



Exercise of Option to Acquire Bryah Basin Project

Summary

Australian gold explorer **Alloy Resources Limited (ASX:AYR)** (“**Alloy**” or “**the Company**”) is pleased to advise that following completion of the acquisition of unlisted public company Dingo Resources Limited (“**Dingo**”), the Company is now undertaking the process of exercising Dingo’s rights to acquire certain mineral exploration projects in Western Australia as outlined in an announcement on 18 February 2020.

The Company, through its wholly-owned subsidiary Dingo, has exercised its right to acquire Gateway Mining Limited’s (**Gateway**, ASX: GML) interests in tenements E51/1738, E51/1842, E52/3273 and E52/3510 located in the Bryah Basin (**Tenements**) as shown on Figures 1 and 2.

These Tenements make up the Bryah Basin Project which the Company regards as highly prospective for copper-gold mineralisation similar to neighbouring deposits being developed by Sandfire Resources at the DeGrussa mine, and gold mineralisation similar to that being developed by Westgold Resources at the Fortnum mine.

Consideration for the Tenements includes,

- (a) Cash consideration of A\$200,000 at completion and A\$175,000 within 12 months of completion;
- (b) Share Consideration of 20,000,000 fully-paid ordinary shares in the capital of Alloy at a deemed issue price of \$0.02 per share (post consolidation), which will be subject to a 12-month voluntary escrow; and
- (c) Royalty Consideration by the grant of a 1.5% net smelter royalty over the Tenements.

The Tenements are largely surrounded by Sandfire Resources Joint Venture ground where Sandfire are funding active exploration. A recent announcement by Sandfire’s JV partner Auris Minerals Limited (*ASX: AUR 30 March 2020*) indicates that new gold mineralisation is being discovered along strike from the eastern part of the Tenements with similar characteristics to that found at the North Ruby Well Target #1, and Dead Horse Well prospects (see Figure 3 below). Alloy’s technical Directors have completed field inspection of these and the other prospects within the Tenements and confirm this similarity.

Alloy’s Executive Chairman Andy Viner said: “*Following our successful General Meeting of Shareholders we are now able to advance these new high quality exploration plays that come through the acquisition of Dingo Resources.*

“*The Bryah Basin project is a unique large landholding which has numerous early stage copper-gold targets right in the middle of Sandfire Resources exploration areas*”.

“*Just before the regions were closed off by the State Government, I travelled to the Project with fellow Director Gary Powell and we were able to inspect the majority of the prospects. We saw that there was very good geological confirmation that both soil and drill anomalies are related to recognisable structures and alteration which is very encouraging.*”

“*Our neighbours have confirmed that regional exploration drilling within similar geology along strike has located strong gold mineralisation, which can only mean the prospectivity of the Project area is being enhanced*”.

ASX Release

16 April 2020

Capital Structure

Alloy Resources Limited
ABN 20 109 361 195

ASX Code
AYR

Issued Shares
3,038,677,351

Unlisted Options
70,000,000

Corporate Directory

Executive Chairman
Mr Andy Viner

Non-Exec Director
Mr Gary Powell

Non-Exec Director
Mr Paul Skinner

Company Secretary
Mr Kevin Hart

Company Details

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Figure 1 Regional location of Projects following acquisition of Dingo Resources

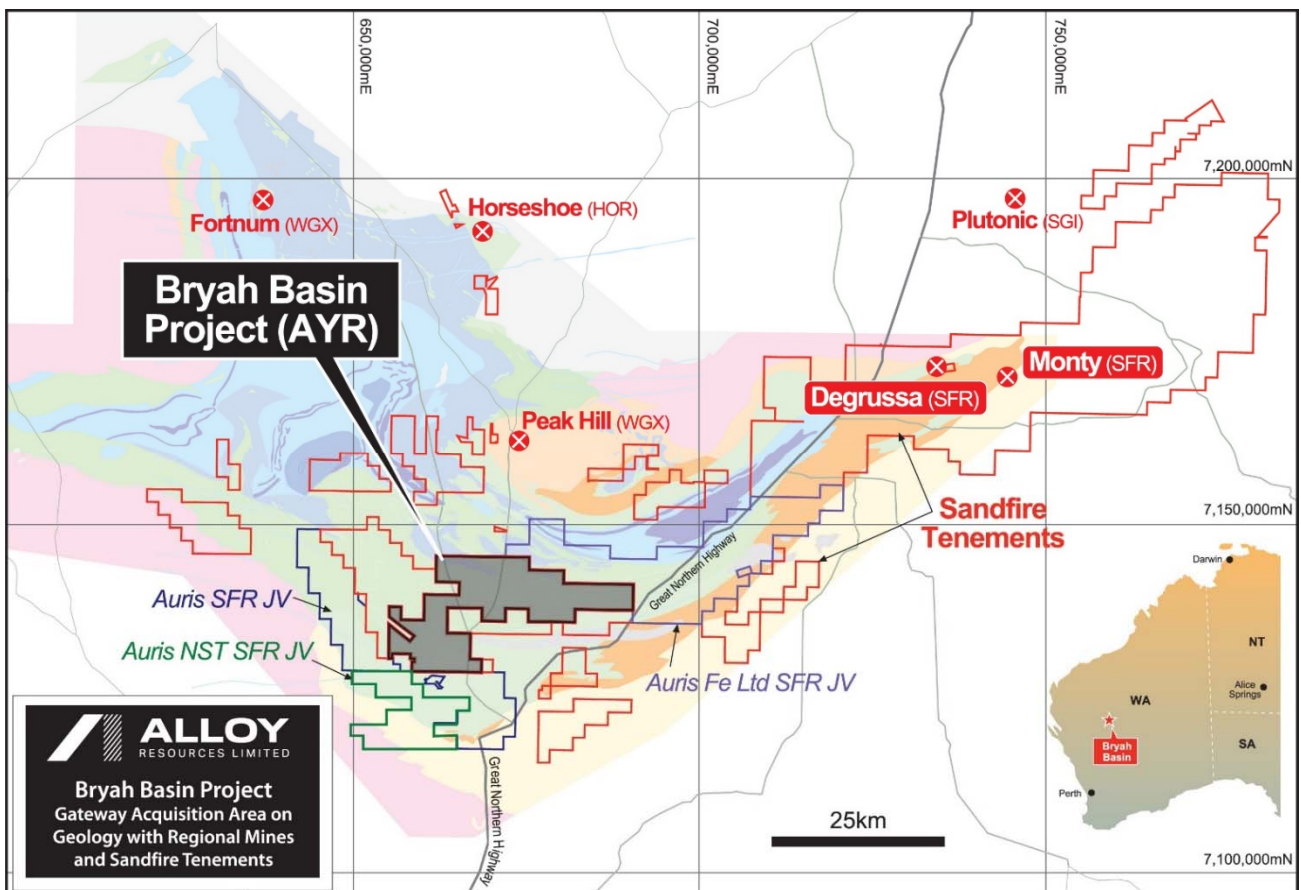


Figure 2 Bryah Basin Project location on geology and showing Sandfire Resources Ltd tenements



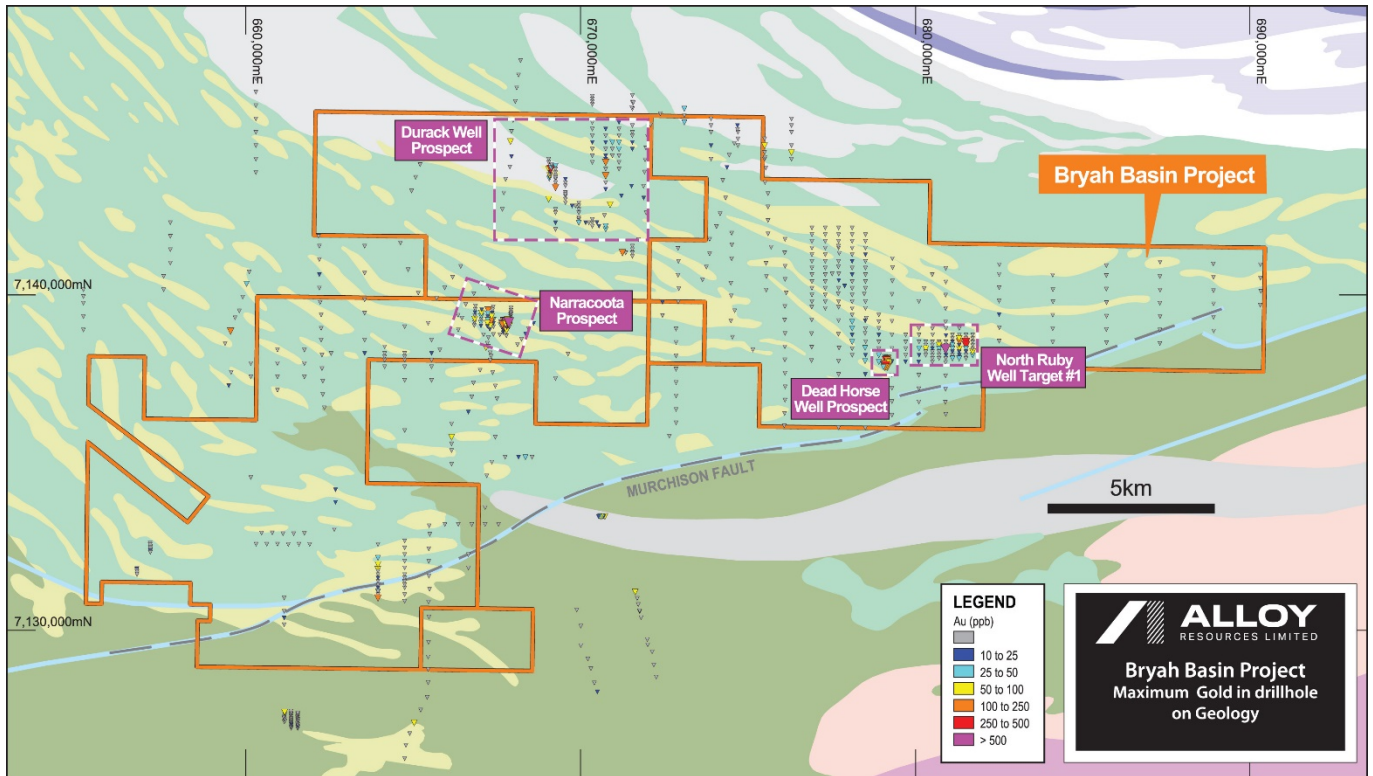


Figure 3 *Bryah Basin Project showing gold drill anomalies on geology (Refer ASX release 18 February 2020)*

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

For more information contact:

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Exploration Results

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 are presented have not materially changed from the original market announcement.

