



ASX Release
19 June 2018

Capital Structure

Alloy Resources Limited
ABN 20 109 361 195

ASX Code
AYR

Issued Shares
1,451,334,758

Unlisted Options
29,000,000

Corporate Directory

Executive Chairman
Mr Andy Viner

Non-Exec Director
Mr Allan Kelly

Non-Exec Director/Co Sec
Mr Kevin Hart

Company Details

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Website
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Paterson Farm-In and Joint Venture Agreement with Rio Tinto

Alloy Resources Limited (**Alloy** or the **Company**) is pleased to announce a Farm-In and Joint Venture Agreement with Rio Tinto Exploration Pty Limited (**RTX**) to explore Exploration Licence EL 45/4807 (the **Tenement**) located in the Paterson region of Western Australia. RTX is a wholly owned subsidiary of Rio Tinto Limited (**Rio Tinto**).

The key terms of the Binding Term Sheet are as follows:

- Upon Execution RTX is to reimburse Alloy's previous costs of \$40,000.
- RTX has the right to earn a 70% joint venture interest in the Tenement by completing the following within 3 years:
 - expenditure of at least \$500,000; and
 - at least 500 metres of drilling on the Tenement.
- RTX must spend a minimum of \$133,000 within 12 months before it can withdraw and is obligated to keep the Tenement in good standing prior to any withdrawal.
- In the event RTX earns a 70% interest, Alloy will have a First Election to:
 - commence contributing in accordance with its 30% participating interest;
 - convert its interest to a 1.25% NSR Royalty capped at \$15 million (Royalty) plus a right to receive a \$1.5 million prepayment of the Royalty upon a decision to mine; or
 - not commence contributing to the joint venture and for RTX to continue to sole fund expenditure to earn a further 15% interest.
- Should Alloy make the election for RTX to continue to sole fund expenditure, RTX will earn a further 15% joint venture interest after sole funding a further \$1 million of joint venture expenditure, such that RTX will then hold an 85% joint venture interest.
- Alloy will have a Second Election to either:
 - convert its remaining 15% joint venture interest into the Royalty, or
 - commence contributing to joint venture expenditure in accordance with its 15% joint venture interest.
- Normal joint venture dilution clauses will be in place.

Executive Chairman Mr Andy Viner said "We are pleased to have RTX's interest in exploring our large exploration area north-west of Telfer. They have been actively exploring in the region since 2015 and we are hopeful that this intellectual knowledge can accelerate definition of the potential for gold-copper mineralisation within our Tenement".

"The area has some historic first pass copper and gold drill results of interest, however this was from back in the 1990's and we will now benefit from modern exploration techniques and geological models" he said.

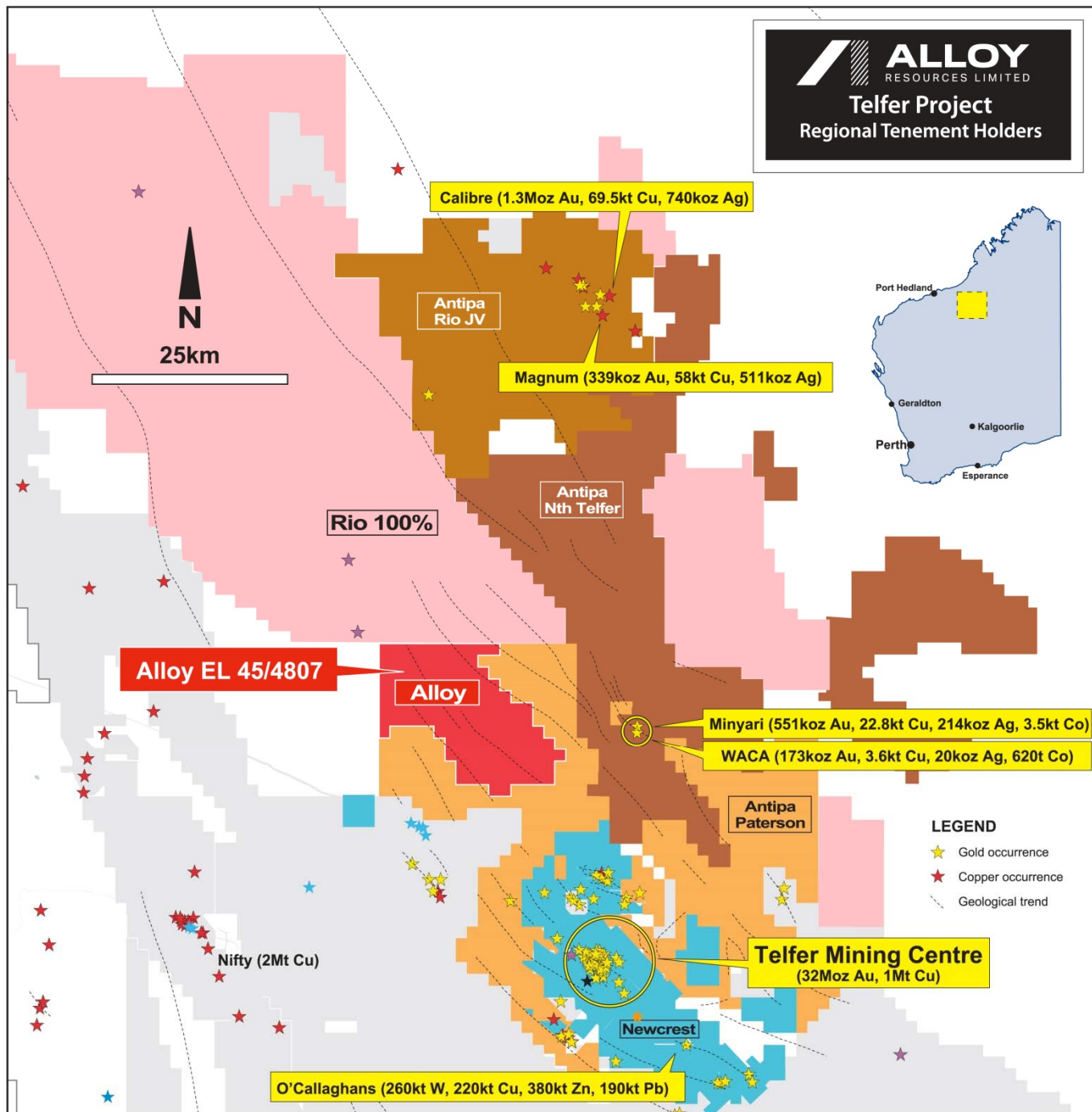


Figure 1: EL 45/4807 Regional Location Map with geology and major Tenement holders,

For more information contact:

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Executive Chairman

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www.alloyres.com



Exploration Results

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

