



Paterson - Rio Tinto JV

Exploration Update

ASX Release

20 January 2020

Capital Structure

Alloy Resources Limited
ABN 20 109 361 195

ASX Code
AYR

Issued Shares
2,088,677,351

Unlisted Options
90,000,000

Corporate Directory

Executive Chairman
Mr Andy Viner

Non-Exec Director
Mr Gary Powell

Non-Exec Director/Co Sec
Mr Kevin Hart

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Highlights

- Heritage surveys completed in preparation for drill testing of eight initial target areas.
- Access to seven drill sites completed with one remaining to be done.
- RC drilling program currently planned to be completed in April-May 2020.

Summary

Australian explorer **Alloy Resources Limited (ASX:AYR) (Alloy or the Company)** provides the following update pursuant to the farm-in agreement entered into with Rio Tinto Exploration Pty Limited (“RTX”) in June 2018, under which RTX is earning an initial 70% interest in E45/4807 in the Paterson Province of Western Australia. (Refer ASX release 19 June 2018)

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

RTX are actively exploring the Paterson region following their discovery of the exciting Winu copper-gold deposit located 50 kilometres north of the Joint Venture. RTX holds extensive exploration tenure which adjoins with the Joint Venture tenement and extends to Winu.

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

Completed Exploration Activities

Activities undertaken by RTX since the last update included earthworks for the camp site, a major portion of the access tracks and 7 of the 8 drill pads for a proposed initial reverse circulation (RC) drilling program on E 45/4807. All Programmes of Work (PoWs) were obtained and approved for the drill programme.

Planned Exploration Activities

Earthworks for the remaining access tracks and drill pad are planned to commence shortly.

The drilling programme is now expected to be undertaken in April-May 2020, subject to weather and the scheduling of RTX’s broader Paterson programme activities and related drill rig movements.

As previously announced, the drilling programme is planned to comprise a minimum of 8 reverse circulation (RC) drill holes of up to 250m depth across 6 copper-gold target areas, with further holes to possibly be drilled subject to results (Figure 2).

This initial testing is intended to guide follow up exploration 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 Company looks forward to informing the market as the drilling activities are commenced and thereafter as results become available.

This ASX announcement was approved and authorised for release by Andy Viner, Executive Chairman of Alloy Resources Limited

For more information contact:

Andy Viner

Executive Chairman

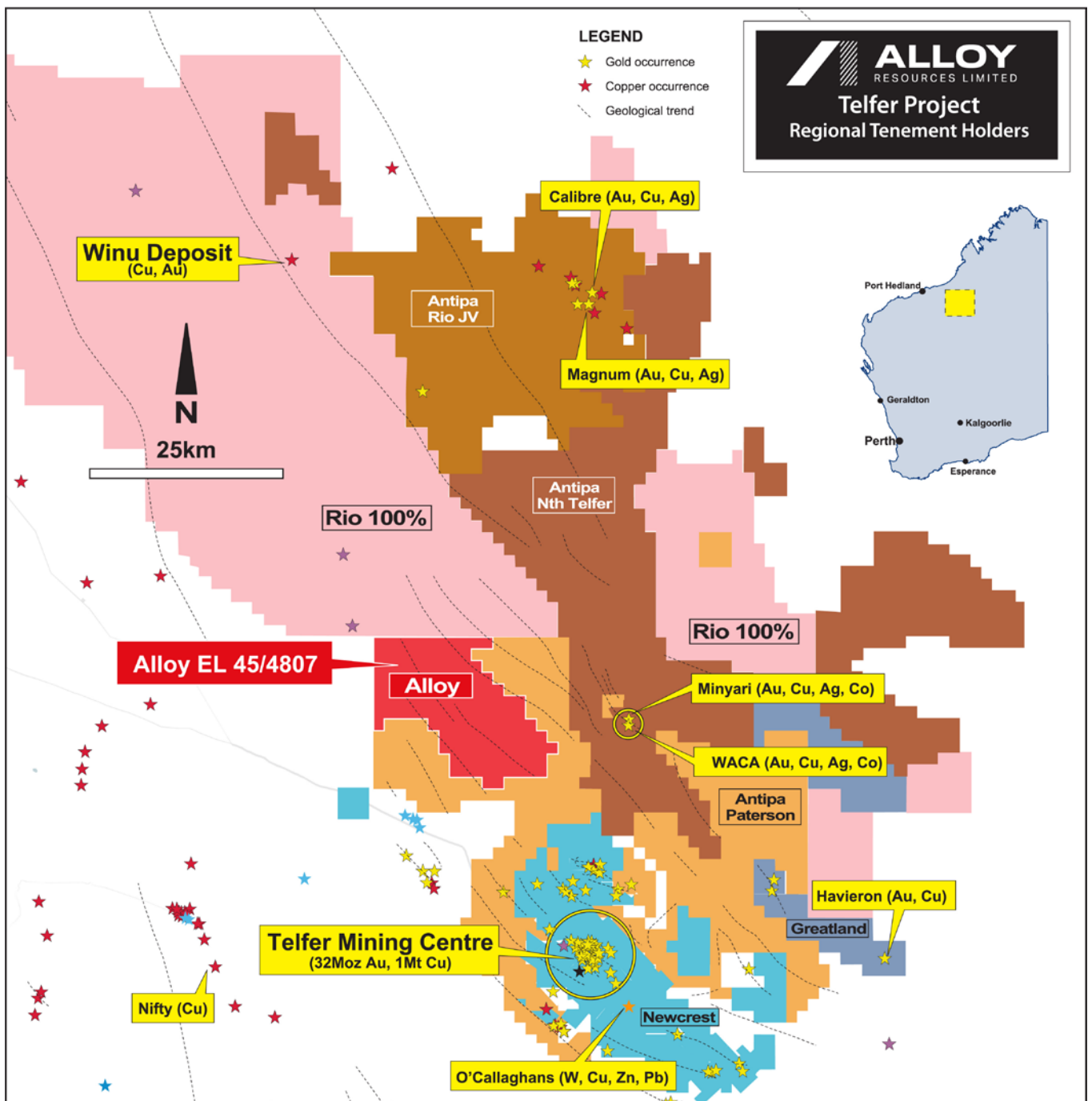


Figure 1 Location of the Alloy-RTX farm-in JV with neighbouring holders and mines/prospects

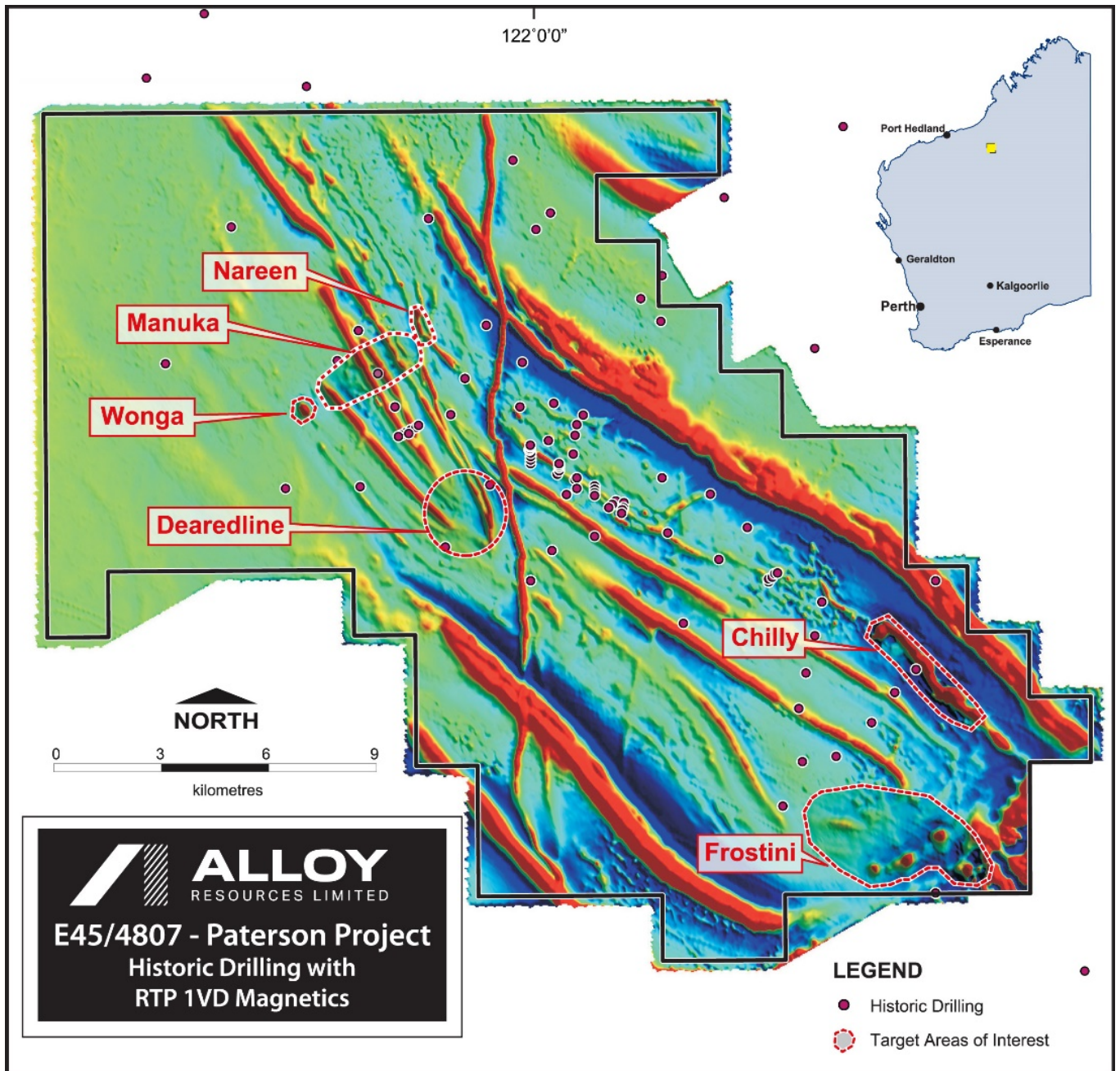


Figure 2 E45/4807 Historic drilling on 2018 Aeromagnetic survey image with Target Areas

Information in this report which relates to Exploration Results is based on information compiled by Andrew Viner, a Director of Alloy Resources Limited and a Member of the Australasian Institute of Mining and Metallurgy, Mr Viner has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr Viner consents to the inclusion in the report of the matters based on this information in the form and context in which it appears. Mr Viner is a shareholder and option holder of Alloy Resources Limited.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings as presented have not materially changed from the original market announcement.