

29 October 2019

Company Announcements Platform
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

Non-renounceable Entitlement Issue

The Directors are pleased to announce an opportunity for the holders of shares in the Company (**Shareholders**) to participate in a non-renounceable pro-rata Entitlement issue.

Pursuant to the Entitlement Issue, the Company will issue up to 391,655,523 new fully paid ordinary shares (**New Shares**) at 0.2 cents per share (**Offer**) to raise up to \$783,311 (before costs). The New Shares will be offered on the basis of one (1) new share for every five (5) shares held in the capital of the Company at the Record Date (**Entitlement**).

The New Shares will be fully paid and will rank equally with the company's existing issued Shares.

All holders of fully paid shares on the Company's Register as at **5.00pm (WST) on 4 November 2019 (Record Date)** are entitled to take up this Offer.

A Prospectus and an Appendix 3B with respect to the Entitlement Issue follows.

Use of funds

The Company will use the proceeds from the Offers to continue with planned exploration and evaluation on the Horwell Gold Project for resource growth and project development on its, general working capital; and expenses associated with the Offer.

Key dates

With respect to the Entitlement Issue, the Company will accept applications until 5.00pm WST on Monday 21 November 2019, or any other date the Directors in their absolute discretion determine, subject to the requirements of the Corporations Act, the ASX Listing Rules and other applicable law. The timetable for the Entitlement Issue is as follows:

Lodgement of Prospectus with ASIC and ASX and Appendix 3B lodged with ASX	29 October 2019
Notice of Entitlements Issue sent to Shareholders	31 October 2019
Shares quoted on an "ex" basis	1 November 2019
Record Date for Determining Entitlement to New Shares	4 November 2019
Prospectus and Entitlement and Acceptance Form Despatched to Eligible Shareholders	7 November 2019
Closing Date for Receipt of Acceptances and Application Monies *	21 November 2019

Securities quoted on a deferred settlement basis	22 November 2019
ASX notified of under subscriptions	26 November 2019
Issue of shares	28 November 2019
Despatch of holding statements	28 November 2019

- * Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer. Any extension of the Closing Date will have a consequential effect on the anticipated date for allotment and issue of the New Shares.

For further information on your entitlement please contact myself at (08) 9316 9100 or the Company's share registry.

A Prospectus, Entitlement and Application Form will be mailed to Shareholders within three business days of the record date.

Yours sincerely

ALLOY RESOURCES LIMITED

Kevin Hart

Company Secretary



ALLOY RESOURCES LIMITED
ACN 109 361 195

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of one (1) Share for every five (5) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.002 per Share to raise up to \$783,311 (**Entitlement Offer**).

This Prospectus also contains an offer of 10,000,000 Advisor Options (**Advisor Offer**).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Securities offered by this Prospectus should be considered as speculative.

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1. CORPORATE DIRECTORY

Directors

Andrew Viner (Chairman)
Kevin Hart (Director)
Gary Powell (Director)

Company Secretary

Kevin Hart

Registered Office

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7 The Esplanade
MOUNT PLEASANT WA 6153

Principle place of business

Suite 8
1297 Hay Street
WEST PERTH WA 6005

Telephone: + 61 8 9316 9100
Facsimile: +61 8 9315 5475

Website: www.alloyres.com

Share Registry*

Automic Group
Level 2
267 St Georges Terrace
PERTH WA 6000

Telephone: +(61) 2 8072 1400

Auditor*

KPMG
235 St Georges Terrace
PERTH WA 6000

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

2. TIMETABLE

Lodgement of Prospectus with the ASIC	29 October 2019
Lodgement of Prospectus & Appendix 3B with ASX	29 October 2019
Notice sent to Optionholders	30 October 2019
Notice sent to Shareholders	31 October 2019
"Ex" date (date Shares are quoted ex-rights)	1 November 2019
Record Date for determining Entitlements	5.00pm (WST) 4 November 2019
Prospectus despatched to Shareholders & Company announces despatch has been completed	7 November 2019
Opening date	7 November 2019
Closing Date*	21 November 2019
Securities quoted on a deferred settlement basis	22 November 2019
ASX notified of under subscriptions	26 November 2019
Issue date, despatch of holding statements and deferred settlement trading ends	28 November 2019
Quotation of Securities issued under the Offer*	29 November 2019

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Securities are expected to commence trading on ASX may vary.

3. IMPORTANT NOTES

This Prospectus is dated 29 October 2019 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3.1 Risk factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in section 4 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

3.2 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in section 4 of this Prospectus.

4. DETAILS OF THE OFFER

4.1 The Entitlement Offer

The Entitlement Offer is being made as a non-renounceable entitlement issue of one (1) Share for every five (5) Shares held by Shareholders registered at the Record Date at an issue price of \$0.002 per Share. Fractional entitlements will be rounded down to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no existing Options are exercised prior to the Record Date) a maximum of 391,655,523 Shares will be issued pursuant to the Entitlement Offer to raise up to \$783,311.

As at the date of this Prospectus the Company has 27,000,000 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to section 5.4 of this Prospectus for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to section 6.1 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Entitlement Offer and the intended use of funds raised are set out in section 5.1 of this Prospectus.

4.2 Advisor Offer

Pursuant to the Mandate, the Company has agreed to issue to JP Equity Holdings Pty Ltd (**JP Equity** or **Lead Manager**) 10,000,000 Options in consideration for lead manager and corporate advisory services (**Advisor Options**).

The Advisor Offer will only be extended to JP Equity.

The Advisor Options offered under this Prospectus will be issued on the terms and conditions set out in section 6.2 of this Prospectus. All of the Shares issued upon the future exercise of the Advisor Options will rank equally with the Shares on issue at the date of this Prospectus.

4.3 Minimum subscription

There is no minimum subscription for the Entitlement Offer and Advisor Offer. Any entitlement not taken up pursuant to the Entitlement Offer will form the Shortfall Offer. Please refer to section 4.8 for further details of the Shortfall Offer.

4.4 Acceptance

Your acceptance of the Entitlement Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Entitlement Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
 - (i) complete the Entitlement and Acceptance Form; and

- (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form; or
- (b) if you only wish to accept **part** of your Entitlement:
 - (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies (at \$0.002 per Share); or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

4.5 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Alloy Resources Limited" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5:00 pm WST on the Closing Date.

4.6 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 4:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

The Entitlement Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

4.7 Lead Manager

JP Equity has been appointed as the lead manager of the Entitlement Offer. Under the Mandate, the Lead Manager will receive a transaction fee equivalent to 6% of the placement of the Shortfall Offer amount under the Entitlement Offer. The full terms of the appointment of the Lead Manager are summarised in section 8.4 of this Prospectus.

4.8 Underwriting

The Offer is not underwritten.

4.9 Effect on control of the Company

Shareholders should note that if they do not participate in the Entitlement Offer, their holdings will be diluted. Examples of how the dilution may impact Shareholders assuming no options have been exercised is set out in the table following:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	0.5104%	5,000,000	10,000,000	0.4253%
Shareholder 2	5,000,000	0.2552%	2,500,000	5,000,000	0.2126%
Shareholder 3	1,500,000	0.0766%	750,000	1,500,000	0.0638%
Shareholder 4	400,000	0.0204%	200,000	400,000	0.0170%
Shareholder 5	50,000	0.0026%	25,000	50,000	0.0021%
Total	1,958,277,613		391,655,523		2,349,933,136

Notes:

1. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

4.10 Shortfall Offer

Any Entitlement not taken up pursuant to the Entitlement Offer will form the Shortfall Offer (**Shortfall Shares**).

Eligible Shareholders may apply for Shortfall Shares under the Shortfall Offer in addition to their Entitlements subject to such applications being received by the Closing Date. The issue price for each Shortfall Share to be issued under the Shortfall Offer shall be \$0.002 being the price at which Shares have been offered under the Entitlement Offer.

The Shortfall Offer will be open to existing Shareholders and new external investors to the Company.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and may remain open for up to three months following the Closing Date.

Allocation of the Shortfall Shares will be at the discretion of the Board. If the Entitlement Offer is oversubscribed (by take up of Entitlements and Applications for Shortfall Shares by Eligible Shareholders), scale back will be applied to applications under the Shortfall Offer at the discretion of the Board of Directors. There is no guarantee that Eligible Shareholders will receive any Shortfall Shares applied for under the Shortfall Offer or the full amount of Shortfall Shares for which they have applied.

Any Shortfall Shares not applied for by Eligible Shareholders may be placed and allocated by the Company in consultation with the Lead Manager in the three months following the Closing Date of the Entitlement Offer.

No Shortfall Shares will be issued via the Shortfall Offer to any related parties of the Company.

4.11 ASX listing

Application for Official Quotation of the Securities offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Securities offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Securities and will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

4.12 Issue

Securities issued pursuant to the Offers will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offers will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Shares issued under the Shortfall Offer as soon as practicable after their issue.

4.13 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

New Zealand

The Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these Securities is being made in reliance on the transitional

provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia and New Zealand without the prior consent of the Company, taking into account relevant Shares law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

4.14 Enquiries

Any questions concerning the Offers should be directed to Kevin Hart, Company Secretary, on +61 8 9316 9100.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Entitlement Offer

The purpose of the Entitlement Offer is to raise up to \$783,311.

The funds raised from the Entitlement Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Horse Well Gold Joint Venture	636,447	81.2
2.	Expenses of the Offer ¹	46,864	6
3.	Working capital	100,000	12.8
	Total	783,311	100

Notes:

1. Refer to section 8.8 of this Prospectus for further details relating to the estimated expenses of the Entitlement Offer.
2. If the Entitlement Offer is not fully subscribed and the Shortfall Shares are not subsequently placed (in whole or in part) the Company intends to adjust the use of funds on a pro rata basis.

On completion of the Entitlement Offer, the Board believes the Company will have sufficient working capital to achieve these objectives.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

In the event less than the full subscription under the Entitlement Offer is raised and after accounting for reduced offer expenses, the Company will modify its anticipated spend allocations to the joint venture (Item 1 in the above table).

5.2 Effect of the Offers

The principal effect of the Offers, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, will be to:

- (a) increase the cash reserves by \$736,447 (after deducting the estimated expenses of the Offer) immediately after completion of the Entitlement Offer;
- (b) increase the number of Shares on issue from 1,958,277,613 as at the date of this Prospectus to 2,349,933,136 Shares; and
- (c) increase the number of Options on issue from 27,000,000 to 37,000,000 after completion of the Advisor Offer.

5.3 Pro-forma balance sheet

The unaudited pro-forma balance sheet as at 30 June 2019 shown below has been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options are exercised prior to the Record Date and including expenses of the Offers.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	30 June 2019	Significant changes since 30 June 2019 ¹	Effect of offer ²	PROFORMA 30 June 2019
CURRENT ASSETS				
Cash ¹	446,180	326,000	736,447	1,509,180
Other current assets	4,083	-	-	4,083
TOTAL CURRENT ASSETS	450,263	326,000	736,447	1,513,263
NON-CURRENT ASSETS				
Exploration	4,977,761	97,000	-	5,074,761
Other non-current assets	28,785	-	-	28,785
TOTAL NON-CURRENT ASSETS	5,006,546	97,000	-	5,103,546
TOTAL ASSETS	5,456,809	423,000	736,447	6,616,809
CURRENT LIABILITIES				
Creditors and borrowings	72,207	-	-	72,207
Provisions	88,547	-	-	88,547
TOTAL CURRENT LIABILITIES	160,754	-	-	160,754
TOTAL LIABILITIES	160,754	-	-	160,754
NET ASSETS (LIABILITIES)	5,296,055	423,000	736,447	6,456,055
EQUITY				
Share capital	20,668,289	493,000	783,311	21,945,056
Options Reserve	50,873	-	-	50,873
Retained loss	(15,423,107)	(70,000)	(46,864)	(15,539,874)
TOTAL EQUITY	5,296,055	423,000	736,447	6,456,055

Notes to the proforma statement of financial position:

1. Significant changes since 30 June 2019 include the following transactions:
 - (a) A decrease in cash of approximately \$167,000 resulting from operations for the quarter ended 30 September 2019.
 - (b) An increase in cash and issued capital of \$493,000, being proceeds less costs of the placement announced to ASX on 18 October 2019.

- (c) The Entitlement Offer is fully subscribed leading to the issue of 391,665,523 Shares at \$0.002 to raise \$783,311, less costs of the offer of \$46,864.

5.4 Effect on capital structure

The effect of the Offers on the capital structure of the Company, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, is set out below.

Shares	Number
Shares currently on issue	1,958,277,613
Shares offered pursuant to the Offer	391,655,523
Total Shares on issue after completion of the Offer	2,349,933,136

Options	Number
Options currently on issue:	
Unquoted exercisable at \$0.015 on or before 25 November 2019	7,000,000
Unquoted exercisable at \$0.01 on or before 19 December 2019	20,000,000
Total on issue as at the date of this Prospectus	27,000,000
Options offered pursuant to the Offer	Nil
Options to be issued pursuant to the Advisor Offer ¹	10,000,000
Total Options on issue after completion of the Offer	37,000,000

Note:

- The Company has agreed to issue 10,000,000 Options to the Lead Manager on the terms and conditions set out in section 6.2 as part of the consideration for lead management and corporate advisory services provided to the Company.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 1,958,277,613 Shares and on completion of the Offer (assuming all Entitlements are accepted and no Options are exercised prior to the Record Date) would be 2,349,933,136 Shares.

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

Given the exercise price of the Options currently on issue, it is unlikely that these Options will be exercised prior to the Record Date.

5.5 Details of substantial holders

There are no substantial shareholders in the Company.

6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

6.1 Shares

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of

the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

If the Company ceases to carry on business within 12 months after its incorporation, shares issued for cash rank in the distribution, to the extent of the capital contributed by subscribing shareholders, in priority to shares issued to vendors or promoters or both for consideration other than cash.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

6.2 **Advisor Options**

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.005 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 30 November 2021 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment

of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

7. RISK FACTORS

7.1 Company Specific

(a) Potential for Dilution

Upon implementation of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date the number of Shares in the Company will increase from 1,958,277,613 currently on issue to 2,349,933,136. This means that each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the prospectus being lodged of \$0.002 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

(b) Future Capital Requirements and Going Concern Risk

The Company's activities will require substantial expenditures. There can be no guarantees that the funds raised through the Offer will be sufficient to successfully achieve all the objectives of the Company's overall business strategy. If the Company is unable to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Offer there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to shareholders and any debt financing if available may involve restrictive covenants, which limit the Company's operations and business strategy.

Shareholders should note that the Financial Report of the Company for the year ended 30 June 2019 has been prepared on a going concern basis. However, the ability of the Company to continue as a going concern and to meet planned and committed expenditure requirements is subject to the Company successfully exploiting the investments and mining projects owned by the Company and/or the raising of further equity and/or loan capital. In the event that the Company is not successful in raising further funds, the realisable value of the entity's non-current assets may be significantly less than their current carrying values and the Company may not be able to continue in its present form.

The Company's failure to raise capital, if and when needed, could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

(c) Exploration, Development, Mining Processing and Operating Risks

By its nature, the business of mineral exploration, mine development, mine production, and ore processing undertaken by the Company at its exploration projects or future projects, contain risks. Ultimate and

continuous success of these activities is dependent on many factors such as:

- (i) successful exploration and definition and/or acquisition of recoverable and economic deposits;
- (ii) successful conclusions to bankable feasibility studies;
- (iii) access to adequate capital for project development;
- (iv) design and construction of efficient mining and processing facilities;
- (v) securing and maintaining title to tenements;
- (vi) obtaining consents and approvals necessary for the conduct of exploration and mining; and
- (vii) competent operation and proficient and effective marketing of the mineral products.

The operations of the Company may be disrupted by a variety of risks and hazards which are beyond the control the Company, including environmental hazards, industrial accidents, technical failure, labour disputes, unusual or expected geological conditions, damage, flooding, and extended interruptions due to inclement or hazardous weather conditions, fire explosions and earthquakes.

Significant reductions in the market prices for the Company's saleable commodities may also have a material adverse impact on the Company's positions. These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses, and possible legal liability. While the Company currently intends to maintain insurance with ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to maintain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

Most of these issues are only partially subject to the Company's control.

(d) **Operating Risks**

The current operations at the Company's projects and future operations of the Company, including exploration, appraisal, and future production activities, may be affected by a range of factors, including:

- (i) adverse geological conditions;
- (ii) limitations on activities due to seasonal weather patterns and cyclone activity;
- (iii) unanticipated technical difficulties encountered in drilling and production activities;
- (iv) mechanical failure of operating plant and equipment;

- (v) industrial and environmental accidents, industrial disputes and other force majeure events;
- (vi) unavailability of aircraft or drilling equipment to undertake airborne electromagnetic and other geological and geophysical investigations;
- (vii) unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment; and
- (viii) inability to obtain consents or approvals.

7.2 Industry Specific

(a) **Commodity Price and Exchange Rate Risks**

To the extent the Company is involved in mineral production the revenue derived through the sale of commodities may expose the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious commodities, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(b) **Resource Estimates**

Resource estimates are expressions of judgment based on knowledge, experience, and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(c) **Environmental Risks**

The operations and activities of the Company are subject to State and Federal laws and regulation concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company endeavours to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

(d) **Native Title and Title Risks**

Interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each

licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

It is also possible that, in relation to tenements which the Company has an interest in or will be in the future acquire such an interest; there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be affected.

The Directors closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

(e) **Joint Venture Parties, Agents and Contractors**

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

The Company is party to a joint venture agreement with Silver Lake Resources Limited in relation to the Horse Well Gold Project (**Project**) and is currently sole funding exploration to earn up to a 60% interest in the Project. The Company is subject to the risk that changes in the status of this joint venture (including changes caused by financial failure or default by a participant in the joint venture) may adversely affect the operations and performance of the Company.

(f) **Occupational Health and Safety Risk**

The Company is committed to providing a healthy and safe environment for its personnel, contractors, and visitors. Mining activities have inherent risks and hazards. The Company provides appropriate instructions, equipment, preventative measures, first aid information, and training to all stakeholders through its occupational, health and safety management systems.

(g) **Potential Acquisitions**

As part of its business strategy, the Company may make acquisitions of or significant investments in companies, products, technologies, or resource projects. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products, technologies, or resource projects.

7.3 General Risks

(a) **Reliance on Key Personnel and need to Attract Qualified Staff**

The Company is dependent on its management and technical personnel, the loss of whose services could materially and adversely

affect the Company and impede the achievements of its business objectives.

There can be no assurance that the Company will be able to attract or retain sufficiently qualified personnel on a timely basis or retain its key management personnel.

(b) **Economic Risks**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development, and future production activities, as well as on its ability to fund those activities.

(c) **Market Conditions**

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities and in particular, resource stocks. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(d) **Security Investments**

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular, securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market prices of the securities regardless of the Company's performance.

Mineral exploration and mining are speculative operations that may be hampered by circumstances beyond the control of the Company. Profitability depends on successful exploration and/or acquisition of reserves, design, and construction of efficient processing facilities, competent operation and management and proficient financial management.

Exploration in itself is a speculative endeavour, while mining operations can be hampered by force majeure circumstances and cost overruns for unforeseen events.

7.4 Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

8. ADDITIONAL INFORMATION

8.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

8.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
25/10/2019	Appendix 3B
23/10/2019	Sept 2019 Quarterly Activities Report and Cashflow
22/10/2019	Appendix 4G
22/10/2019	2019 Corporate Governance Statement
22/10/2019	Notice of Annual General Meeting/Proxy Form
22/10/2019	Annual Report to shareholders
17/10/2019	Placement Raises \$530k and Entitlement Offer
16/10/2019	Trading Halt
08/10/2019	Corporate Presentation - October

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.alloyres.com.

8.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	\$0.004	5/09/2019 and 6/05/2019
Lowest	\$0.001	24/07/2019
Last	\$0.002	28/10/2019

8.4 Material contracts

Lead Manager Mandate

JP Equity has been engaged as lead manager of the Entitlement Offer and to provide capital raising and corporate advisory services for a term of 6 months under a lead manager mandate dated 14 October 2019 (**Mandate**). Pursuant to the Lead Manager Mandate, the Company has agreed to pay the following fees to JP Equity:

- (a) 6% of the total funds raised by JP Equity pursuant to the Shortfall Offer; and
- (b) 6% of the total funds raised by JP Equity pursuant to any other capital raising;
- (c) 10 million unlisted options to acquire shares in the Company, with an exercise price of 0.5 cents per Share and an expiry date of 30 November 2021 (**Advisor Options**); and
- (d) a monthly retainer of \$6,000 (exclusive of GST) per month for the term of the Mandate.

The Mandate contains other terms and conditions considered standard for an agreement of its nature. This includes, but is not limited to, clauses in relation to termination, representations and warranties, indemnities and confidential information.

8.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offers.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Options	Entitlement	\$
Andrew Viner	35,252,667	5,000,000	7,050,533	14,101
Kevin Hart	18,072,328	2,000,000	3,614,466	7,229
Gary Powell	-	-	-	-

The Board recommends all Shareholders take up their Entitlement and advises that all Directors intend to take up their respective Entitlements.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$150,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	Proposed for year ended 30 June 2020 ^{1, 2}	Year ended 30 June 2019 ²	Year ended 30 June 2018 ²
Andrew Viner	\$235,425	\$245,624	\$241,489
Kevin Hart	\$30,000	\$30,000	\$30,000
Gary Powell ³	\$30,000	\$5,000	n/a

Notes:

1. Proposed remuneration for the financial year ending 30 June 2020 has been estimated based upon contractually agreed hourly rates and fees accrued as at the date of this Prospectus.
2. Comprising fees and salary.
3. Mr Powell was appointed as a director on 1 May 2019

8.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

(a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;

(b) promoter of the Company; or

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

(c) the formation or promotion of the Company;

(d) any property acquired or proposed to be acquired by the Company in connection with:

(i) its formation or promotion; or

(ii) the Offer; or

(e) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

(f) the formation or promotion of the Company; or

(g) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin \$5,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid \$23,120.37 for legal services provided to the Company.

JP Equity will be paid a management fee of approximately \$23,400 (assuming 50% Shortfall Offer) in respect of the Shortfall Offer. During the 24 months preceding lodgement of this Prospectus with the ASIC, JP Equity has been paid fees totalling \$36,800 by the Company.

8.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as proposed directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this section:

(a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section;

- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section;

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC;

JP Equity has given its written consent to being named as Lead Manager to the Company in this Prospectus. JP Equity has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

8.8 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$46,864 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	5,012
JP Equity (assuming 50% shortfall offer)	23,499
Legal fees	5,000
Printing and distribution	8,500
Miscellaneous	1,647
Total	46,864

8.9 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 8 9316 9100 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.alloyres.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8.10 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

8.11 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing share or option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

8.12 Privacy Act

If you complete an application for Securities, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

9. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Kevin Hart
Director
For and on behalf of
ALLOY RESOURCES LIMITED

10. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Advisor Offer means the offer of the Advisor Options as referred to in Section 4.2.

Applicant means a Shareholder who applies for Shares pursuant to the Offer or a Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means Alloy Resources Limited (ACN 079 432 796).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Lead Manager or **JP Equity** means JP Equity Holdings Pty Ltd (ACN 626 933 364).

Mandate means the lead manager mandate with JP Equity dated 14 October 2019, as set out in section 8.4.

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Securities means Shares offered pursuant to the Entitlement Offer and the Shortfall Offer and the Advisor Options offered pursuant to the Advisor Offer.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall means the Shares not applied for under the Offer (if any).

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in section 4.10 of this Prospectus.

Shortfall Shares means those Shares issued pursuant to the Shortfall.

WST means Western Standard Time as observed in Perth, Western Australia.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Alloy Resources Limited

ABN

20 109 361 195

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | a) Ordinary Fully Paid Shares
b) Unlisted advisor options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | a) Up to 391,655,523
b) 10,000,000 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | a) Ordinary fully paid shares
b) Unlisted options exercisable by the payment of \$0.005 each on or before 30 November 2021. |

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> the date from which they do the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>a) When issued, the shares will rank equally with those already on issue.</p> <p>b) Upon exercise, the shares issued will rank equally with those already on issue.</p>
5	Issue price or consideration	<p>a) \$0.002 each</p> <p>b) Nil</p>
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<p>a) To raise capital to fund continued planned exploration and evaluation on the Horse Well gold project for resource growth and project development, and for general working capital.</p> <p>b) Options issued pursuant to the Lead Manager Mandate</p>
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	Yes
6b	The date the security holder resolution under rule 7.1A was passed	19 November 2018
6c	Number of +securities issued without security holder approval under rule 7.1	Nil

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	N/A	
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A	
6f	Number of +securities issued under an exception in rule 7.2	a) Up to 391,655,523 ordinary shares	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15-day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Refer Annexure 1	
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	Anticipated issue date is 28 November 2019	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		2,349,933,136	Ordinary fully paid shares assuming full subscription to the Non-Renounceable Rights Issue

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

	Number	+Class
9	7,000,000	Unlisted options exercisable by payment of 1.5 cents each expiring 25 November 2019.
	20,000,000	Unlisted options exercisable by payment of 1 cent each expiring 19 December 2019.
	10,000,000	Unlisted options exercisable by payment of 0.5 cents each expiring 30 November 2021 (<i>upon completion of Non-Renounceable Rights Issue</i>).
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	
	N/A	

Part 2 - Pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the +securities will be offered	1 new share for every 5 existing shares held at record date
14	+Class of +securities to which the offer relates	Ordinary Fully Paid Shares
15	+Record date to determine entitlements	4 November 2019
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Fractional entitlements will be rounded down to the nearest whole number

+ See chapter 19 for defined terms.

18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	China, Denmark, France, Ireland, Malaysia, Mongolia, Singapore, Switzerland and the United Kingdom
19	Closing date for receipt of acceptances or renunciations	21 November 2019
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	JP Equity Partners Pty Ltd are acting as Lead Managers
23	Fee or commission payable to the broker to the issue	6% of the total funds raised by JP Equity partners pursuant to the shortfall offer
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	7 November 2019
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	30 October 2019
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

- | | | |
|----|---|--|
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker? | N/A |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | N/A |
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)? | N/A |
| 33 | ⁺ Issue date | Anticipated issue Date is 28 November 2019 |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of ⁺securities
(tick one)
- (a) ☒ ⁺Ordinary shares described in Part 1
- (b) ☐ All other ⁺securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought					
39	+Class of +securities for which quotation is sought					
40	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> the date from which they do the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 					
41	<p>Reason for request for quotation now</p> <p><small>Example: In the case of restricted securities, end of restriction period</small></p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>					
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">+Class</th> </tr> </thead> <tbody> <tr> <td style="height: 100px;"></td> <td></td> </tr> </tbody> </table>	Number	+Class		
Number	+Class					

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:
(Director/Company secretary)

Date: ..29 October 2019.....

Print name:KEVIN HART.....

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	1,577,077,613
Add the following: <ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval Number of partly paid +ordinary securities that became fully paid in that 12 month period Note: <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	15 May 2019: 116,200,000 fully paid ordinary shares issued pursuant to a share purchase plan Up to 391,655,523 fully paid ordinary shares pursuant to the non renounceable rights issue as noted in the Appendix 3B to which this form is annexed.
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	-
“A”	2,084,933,136

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	312,739,970
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p>Note:</p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	109,387,359 ordinary shares issued pursuant a placement on 25 November 2019.
“C”	109,387,359
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	312,739,970
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	109,387,359
Total [“A” x 0.15] – “C”	203,352,611 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	2,084,933,136
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	208,493,314
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	155,612,641 ordinary shares issued pursuant to a placement on 25 October 2019.
“E”	155,612,641

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	208,493,314
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	155,612,641
Total [“A” x 0.10] – “E”	52,880,673 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.