



ASX Release

30 April 2019

Alloy Resources Limited
ABN 20 109 361 195

ASX Code
AYR

Corporate Directory

Executive Chairman
Mr Andy Viner

Non-Exec Director
Mr Allan Kelly

Non-Exec Director/Co Sec
Mr Kevin Hart

Issued Shares
1,577,077,613

Unlisted Options
29,000,000

Company Details

Email
info@alloyres.com

Website
www.alloyres.com

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West Perth WA 6005

Postal & Registered Office
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Suite 6, 7 The Esplanade
Mt Pleasant WA 6153

March 2019

Quarterly Activities Report

Horse Well Gold Project JV (51% - earning 60%)

- Maiden Inferred Mineral Resources of 162,800 ounces at Warmblood and Dusk til Dawn prospects
- Total Horse Well JV Inferred Resource increased by 300% to 237,800 ounces

Paterson Project – Rio Tinto farm-in

- 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.

Corporate

- Share Purchase Plan to raise up to \$750,000 announced on 23 April 2019.

Horse Well Gold Project Joint Venture (Alloy 51% - earning 60%)

The Horse Well Joint Venture with Silver Lake Resources Limited ('Silver Lake') is exploring the 550 square-kilometre Horse Well Project (Figure 1), located in the north-eastern goldfields adjacent to Northern Star's Jundee Gold Mine.

The project is well mineralised and has a number of prospects within the 60 kilometre strike of greenstone belt. The Company has been systematically testing a pipeline of these with the aim of discovering a major new gold deposit.

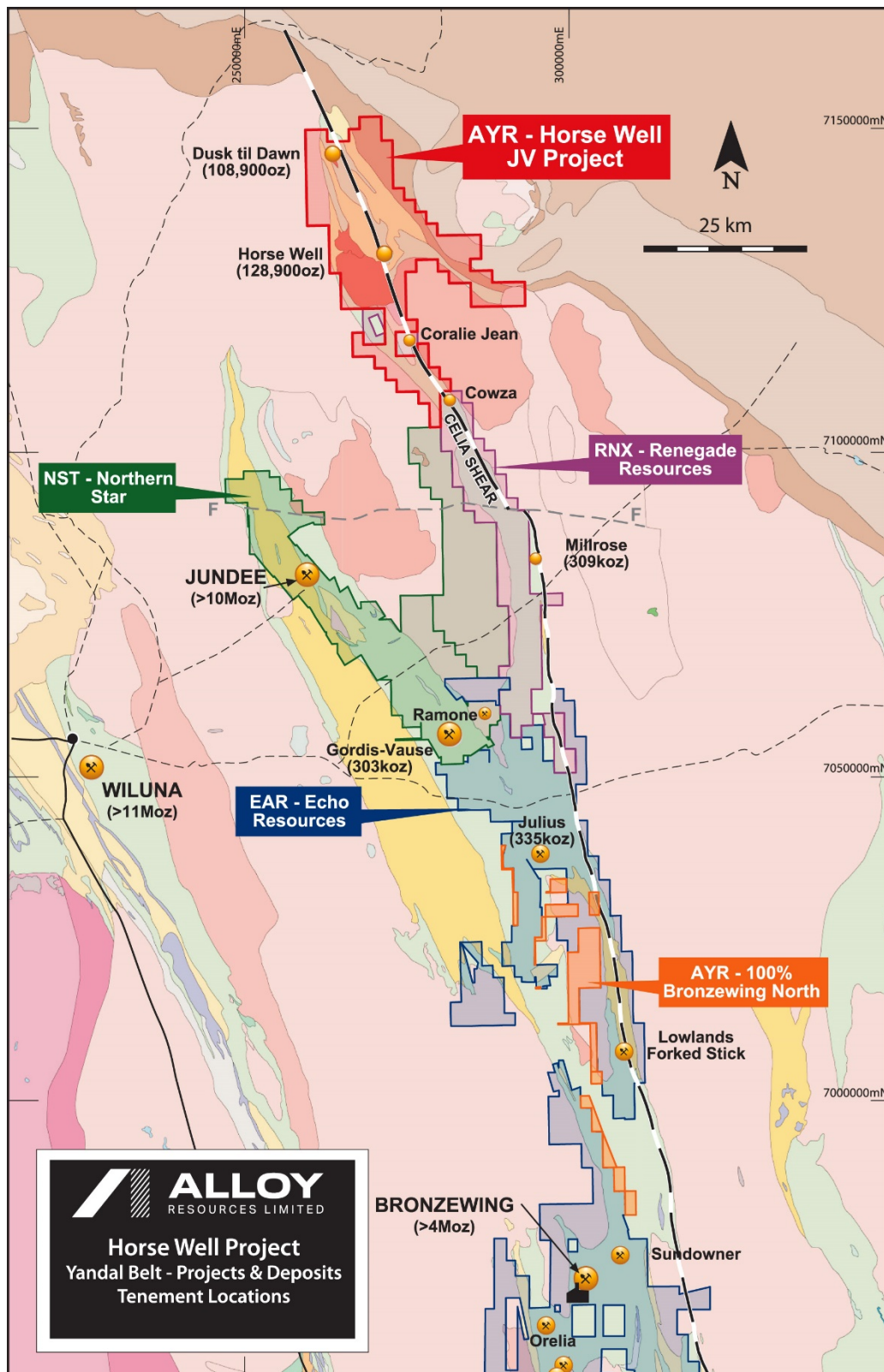


Figure 1 Horse Well Project location on geology showing regional ownership.

Exploration Completed

During the quarter the Company commissioned consulting group Trepanier to complete new JORC Mineral Resource Estimates for gold mineralisation at the two advanced prospects of Warmblood and Dusk til Dawn (Figures 2 and 3). Drilling at both prospects is sufficiently detailed to enable geological and grade modelling to be completed with confidence.

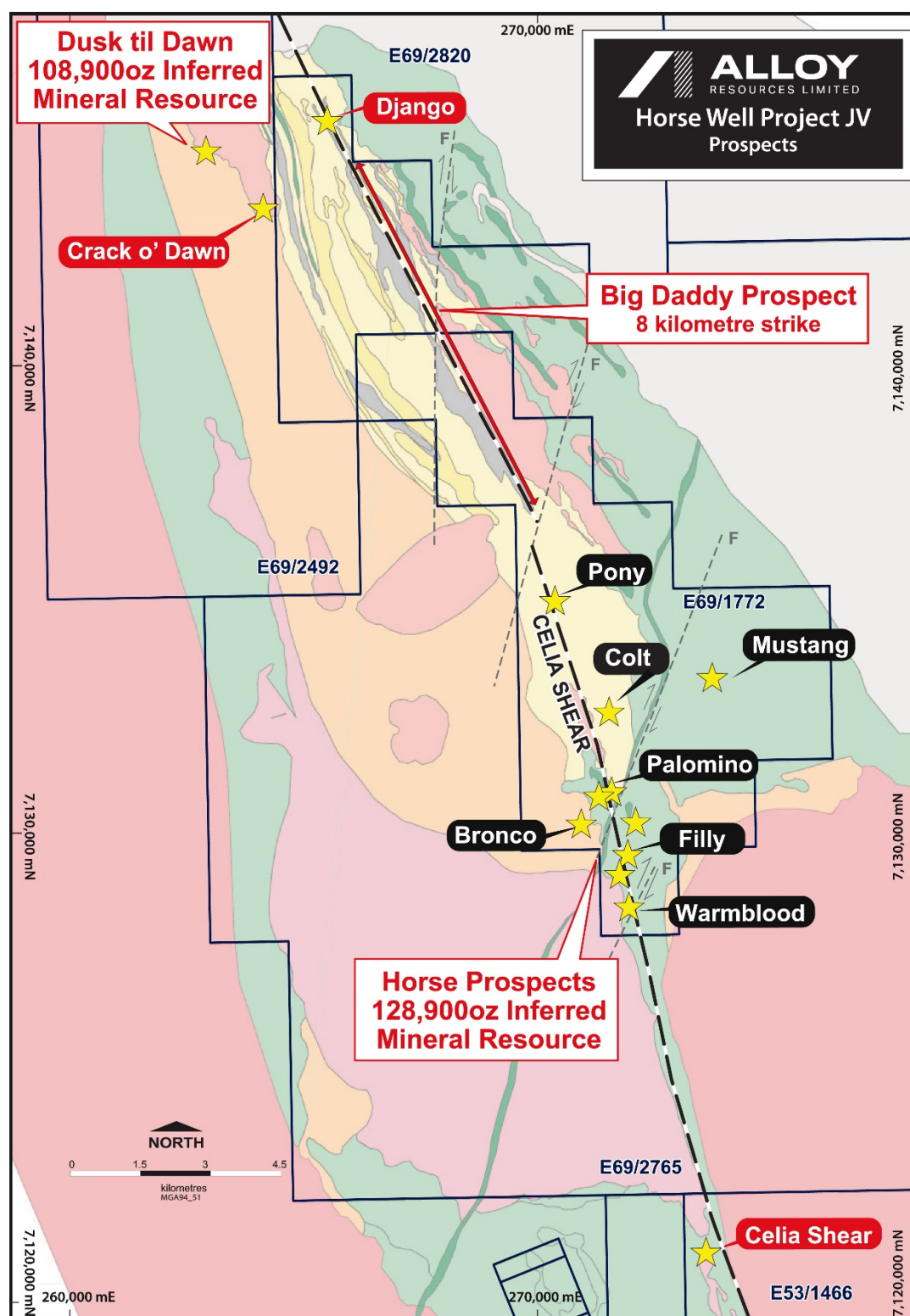


Figure 2 Horse Well Prospects on interpreted geology.

New Mineral Resource

On the 11 April 2019 the Company released an ASX Announcement which contained a new Mineral Resource Statement.

The Company completed **new** Mineral Resource Estimates for the Warmblood and Dusk til Dawn prospects where sufficient drilling has defined gold mineralisation that warrants such estimate. These gold Mineral Resources, including details necessary for compliance with JORC 2012, are listed in Table 1 (0.5g/t Au cut-off) and Table 2 (1.0g/t Au cut-off) below plus the paragraphs following.

Table 1: New additional Horse Well Mineral Resources - April 2019 (0.5g/t Au cut-off)

Area	Category	Tonnes	Grade (g/t)	Ounces
Warmblood	Inferred	788,000	2.1	53,900
Dusk til Dawn	Inferred	3,495,600	1.0	108,900
TOTAL	Inferred	4,283,600	1.2	162,800

Notes:

- All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.
- The cut-off grade for the above resources is 0.50ppm Au.
- The Inferred Resource has been estimated using appropriate high grade cuts and minimum mining widths.

Table 2: New additional Horse Well Mineral Resources - April 2019 (1.0g/t Au cut-off)

Area	Category	Tonnes	Grade (g/t)	Ounces
Warmblood	Inferred	545,600	2.8	48,500
Dusk til Dawn	Inferred	987,400	1.6	51,800
TOTAL	Inferred	1,533,000	2.0	100,300

Note: The cut-off grade for the above table is 1.0ppm Au with appropriate rounding applied

Combining with pre-2019 Mineral Resources

The Company has an existing Inferred Resource within the Horse Well JV of 846,000 tonnes at a grade of 2.76g/t for 75,100 ounces as set out in Table 3 below. This Inferred Resource was released to the ASX on 28 October 2015.

Table 3: Horse Well Inferred Resource as at 28 October 2015.

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:

- All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.
- The cut-off grades for 2015 Resources are; 0.50 g/t for Oxide, 0.75 g/t for Transition and 1.00 g/t for Fresh weathering classifications.
- Resources have been defined in an A\$1,800 per ounce Whittle optimal shell.
- The Inferred Resource has been estimated using appropriate high grade cuts, minimum mining widths and dilutions.

Combining all Inferred Resource within the Horse Well JV results in a total of 5.1 million tonnes at a grade of 1.5g/t for 237,800 ounces as shown in Table 4. Figure 3 below shows the main Horse Prospect locations.

Based on the orientations, thicknesses and depths to which the gold-bearing zones have been modelled, plus their estimated grades for Au, the potential mining method is considered to be open pit mining. The Company also believes that very high cyanide recoverable gold from Leachwell analysis of fresh mineralised samples from both the Dusk til Dawn and Warmblood prospects strongly suggest that the gold is not refractory in nature and highly likely to be recoverable by conventional milling and CIP recovery.

Table 4: Combined Horse Well Inferred Resources as at April 2019.

Year	Area	Category	Tonnes	Grade (g/t)	Ounces
2015	Palomino	Inferred	554,000	2.5	43,600
	Filly SW	Inferred	85,800	8.2	22,700
	Filly	Inferred	206,000	1.3	8,700
2019	Warmblood	Inferred	788,000	2.1	53,900
	Dusk til Dawn	Inferred	3,495,600	1.0	108,900
COMBINED TOTAL		Inferred	5,129,400	1.5	237,800

Notes:

- All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.
- The cut-off grades for 2015 Resources are 0.50 g/t for Oxide, 0.75 g/t for Transition and 1.00 g/t for Fresh weathering classifications.
- The cut-off grades for 2019 Resources is 0.50 g/t for all weathering classifications.
- The Inferred Resource has been estimated using appropriate high-grade cuts, minimum mining widths and dilutions.

Planned Exploration

1. With the definition of high-grade near surface gold mineralisation of substantial tonnages, at a time of high gold prices, the Company is planning to review all the mineralised areas with a view to increasing the amount and quality of Mineral Resources.
2. Early stage investigations into development options will be commenced.
3. The Company will define priority resource extension and exploration targets for future drill programs.
4. The Big Daddy prospect will be reviewed for the applicability of innovative surface geochemical sampling to be utilised to more economically locate priority gold targets.

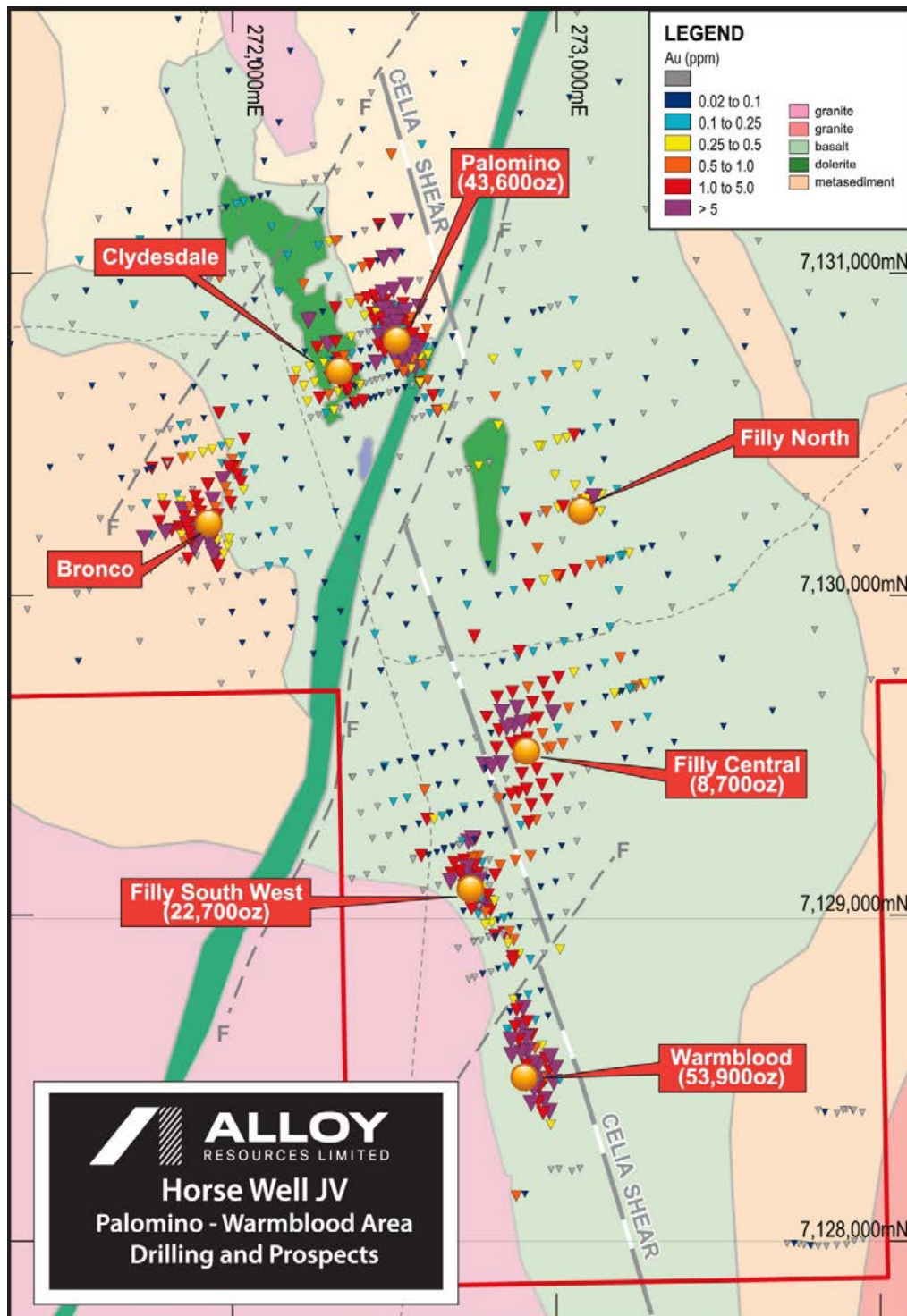


Figure 3 The Horse Prospects with drilling on interpreted geology

Paterson Project – Gold/copper (RTX earning 70%)

The Company has entered into a Farm-In and Joint Venture Agreement with Rio Tinto Exploration Pty Limited (**RTX**) whereby RTX can explore and earn a majority interest in the Company's Exploration Licence EL 45/4807 located in the Paterson region of Western Australia (Figure 4). RTX is a wholly owned subsidiary of Rio Tinto Limited (**Rio Tinto**) (refer ASX release 18 June 2018). RTX is completing the initial earn-in commitment whereby they can earn a 70% interest in the Tenement by spending \$500,000 and completing at least 500 metres of drilling, within 3 years

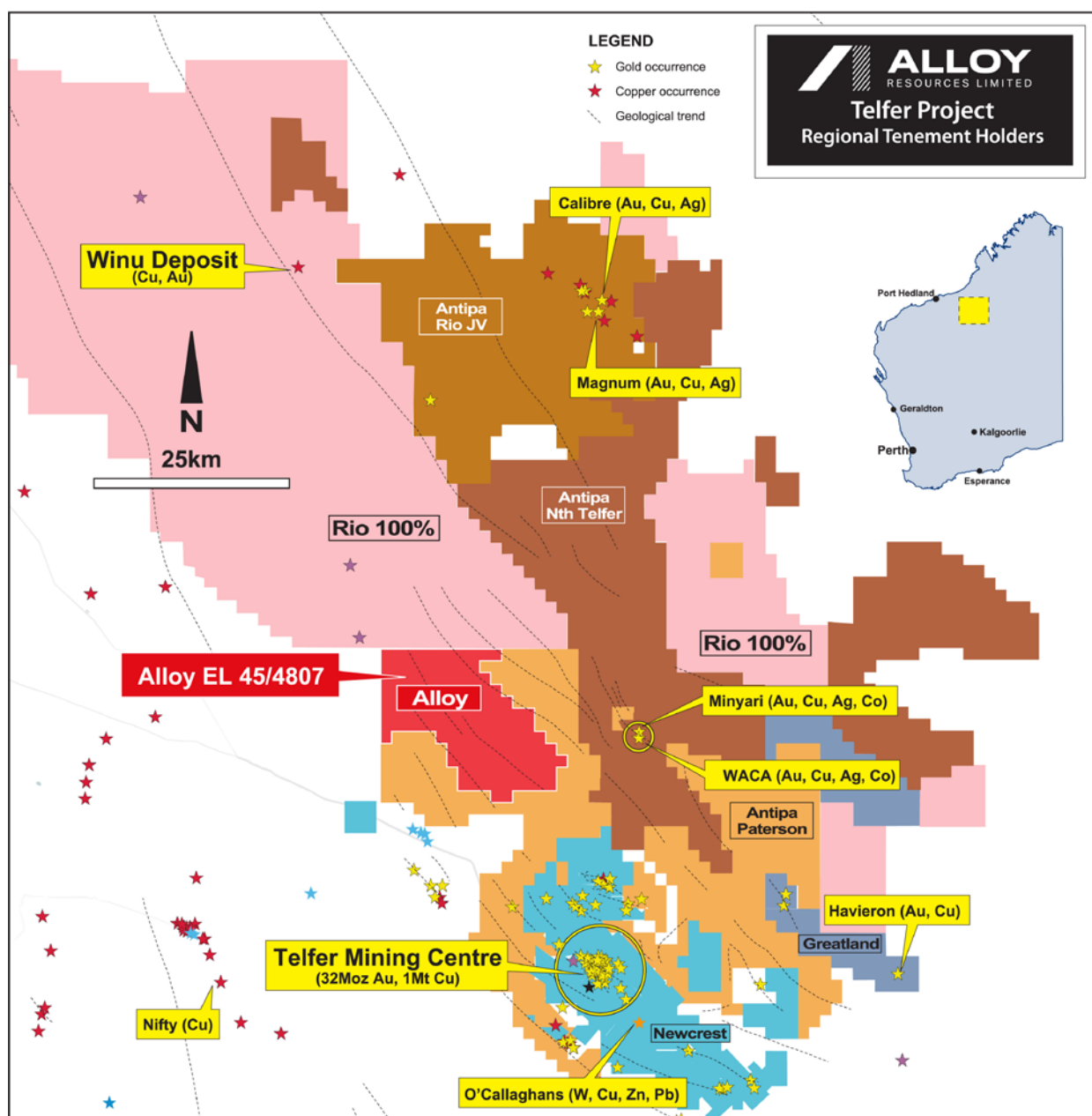


Figure 4 EL 45/4807 Regional Location Map with geology and major Tenement holders.

Activities for the March 2019 Quarter

Rio Tinto Exploration Pty Limited ("RTX") continued to fund exploration pursuant to the farm-in agreement entered into 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. Very limited historical exploration has been completed.

Activities undertaken by RTX during the quarter included data review, target generation, site access planning and heritage survey planning as part of preparatory work for a drilling programme. Subsequent to quarter end, a reconnaissance trip was undertaken to assess the condition of access tracks.

Planned Exploration Activities

An air-core 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.

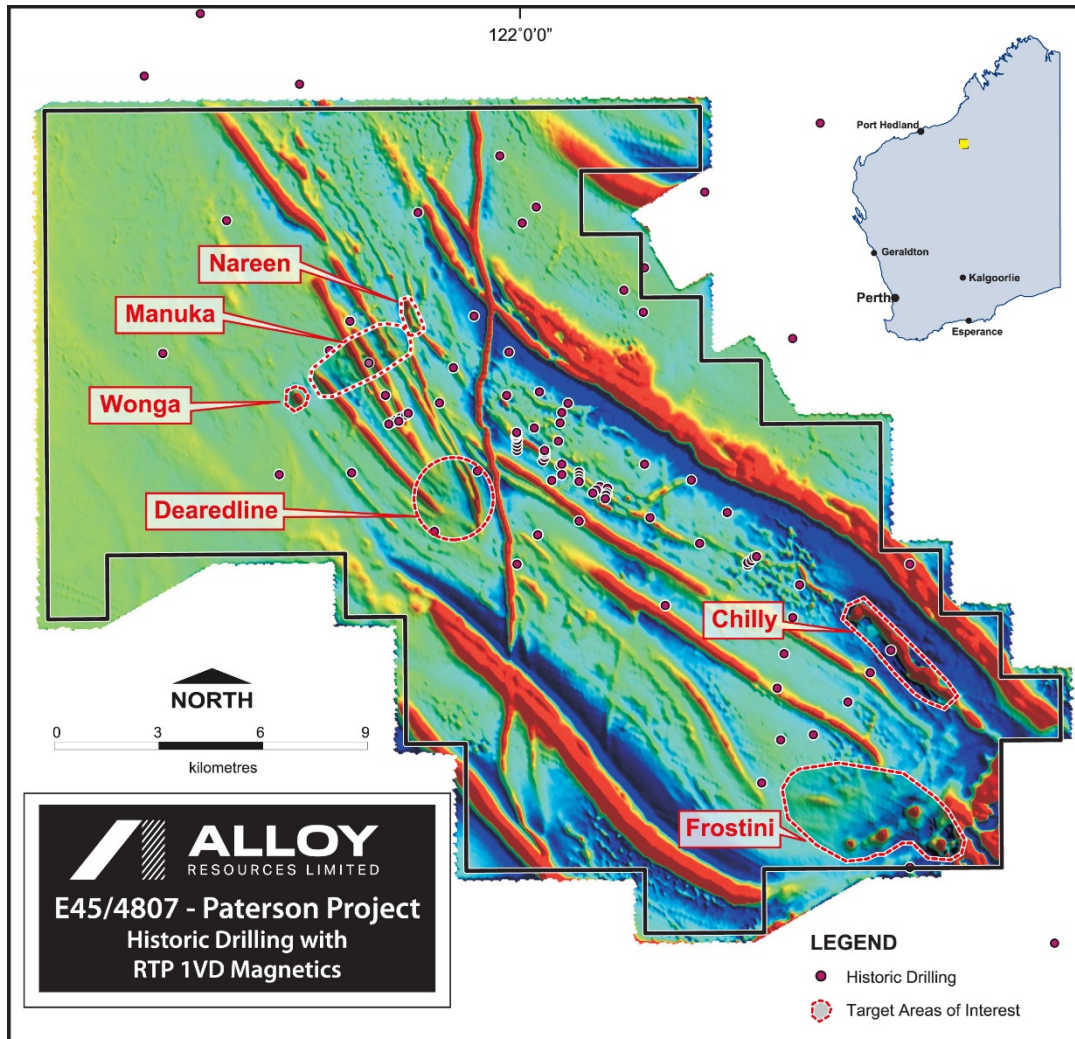


Figure 5 *E45/4807 Historic drilling on new Aeromagnetic survey image with Target Areas.*

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 5). 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.

Ophara Cobalt-Gold Project (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 (Figure 6).

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.

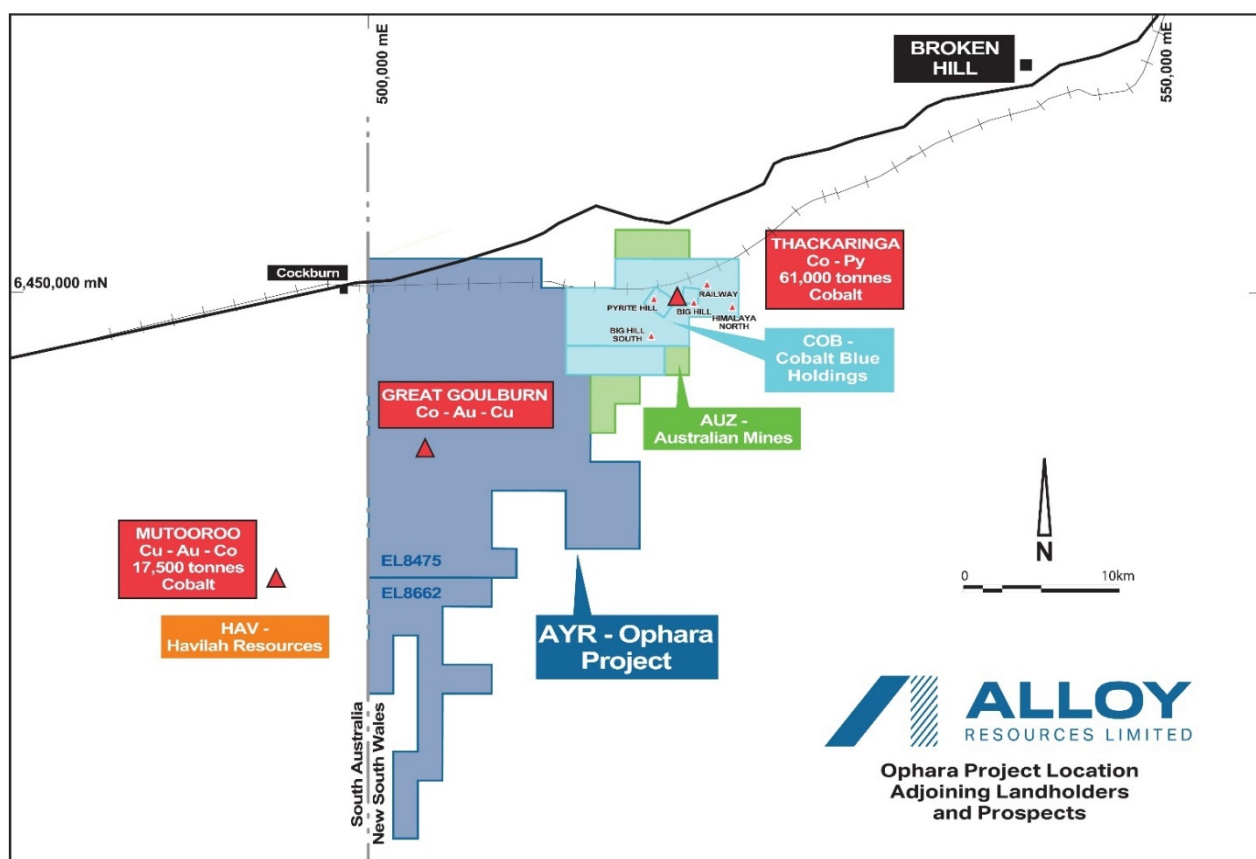


Figure 6 Ophara EL 8475 and EL 8662 Location showing Cobalt deposits.

Exploration has more recently been focussed on trying to locate larger new areas of mineralisation through soil sampling and follow-up air-core drilling. Numerous soil anomalies have been defined which appear to offer good targets for cobalt-gold mineralisation. Stronger trends need continued infill sampling and detailed mapping where possible in this largely colluvial covered area.

Air-core drilling is a further tool for locating mineralisation, however this type of drilling is restricted to the softer weathered zone where cobalt is strongly leached. This means the presence of gold (and copper) as well as the presence of remnant pyrite will be required to justify deeper RC drilling.

A second mineral target has emerged from the extensive soil sampling which is vein-hosted sideritic copper-gold style mineralisation. This has been found in the area of the small historic Kitchies Reward shaft near the eastern boundary of the Project. A large early stage copper-gold soil anomaly trend over at least 3km is present and remains unsampled further east and to the north and south.

Exploration Completed

No field exploration was completed during the quarter. Land access has been restricted by local landowners in areas of interest at Kitchies Find due to the ongoing severe drought in the Broken Hill area.

Planned Exploration

The Company is looking at further programs of work designed to delineate future drill targets, which may include;

- More detailed field mapping of soil anomalies, particularly in the Kitchies Find area and south western area.
- Further infill and extension sampling of soil anomalies.

Bronzewing North Project – Gold (100%)

Data reviews and exploration planning is ongoing.

Millrose Project (Purchase Option with Jindalee)

Following a review, the Company decided not to exercise its option to purchase E 53/1962.

Kurnalpi South – Gold (Riversgold Limited earning 70%)

No field work was conducted on this project during the quarter.

Corporate

Cash on hand at the end of quarter amounted to \$465,000.

A Share Purchase Plan to raise up to \$750,000 was announced on the 23 April 2019, with a closing date planned for the 10 May 2019.

For further information contact:

Andy Viner
Executive Chairman

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or: +61 8 9316 9100

www.alloyres.com

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, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. 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.

TENEMENT INFORMATION AS REQUIRED BY LISTING RULE 5.3.3

Project	Location	Tenement	Held at start of Quarter	Held at end of Quarter
Horse Well JV				
Eskay Resources Pty Ltd - Granted	WA	E69/1772	51% ⁺	51% ⁺
Alloy Resources Limited - Granted	WA	E53/1466	51% ⁺	51% ⁺
Alloy Resources Limited - Granted	WA	E53/1471	51% ⁺	51% ⁺
Alloy Resources Limited - Granted	WA	E69/2765	51% ⁺	51% ⁺
Alloy Resources Limited - Surrendered	WA	E69/3069	51% ⁺	0%
Alloy Resources Limited - Granted	WA	E53/1924	51% ⁺	51% ⁺
Alloy Resources Limited - Granted	WA	E69/2492	51% ⁺ [^]	51% ⁺ [^]
Alloy Resources Limited - Granted	WA	E69/2820	41% ⁺ [*]	41% ⁺ [*]
<i>* subject to Doray farmout Agreement – Doray 49%. Alloy earning 60%</i>				
<i>* Phosphate Australia retain 20% free-carried to BFS</i>				
<i>^ Wayne Jones NSR</i>				
Paterson				
Alloy Resources Limited – Granted	WA	E45/4807	100% ["]	100% ["]
<i>"subject to Rio Tinto Farm-in Agreement</i>				
Kurnalpi South				
Alloy Resources Limited – Granted	WA	E28/2599	100% [#]	100% [#]
Alloy Resources Limited - Granted	WA	E28/2665	100% [#]	100% [#]
<i># subject to Riversgold Limited farm-in Agreement</i>				
Ophara – Broken Hill West				
Alloy Minerals Limited - Granted	NSW	EL8668	100%	100%
Alloy Minerals Limited - Granted	NSW	EL8475	100%	100%
Alloy Minerals Limited - Granted	NSW	EL8476	100%	100%
Alloy Minerals Limited - Application	NSW	EL5662	0%	0%
Bronzewing North				
Alloy Resources - Application	WA	E53/1989	0%	0%
Alloy Resources - Application	WA	E53/1991	0%	100%
Alloy Resources - Application	WA	E53/1992	0%	100%
Alloy Resources - Application	WA	E53/1993	0%	100%
Alloy Resources - Application	WA	E53/1994	0%	100%
Alloy Resources - Application	WA	E53/1995	0%	100%
Alloy Resources - Application	WA	E53/1996	0%	0%
Alloy Resources - Application	WA	E53/2030	0%	0%
Alloy Resources - Granted	WA	P53/1682	100%	100%
Alloy Resources - Granted	WA	P53/1683	100%	100%
Alloy Resources - Granted	WA	P53/1684	100%	100%
Alloy Resources - Granted	WA	P53/1685	100%	100%
Alloy Resources - Granted	WA	P53/1686	100%	100%
Alloy Resources - Granted	WA	P53/1687	100%	100%
Alloy Resources - Granted	WA	P53/1688	100%	100%
Alloy Resources - Granted	WA	P53/1689	100%	100%
Alloy Resources - Granted	WA	P53/1690	100%	100%
Alloy Resources - Granted	WA	P53/1691	100%	100%
Alloy Resources - Granted	WA	P53/1692	100%	100%

Alloy Resources - Granted	WA	P53/1693	100%	100%
Alloy Resources - Granted	WA	P53/1694	100%	100%
Alloy Resources - Granted	WA	P53/1695	100%	100%
Alloy Resources - Granted	WA	P53/1696	100%	100%
Alloy Resources - Application	WA	P53/1697	100%	0%

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

ALLOY RESOURCES LIMITED

ABN

20 109 361 195

Quarter ended ("current quarter")

31 MARCH 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(57)	(1,206)
(b) development	-	-
(c) production	-	-
(d) staff costs	(12)	(48)
(e) administration and corporate costs	(29)	(185)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other – Farm in payments received	-	40
Insurance recovery	26	26
1.9 Net cash from / (used in) operating activities	(71)	(1,206)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(5)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other	-	-
2.6 Net cash from / (used in) investing activities	-	(5)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	440
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(26)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	414

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	536	1,262
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(71)	(1,206)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(5)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	414
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	465	465

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	165	186
5.2	Call deposits	300	350
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	465	536

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

79

-

- (a) Directors Fees and Remuneration \$73,856 (includes payments of Director Fees and Superannuation for the period)
- (b) Accounting Fees paid to Endeavour Corporate, an entity related to Mr Kevin Hart \$4,983 for the period

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

-

-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	(180)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	(30)
9.5 Administration and corporate costs	(30)
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	(240)

On 23 April 2019 the Company announced to ASX a share purchase plan for existing shareholders to raise up to \$750,000 before costs.

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Director/Company secretary)

Date: .30 April 2019

Print name: ..KEVIN HART.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.