



Paterson Farm-out Exploration Update

Highlights

- Six initial targets have been defined from new Aerial Magnetic surveying and assessment of historical data.
- Heritage and general access work planned for the June quarter 2019.
- Air-core drilling of 60-80 holes to 100 metres depth planned to be completed over 2019/2020.

Summary

Australian explorer **Alloy Resources Limited (ASX:AYR) (Alloy or the Company)** provides the following update pursuant to the farm-in agreement entered into with Rio Tinto Exploration Pty Limited (“**RTX**”) in June 2018, under which RTX is earning an initial 70% interest in E45/4807 in the Paterson Province of Western Australia.

E45/4807 is a large 423 square kilometre tenement containing similar geology to the giant 32Moz Telfer gold deposit located only 25 kilometres to the south-east (Figure 1). Very limited historical exploration has been completed.

RTX has provided an update on its planned exploration activities as follows.

Planned Exploration Activities

An aircore drilling programme of 60-80 holes to depths of 100m is being planned, with completion of required heritage clearances and establishment of site access currently scheduled for the June 2019 quarter.

The aircore drilling is proposed in order to provide information on the Proterozoic sediments (under more recent cover sediments) in several untested areas of interest based on interpretation of recent aeromagnetic survey data and historical data, including past drilling.

The programme is targeting Cu-Au mineralisation hosted in the Proterozoic sediments, similar to other deposits in the Paterson province.

Four areas have been selected in the NW part of the tenement targeting the Carly Dome and two areas in the SE portion of the tenement targeting the Paterson Dome and mafic intrusive body (refer Figure 2). Interpreted depth of cover is estimated to be 30-80m in these areas.

The exact timing of drilling will be subject to access arrangements and the scheduling of RTX's broader Paterson programme activities.

We look forward to informing the market as these activities are commenced and results become available.

For more information contact:

Andy Viner

Executive Chairman

ASX Release

2 April 2019

Capital Structure

Alloy Resources Limited
ABN 20 109 361 195

ASX Code
AYR

Issued Shares
1,577,077,613

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

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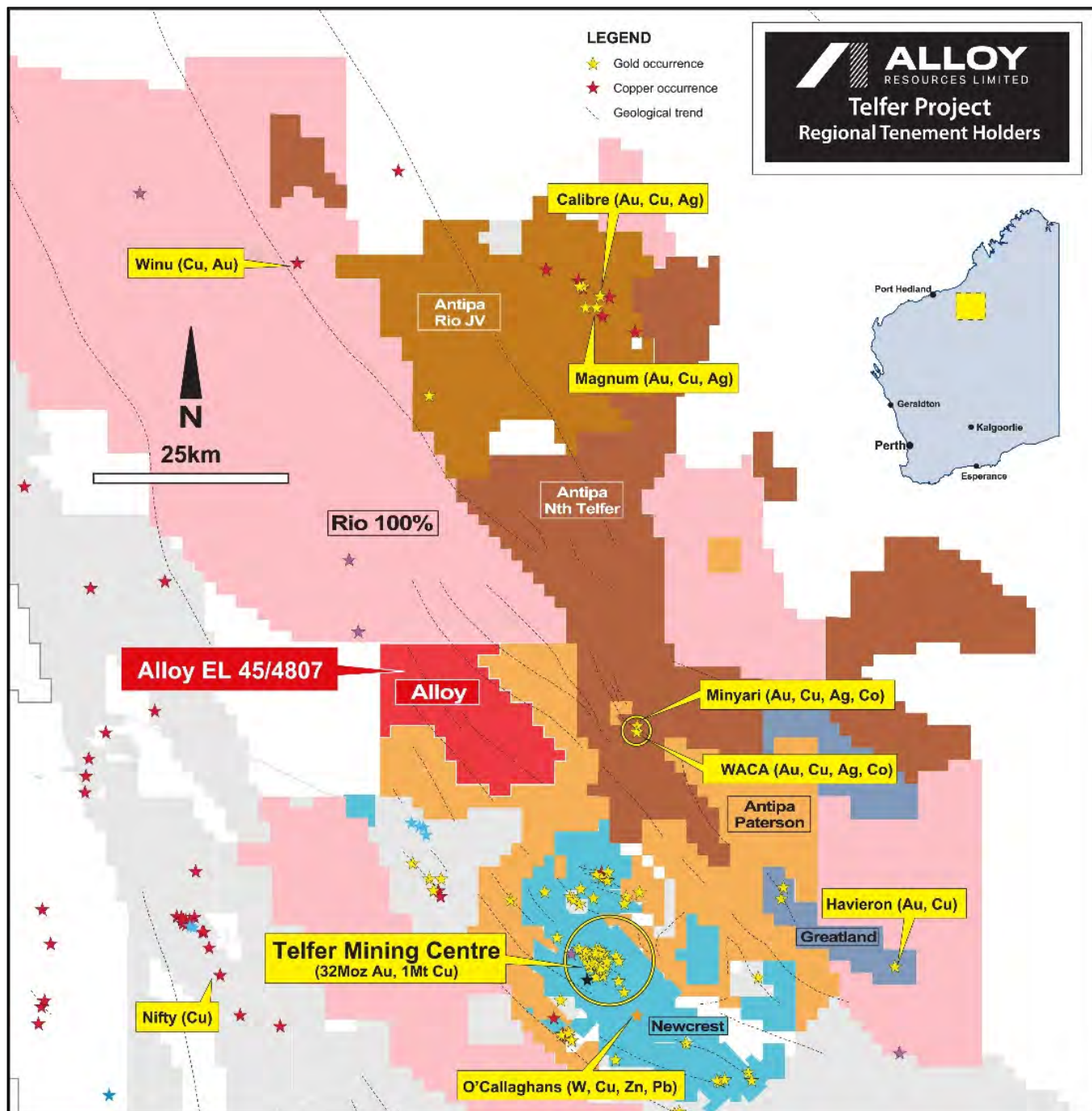


Figure 1 Location of the Alloy farm-in JV with neighbouring holders and mines/prospects

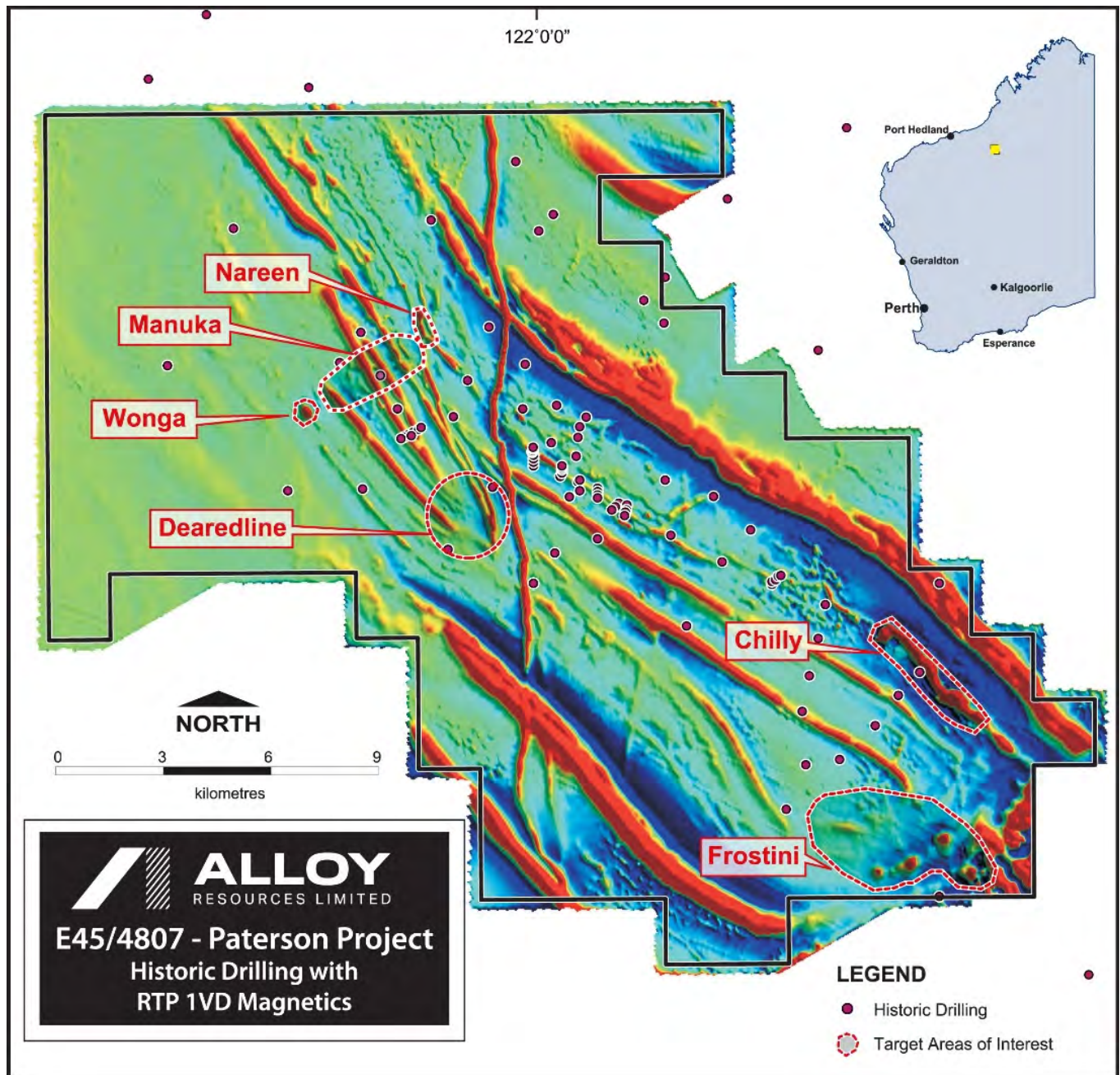


Figure 2 E45/4807 Historic drilling on new Aeromagnetic survey image with Target Areas

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