-based payment	**50,874**	-
Total compensation	**281,555**	165,152

(c) Other key management personnel

There were no other persons having the authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year.

Note 19 Remuneration of auditors

	2017	2016
	$	$
Audit and review of the Group's Consolidated Financial Statements	**28,555**	28,361
	28,555	28,361

Note 20 Contingencies

(i) Contingent liabilities
There were no material contingent liabilities not provided for in the Consolidated Financial Statements of the Company or Group as at 30 June 2017 or 30 June 2016, other than:

Native Title and Aboriginal Heritage
Native title claims have been made with respect to areas which include tenements in which the Company has an interest. The Company is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Company or its projects. Agreement is being or has been reached with various native title claimants in relation to Aboriginal Heritage issues regarding certain areas in which the Company has an interest.

(ii) Contingent assets
There were no material contingent assets as at 30 June 2017 or 30 June 2016.

Note 21 Commitments

(a) Exploration

The Group has certain obligations to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the Group's exploration programmes and priorities. As at balance date, total exploration expenditure commitments on tenements held by the Group have not been provided for in the Consolidated Financial Statements and which cover the following twelve-month period amount to $409,016 (2016: $368,816).

(b) Contractual Commitment

There are no contracted commitments other than those disclosed above.

Note 22 Controlled entities

Alloy Resources Limited owns 100% of the share capital of Eskay Resources Pty Ltd. Eskay Resources Pty Ltd is incorporated in the state of Western Australia.

Alloy Resources Limited owns 100% of the share capital of Alloy Minerals Pty Ltd. Alloy Minerals Pty Ltd is incorporated in the state of Western Australia.

Note 23 Interests in joint ventures

Horse Well Farm-in Agreement

On 23 May 2014 the Company announced that it had entered into a $4 million farm-in agreement with Doray Minerals Limited for the Horse Well Gold Project.

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.

Joint Venture Manager, Doray Minerals Limited, completed an RC drill program at the Django Prospect during the year. The Joint Venture will now move its focus to testing the next group of targets which will begin immediately.

The key terms are of the farm-in agreement are;

- $100,000 cash payment to Alloy Resources Limited at Commencement which has been received.
- Doray Minerals Limited to spend $2 million within 2 years to earn 60%
  $900,000 non-withdrawal expenditure within the first 12 months after Commencement which has been met by Doray Minerals Limited during the year
- The joint venture to spend a further $2 million within 3 years of Commencement.
  Alloy at this time can elect to contribute pro rata (at 40%) to this $2 million or dilute to 20% and be free carried through to completion of a Pre-Feasibility Study (PFS). This commitment has been met by Alloy.
- Alloy to contribute from PFS and beyond (i.e. Decision To Mine (DTM) and operational JV) or reduce to a 1% Net Smelter Royalty (NSR) using an industry standard dilution formula.

Note 24 Events occurring after the reporting date

There has not arisen in the interval between the end of the financial year 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 Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Note 25 Reconciliation of loss after tax to net cash outflow from operating activities

	2017	2016
	$	$
Loss after income tax	**(734,436)**	(547,872)
Depreciation	**1,044**	-
Exploration expenditure impaired	**283,312**	202,170
Share based payments	**50,874**	-
Proceeds from option agreement	**(35,000)**	
Change in operating assets and liabilities:		
Decrease in receivables/prepayments	**(1,977)**	(2,584)
Increase/(decrease) in payables	**72,504**	(37,917)
Increase/(decrease) in employee provisions	**27,616**	(2,529)
Net cash outflow from operating activities	**(336,063)**	(388,732)

Note 26 Earnings per share

	2017	2016
	Cents	Cents
a) Basic earnings per share		
Loss attributable to ordinary equity holders of the company	**(0.085)**	(0.09)
b) Diluted earnings per share		
Loss attributable to ordinary equity holders of the company	**(0.085)**	(0.09)
c) Loss used in calculation of basic and diluted loss per share		
Loss after tax from continuing operations	**(734,436)**	(547,872)

	2017	2016
	No.	No.
Weighted average number of shares used	**846,918,792**	580,015,338

Potential ordinary shares are not considered dilutive as their conversion does not show an inferior view of the earnings performance of the company. Accordingly, diluted earnings per share are the same as the basic earnings per share. Number of options so excluded from the calculation is set out in Note 15.

Directors' Declaration

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

1 (a) the Consolidated Financial Statements and notes set out on pages 30 to 55 and the remuneration disclosures that are contained in the Remuneration Report in the Directors' report, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance, for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(a);

(c) as set out in Note 1(a), there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2 The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the managing director and company secretary for the financial year ended 30 June 2017.

Signed at Perth this 26th day of September 2017.

Andrew Viner
Executive Chairman

KPMG

Independent Auditor's Report

To the shareholders of Alloy Resources Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Alloy Resources Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group***'s financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2017
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with *the Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 1(a), "Going Concern" in the financial report. The conditions disclosed in Note 1(a) indicate a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

In concluding there is a material uncertainty related to going concern we evaluated the extent of uncertainty regarding events or conditions casting significant doubt in the Group's assessment of going concern. Our approach to this involved:

- Evaluating the feasibility, quantum and timing of the Group's plans to raise additional shareholder funds;
- Assessing the Group's cash flow forecasts based the Group's planned operations and historical expenditure levels; and
- Determining the completeness of the Group's going concern disclosures for the principle matters casting significant doubt on the Group's ability to continue as a going concern, the Group's plans to address these matters, and the material uncertainty.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the Key Audit Matter.

<table>
<tr><th colspan="2">Capitalised mineral exploration and evaluation expenditure ($3,524,427)</th></tr>
<tr><td colspan="2">Refer to Note 10 Capitalised mineral exploration and evaluation expenditure</td></tr>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>Exploration and evaluation expenditure capitalised (E&E) is a key audit matter due to:

• the significance of the activity to the Group's business and the balance (being 82% of total assets); and

• the greater level of audit effort to evaluate the Group's application of the requirements of the industry specific accounting standard AASB 6 Exploration for and Evaluation of Mineral Resources, in particular the conditions allowing capitalisation of relevant expenditure and presence of impairment indicators. The presence of impairment indicators would necessitate a detailed analysis by the Group of the value of E&E, therefore given the criticality of this to the scope and depth of our work, we involved senior team members to challenge the Group's determination that no such indicators existed.</td><td>Our audit procedures included:

• Evaluating the Group's accounting policy to recognise exploration and evaluation assets using the criteria in the accounting standard;

• We assessed the Group's determination of its areas of interest for consistency with the definition in the accounting standard. This involved analysing the licenses in which the Group holds an interest and the exploration programmes planned for those for consistency with documentation such as joint venture agreements and planned work programmes

• For each area of interest, we assessed the Group's current rights to tenure by corroborating the ownership of the relevant license to government registries and evaluating agreements in place with other parties. We also tested for compliance with conditions, such as minimum expenditure requirements, on a sample of licenses;</td></tr>
</table>

The key audit matter	How the matter was addressed in our audit
In assessing the conditions allowing capitalisation of relevant expenditure, we focused on: • documentation available regarding rights to tenure, via licensing, and compliance with relevant conditions, to maintain current rights to an area of interest and the authoritative nature of external registry sources and the Group's intention and capacity to continue the relevant E&E activities; • the Group's determination of whether the E&E are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; In assessing the presence of impairment indicators, we focused on those that may draw into question the commercial continuation of E&E activities for the Horsewell Gold Project and Ophara Cobalt Gold Project where significant capitalised E&E exist. In addition to the assessments above, and given the financial position of the Group we paid particular attention to: • The ability of the Group to fund the continuation of activities; and Results from latest activities regarding the existence or otherwise of economically recoverable reserves.	• We tested the Group's additions to E&E for the year by evaluating a statistical sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Group's accounting policy and the requirements of the accounting standard; • We evaluated Group documents, such as minutes of Board meetings, for consistency with their stated intentions for continuing E&E in certain areas. We corroborated this through interviews with key operational and finance personnel. • We analysed the Group's determination of recoupment through successful development and exploitation of the area [or by its sale] by [evaluating the Group's documentation of planned future/continuing activities including work programmes and project and corporate budgets for each area(s). • We obtained the corporate budget identifying areas with existing funding and those requiring alternate funding sources. We compared this for consistency with areas with E&E, for evidence of the ability to fund continued activities. We identified those areas relying on alternate funding sources and evaluated the capacity of the Group to secure such funding.

Other Information

Other Information is financial and non-financial information in Alloy Resources Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

KPMG

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_files/ar2.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Alloy Resources Limited for the year ended 30 June 2017, complies with *Section 300A of the Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A of the Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 6 to 13 of the Directors' report for the year ended 30 June 2017.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG.

KPMG

R Gambitta
Partner

Perth

26 September 2017

ASX Additional Information

Alloy Resources Limited and its Controlled Entities

ABN 20 109 361 195

Pursuant to the Listing Requirements of the Australian Securities Exchange, the shareholder information set out below was applicable as at 5 October 2017.

A. Distribution of Equity Securities

Distribution	Number of Shareholders
1 – 1,000	29
1,001 – 5,000	22
5,001 – 10,000	78
10,001- 100,000	411
More than 100,000	846
Total	**1,386**
Holding less than a marketable parcel	440

B. Voting Rights

In accordance with the Company's Constitution, voting rights in respect of ordinary shares are on a show of hands whereby each member present in person or by proxy shall have one vote and upon a poll, each share will have one vote.

C. Twenty Largest Shareholders

The names of the twenty largest holders of quoted shares are listed below:

		Listed Ordinary Shares	
	Shareholder Name	Number	Percentage
1	Motte & Bailey PL	42,919,600	4.44
2	Super Seed PL	39,853,173	4.12
3	Gary Johnson Super Mgt	25,425,000	2.63
4	Citicorp Nominees PL	25,171,807	2.60
5	Kitale PL	23,400,000	2.42
6	Western Discovery PL	21,820,966	2.26
7	Cameron Edward Malcolm	12,750,000	1.32
8	Bellarine Gold PL	12,733,333	1.32
9	Tre PL	11,176,000	1.16
10	Used Raul	10,101,666	1.04
11	Orchidea PL	10,000,000	1.03
12	Wythenshawe PL	10,000,000	1.03
13	Slade Technologies PL	10,000,000	1.03
14	BNP Paribas Nom PL	8,827,683	0.91
15	Tre PL	8,197,500	0.85
16	Lyndon Clayton R & NC	8,000,000	0.83
17	Billericay Investments PL	7,802,857	0.81
18	Lee Tze Chang & TSC	7,500,000	0.78
19	Rivian Inv PL	7,000,000	0.72
20	Panting Leslie A & FJ	7,000,000	0.72
		309,679,585	**32.02**

D. Substantial Shareholders

There were no the substantial shareholders listed in the holding Company's register as at 5 October 2017.

ABN 20 109 361 195
Level 3, 35 Havelock St
West Perth WA 6005

+61 (8) 9322 9903
info@alloyres.com
www.alloyres.com

ALLOY
RESOURCES LIMITED