



ASX Release

31 July 2019

Alloy Resources Limited

ABN 20 109 361 195

ASX Code

AYR

Corporate Directory

Executive Chairman

Mr Andy Viner

Non-Exec Director

Mr Gary Powell

Non-Exec Director/Co Sec

Mr Kevin Hart

Issued Shares

1,693,277,613

Unlisted Options

29,000,000

Company Details

Email

info@alloyres.com

Website

www.alloyres.com

Principal Office+

Unit 8, 1297 Hay St

West Perth WA 6005

Postal & Registered Office

+61 (8) 9316 9100

Suite 6, 7 The Esplanade

Mt Pleasant WA 6153

June 2019

Quarterly Activities Report

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

- 300% increase in mineral resources to 238,000 ozs.
- Focus on high-grade mineral resources at Horse Well.

Paterson Project – Rio Tinto farm-in

- Heritage and general access work partially completed.
- Revision of planned drilling to an 8-hole deep RC program designed to obtain fresh rock samples from a number of prospects.

Corporate

- Appointment of experienced consulting geologist Mr Gary Powell to the Board as a non-Executive Director.
- SPP completed, issuing 116,200,000 shares to raise \$290,500 before costs.

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 45 kilometre strike of greenstone belt. The Company has been focussing more recently on known gold prospects and reviewing geological and resource models with a view to defining economic potential for development.

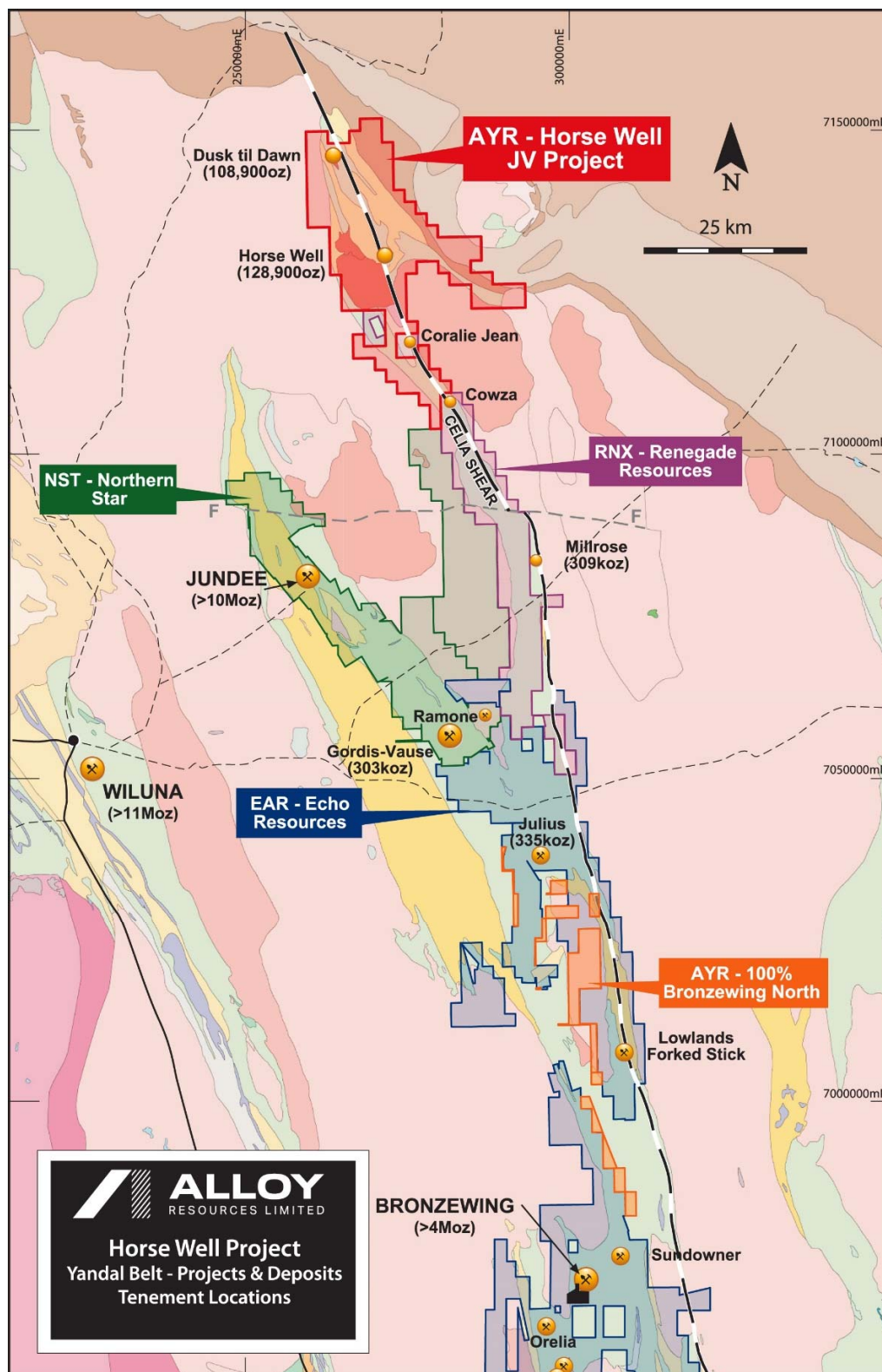


Figure 1 Horse Well Project location on geology showing regional ownership.

Exploration Completed

During the quarter the Company announced new JORC Mineral Resource Estimates for gold mineralisation at the two advanced prospects of Warmblood and Dusk til Dawn (Figures 2 and 3). Resources now total 237,800 ounces in the Inferred Category (refer Table 1 below and ASX announcement 11 April 2019).

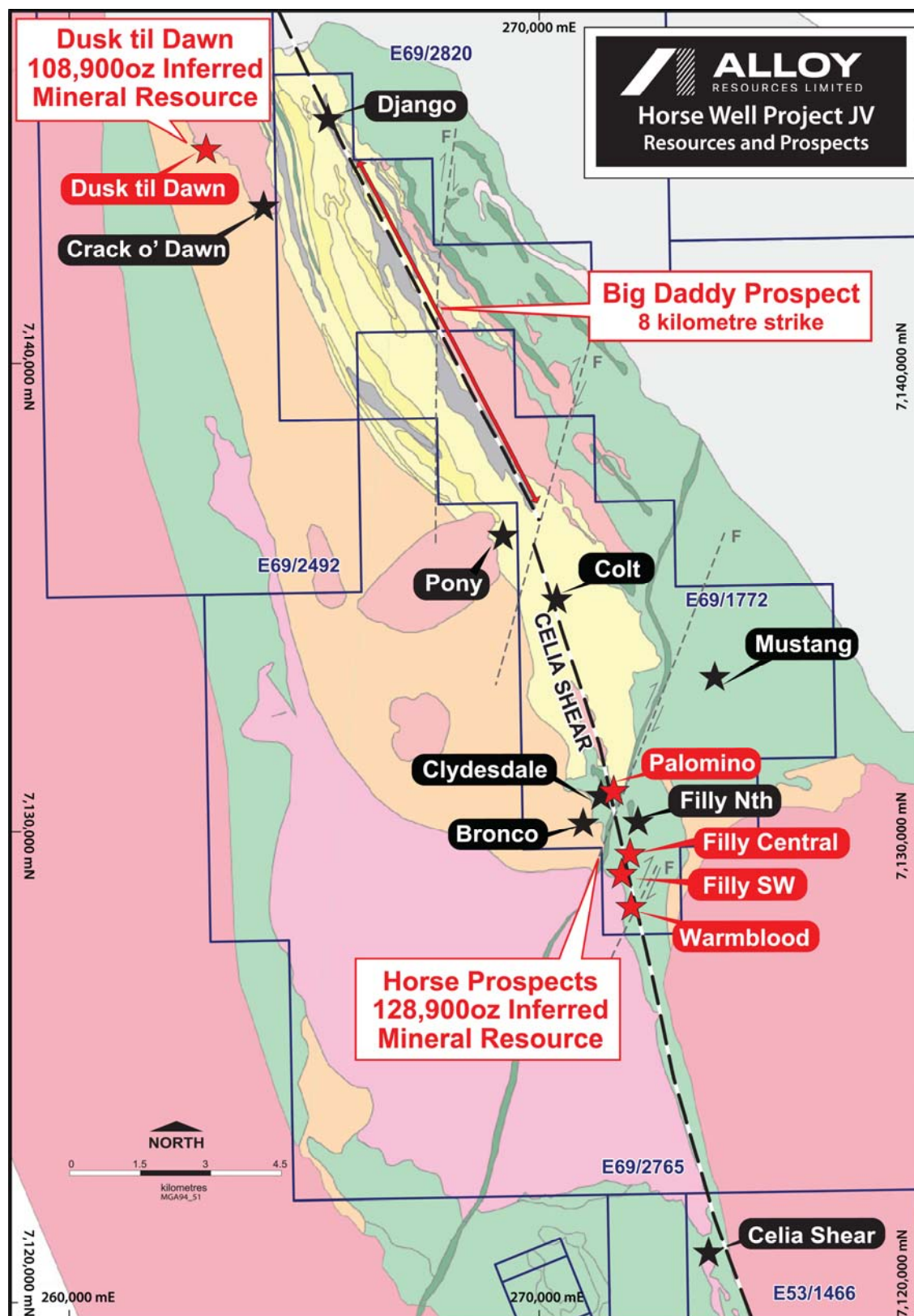


Figure 2 Horse Well Prospects on interpreted geology.

Table 1: 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

Within the Resources the Company has identified shallow, higher-grade Resources that have attributes which suggest they are potentially open-pittable, as shown in Table 2 below and presented in an ASX release on the 7 May 2019.

The Company has been reviewing the geological and resource models of the Palomino and Filly South West prospects with a view to defining the veracity of the interpretations and also the potential for definition of additional mineralisation.

Table 2: Selected higher-grade Horse Well Inferred Resources.

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
2019 >1.0 g/t Au	Warmblood	Inferred	545,600	2.8	48,500
COMBINED TOTAL		Inferred	1,185,400	3.0	114,800

During the quarter the Company has also been reviewing all mineralised prospects (Figure 3 below). This work is ongoing and is looking at;

1. Depth and strike extensions to the Warmblood-Filly SW mineralised structure
2. Depth and strike extensions to the Palomino mineralised structure
3. The Bronco prospect where north-south oriented drilling appears to have been in the wrong direction to detect Warmblood-Palomino type structures that trend north north-west
4. The Colt and Pony prospects where the majority of drilling is old historical vertical RAB drilling which is unsuitable for detecting and delineating narrow sub-vertical high-grade mineralised structures similar to Palomino and Warmblood.
5. The area around Colt – and southern Big Daddy which has similar geology and structure to that defined at Warmblood-Palomino, where stratigraphy is disrupted by a distinct NE fault.

With the Australian dollar gold price at record highs the Company has also commenced preliminary economic investigations on the Mineral Resources. This work will outline those prospects that have the potential to be mineable in the near term by haulage to a number of processing plants in the region.

Planned Exploration

1. Definition of potential near term mineable resources.
2. Selection of priority drill targets to expand high-grade Resources.
3. Investigate development options.
4. Commence Mining Lease applications

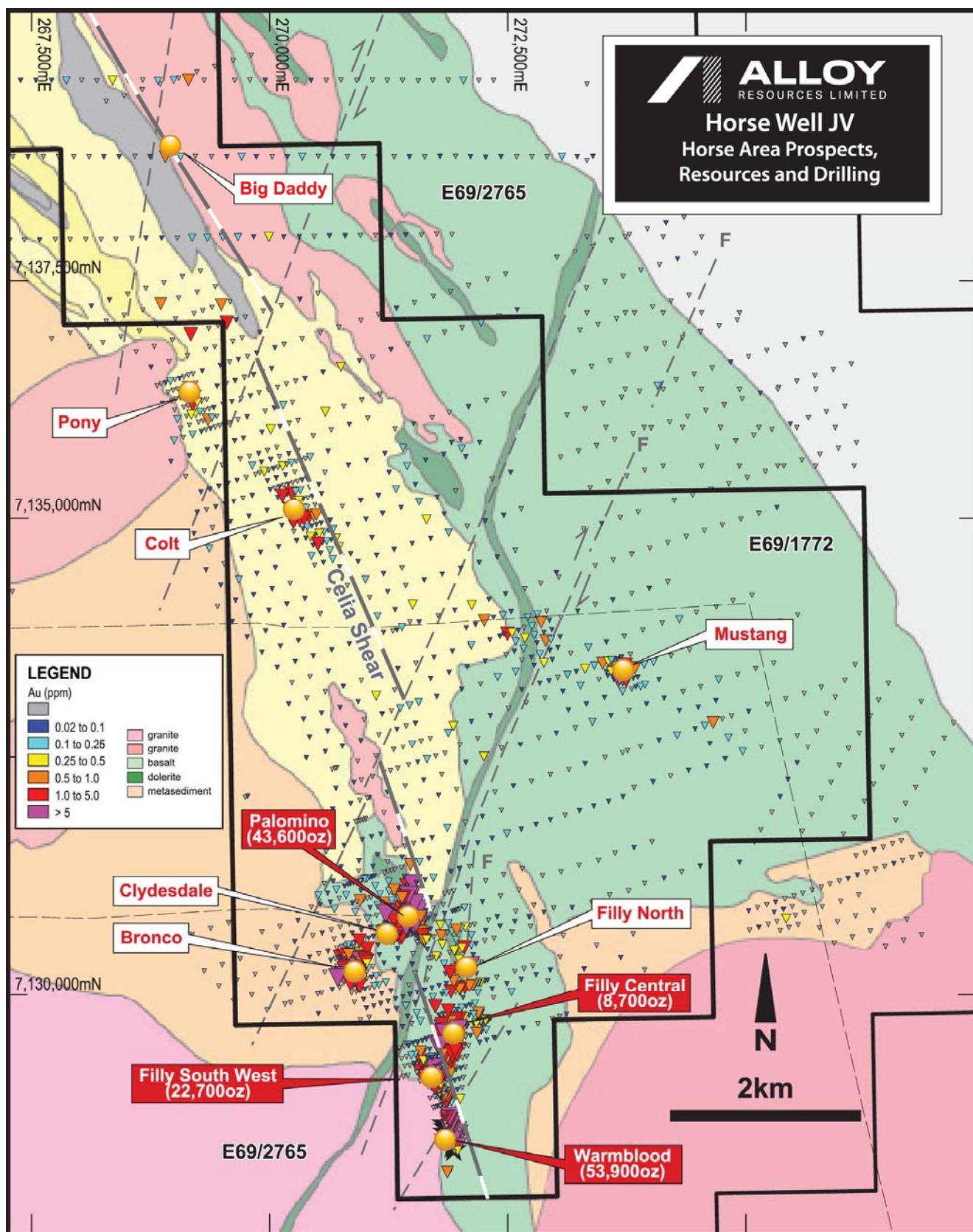


Figure 3 Horse area Resources and Prospects with drilling on interpreted geology.

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.

E45/4807 is a large 423 square kilometre tenement containing similar geology to the Newcrest's world class 32Moz Telfer gold deposit. The project is located only 25 kilometres to the north-west of Telfer and 50 kilometres south-east of Rio Tinto's exciting Winu copper-gold discovery. Very limited historical exploration has been completed within the project area.

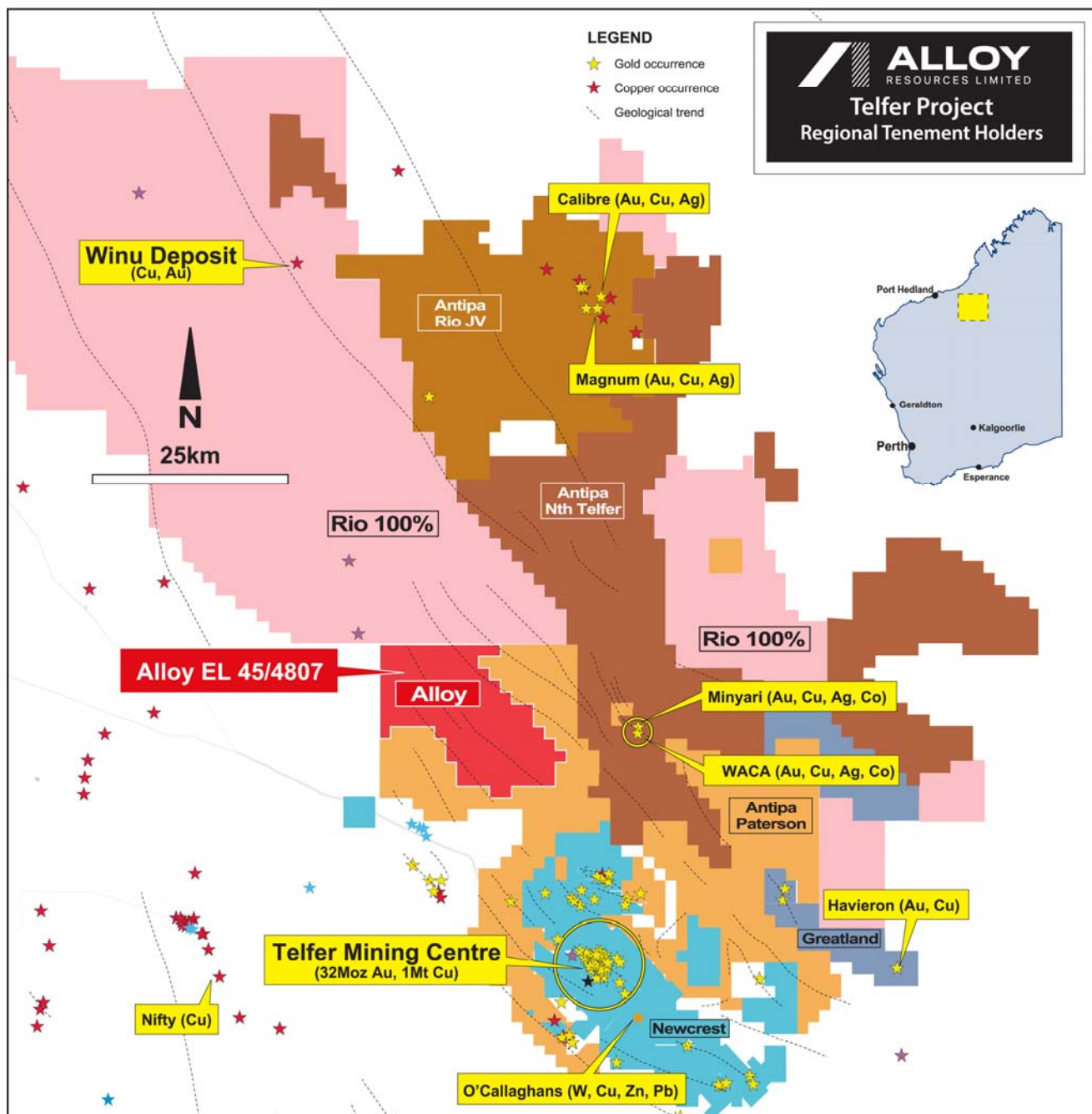


Figure 4 EL 45/4807 Regional Location Map with geology and major Tenement holders.

Activities for the June 2019 Quarter

Rio Tinto Exploration Pty Limited ("RTX") continued to fund exploration pursuant to the farm-in agreement entered into in June 2018. Activities undertaken by RTX during the June 2019 quarter included further site access planning (including a reconnaissance trip) and the completion of aboriginal heritage surveys as part of preparatory work for a drilling programme. A Programme of Work (PoW) for the planned access tracks and drill programme was approved by the Department of Mines, Industry Regulation and Safety (DMIRS) during the quarter.

Planned Exploration Activities

RTX are planning to complete heritage clearances and the establishment of site access for the drill programme during the September 2019 quarter.

The drilling programme is now planned to comprise a minimum of 8 reverse circulation (RC) drill holes of up to 250m depth across the 6 target areas, with further holes to possibly be drilled subject to results. This initial testing is intended to guide follow up exploration in 2020 and improve target generation by confirming basement depths and lithologies. The depth of cover for the initial targets is currently estimated to be 30-100m.

The drilling is expected to be completed before the end of November 2019. The exact timing of drilling will be subject to completion of the access arrangements and the scheduling of RTX's broader Paterson programme activities.

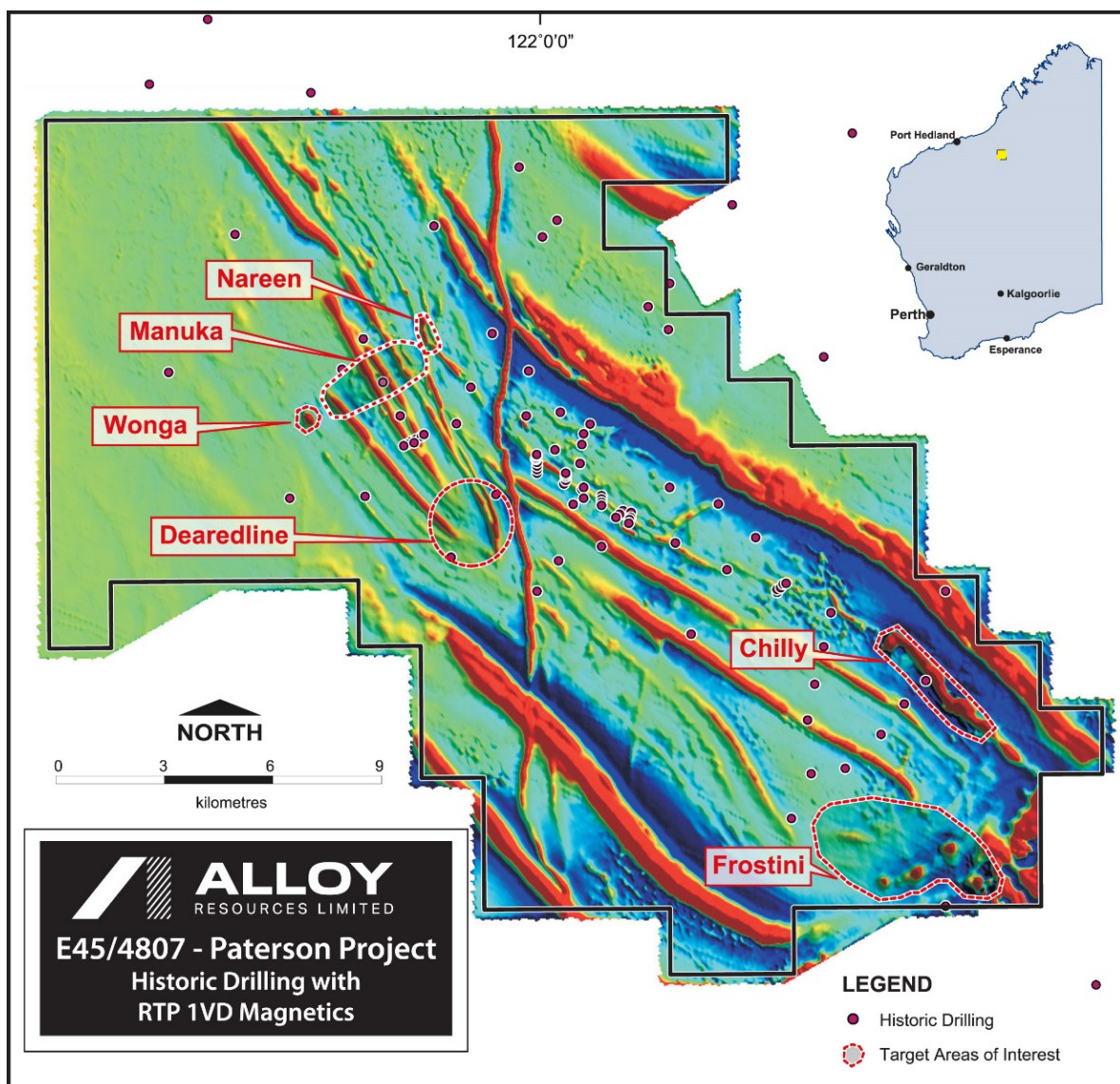


Figure 5 E45/4807 Historic drilling on 2018 Aeromagnetic survey image with Target Areas.

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.

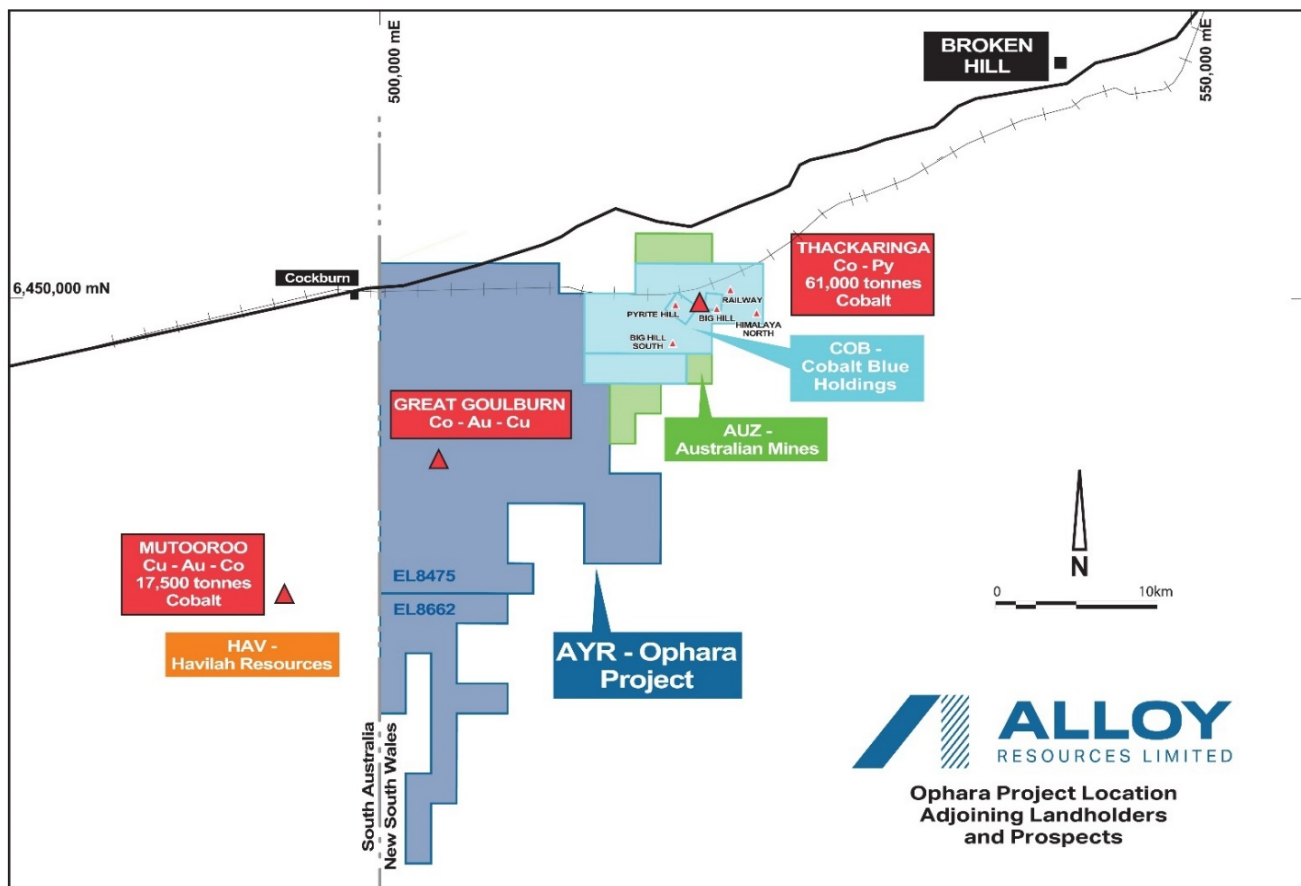


Figure 6 Ophara EL 8475 and EL 8662 Location showing Cobalt deposits.

A second mineral target has emerged from the extensive soil sampling completed in 2018 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.

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.

Kurnalpi South – Gold (Riversgold Limited earning 70%)

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

Corporate

Appointment of Non-executive director

On 1 May 2019 the Company announced the appointment of Mr Gary Powell as a Non-executive Director. Gary holds a Bachelor of Applied Science (Geology) from Curtin University and is currently a Consultant Geologist. He has over 35 years experience in exploration, development and mining in Australia and Asia.

The appointment followed the resignation of Non-executive Director Mr Allan Kelly.

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

A Share Purchase Plan was completed in May 2019 and raised \$290,500 before costs from the issue of 116,200,000 new shares at \$0.025 each.

For further information contact:

Andy Viner

Executive Chairman

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or: +61 8 9316 9100

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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 - Granted	WA	E53/1924	51% ⁺	51% ⁺
Alloy Resources Limited - Granted	WA	E69/2492	51% ⁺ [^]	51% ⁺ [^]
Alloy Resources Limited - Granted	WA	E69/2820	41% ⁺ [*]	41% ⁺ [*]
⁺ subject to Doray farmout Agreement – Doray 49%. Alloy earning 60%				
[*] Phosphate Australia retain 20% free-carried to BFS				
[^] Wayne Jones NSR				
Paterson				
Alloy Resources Limited – Granted	WA	E45/4807	100% ["]	100% ["]
["] subject to Rio Tinto Farm-in Agreement				
Kurnalpi South				
Alloy Resources Limited – Granted	WA	E28/2599	100% [#]	100% [#]
Alloy Resources Limited - Granted	WA	E28/2665	100% [#]	100% [#]
[#] subject to Riversgold Limited farm-in Agreement				
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	EL8793	0%	100%
Bronzewing North				
Alloy Resources - Application	WA	E53/1989	0%	0%
Alloy Resources - Granted	WA	E53/1991	100%	100%
Alloy Resources - Granted	WA	E53/1992	100%	100%
Alloy Resources - Granted	WA	E53/1993	100%	100%
Alloy Resources - Granted	WA	E53/1994	100%	100%
Alloy Resources - Granted	WA	E53/1995	100%	100%
Alloy Resources - Application	WA	E53/1996	0%	0%
Alloy Resources - Application	WA	E53/2030	0%	0%
Alloy Resources - Application	WA	E53/2085	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")

30 JUNE 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(159)	(1,244)
(b) development	-	-
(c) production	-	-
(d) staff costs	(30)	(78)
(e) administration and corporate costs	(70)	(255)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	7
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
1.9 Net cash from / (used in) operating activities	(258)	(1,504)
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 (12 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	291	731
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	(12)	(38)
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	279	693

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	425	1,262
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(258)	(1,504)
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)	279	693
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	446	446

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	36	125
5.2 Call deposits	410	300
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)	446	425

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**

86

-

- (a) Directors Fees and Remuneration \$71,356 (includes payments of Director Fees and Superannuation for the period)
- (b) Accounting Fees of \$12,182 and Company Secretary Fees of \$2,375, paid to Endeavour Corporate, an entity related to Mr Kevin Hart 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	(70)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	(30)
9.5 Administration and corporate costs	(80)
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	(180)

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: .31 July 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.