

27 February 2020**ASX: AYR**

Company Announcements Office
Australian Securities Exchange
4th Floor, 20 Bridge Street
Sydney NSW 2000

Completion of Share Placement for Dingo Acquisition

Alloy Resources Limited (“Alloy” or “the Company”) is pleased to announce that firm placement commitments have been received from professional and sophisticated investors to raise A\$1,000,000 before costs. The Placement will take place in two tranches.

Tranche 1

The tranche 1 placement of 180,919,338 ordinary fully paid shares at A\$0.002 (0.2 cents) will be issued within Alloy’s current placement capacity under ASX Listing Rules 7.1 (154,164,244 shares) and 7.1A (26,755,094 shares) pricing requirements raising \$361,838.

Tranche 2

The tranche 2 placement of 31,908,100 post consolidation shares at A\$0.02 (2 cents) raising \$638,162 will be completed subject to shareholder approval at a meeting to be convened as soon as possible in late March early April 2020.

The Company had targeted a placement to raise \$2.1m however extraordinary market conditions in recent days has seen this scaled back to \$1m being the minimum capital raising required for Completion of the Dingo Transaction (Refer ASX release dated 18 February 2020). Notwithstanding this the Company believes it will have sufficient funding to carry out planned activities (refer to use of funds below).

JP Equity Partners acted as Lead Manager for the placement which was completed in a difficult market.

Subject to shareholder approval, the Company will issue post consolidation 15 million unlisted broker options, exercisable by payment of 2.5 cents each and expiring 18 months from the date of issue.

Use of Funds

The Company will use the proceeds from the Placement for general working capital, expenses associated with the Placement, and to advance its projects through cost-effective activities including:

- Completing Heritage negotiation and land access at the Morgan’s Range Project whilst also doing reviews of geophysical and geological data to define the appropriate initial stage of exploration. If as expected ground electromagnetic surveying is required to refine the drill target, then this will be completed and prior to deep drilling of the conductor.

- Completing analysis of remaining 1 metre RC drill samples from December quarter 2019 drilling at the Horse Well Gold Project and making application for a Mining Licence over shallow high-grade gold deposits. Updated Mineral Resource estimates will then be undertaken.
- Data compilation and interpretation at the Bryah Basin Project and definition of areas for drilling. Drilling of priority targets.

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

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