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20 November 2014

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 44,429,700 new fully paid ordinary shares (**New Shares**) at 0.7 cents per share (**Offer**) to raise up to \$311,008 (before costs). The New Shares will be offered on the basis of one (1) new share for every ten (10) shares held in the capital of the Company at the Record Date (**Entitlement**).

For each two (2) New shares issued under the entitlement issue, the Company will issue one (1) attaching unlisted option, exercise-able at 1.5 cents each on or before 31 December 2015.

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 27 November 2014 (Record Date)** are entitled to take up this Offer.

The Company on 18 November 2014 announced a variation to the Barrytown Project Sale Agreement whereby the funds expected to be received by the Company at the end of November has been reduced to \$100,000 with the balance of \$200,000 now deferred for 12 months. As such, the Directors consider it prudent to raise funds in the interim to support the Company's activities.

With exploration activities for the next 12 months at the Company's Horsewell Gold Project fully funded by Doray Minerals Limited the proceeds of the Offer will be used to fund the Company's ongoing review of new project opportunities and provide working capital.

Our farmin partner Doray Minerals Limited ('Doray') recently released results from the reconnaissance Air Core drill program completed during September and October at the Horse Well Gold Project. The program was highly successful in confirming extensive gold mineralisation within the target area with the highest grade results recorded to date at Horse well of 8m at 7.9 g/t. After receipt of these results Doray immediately accelerated exploration in the project area with deep RC and follow up Air-core drill programs now underway. (refer ASX release 13 November 2014)

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

Key dates

With respect to the Entitlement Issue, the Company will accept applications until 5.00pm WST on Monday 15 December 2014, 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. An indicative timetable for the Entitlement Issue is as follows:

Lodgement of Prospectus with ASIC and ASX and Appendix 3B lodged with ASX	20 November 2014
Notice of Entitlements Issue sent to Shareholders	24 November 2014
Shares quoted on an “ex” basis	25 November 2014
Record Date for Determining Entitlement to New Shares	27 November 2014
Prospectus and Entitlement and Acceptance Form Despatched to Eligible Shareholders	28 November 2014
Closing Date for Receipt of Acceptances and Application Monies *	15 December 2014
Securities quoted on a deferred settlement basis	16 December 2014
ASX notified of under subscriptions	17 December 2014
Issue of shares	19 December 2014
Despatch of holding statements	22 December 2014

* The Dates set out are subject to change. The Company reserves the right, subject to the Corporations Act, the ASX Listing Rules and other applicable law, to amend this timetable.

Andy Viner

Managing Director

ALLOY RESOURCES LIMITED

Phone: +61 8 9316 9100

www.alloyres.com



ENTITLEMENT ISSUE PROSPECTUS

For a pro rata non-renounceable entitlement issue of one (1) Share for every ten (10) Shares held by Shareholders at the Record Date at an issue price of 0.7 cents per Share to raise approximately \$311,008 before costs (**Entitlement Issue**). For each two new Shares issued under the Entitlement Issue the Company will issue one (1) attaching Unlisted Option, exercisable at 1.5 cents each on or before 31 December 2015.

This offer closes at 5.00pm WST on 15 December 2014 unless extended. Valid acceptances must be received before that date.

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. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

Timetable and important dates*

Lodgement of Prospectus with ASIC	20 November 2014
Notice sent to Option holders	21 November 2014
Notice sent to Shareholders	24 November 2014
Ex Date	25 November 2014
Record Date for determining Entitlements	5pm (WST) 27 November 2014
Prospectus dispatched to Shareholders	28 November 2014
Closing Date*	5.00pm (WST) on 15 December 2014
Shares quoted on a deferred settlement basis	16 December 2014
Notify ASX of under-subscriptions	17 December 2014
Despatch date/Shares entered into Shareholders' security holdings	19 December 2014
Date of despatch of holding statements	22 December 2014

* 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 Shares are expected to commence trading on ASX may vary.

IMPORTANT NOTES

Shareholders should read this document in its entirety and, if in doubt, should consult their professional advisers.

This Prospectus is dated 20 November 2014 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the content of this Prospectus.

The expiry date of the Prospectus is 5:00pm WST on the date which is 13 months after the date this Prospectus was lodged with the ASIC (**Expiry Date**). No securities will be allotted or issued on the basis of this Prospectus after the Expiry Date.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form which accompanies this Prospectus.

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.

This Prospectus 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 Securities will not be issued to Shareholders with a registered address which is outside Australia or New Zealand. Please see Section 4.8 of the Prospectus for further information about the Offer to New Zealand Shareholders.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

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.

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.

RISK FACTORS

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus. Some of the key risks associated with an investment in the Company are summarised in the following table. This list of risks is not exhaustive. Full details of the risks tabled below are set out in Section 7 of this Prospectus. The occurrence of any of the risks or events outlined below could have a materially adverse effect on the Company's operations and, in turn, the price at which its Shares trade on ASX.

Risk area	Risks	Reference
Capital Requirements	There is no certainty regarding the Company's ability to raise equity and debt to meet future capital requirements. Shareholders should note that the financial statements of the Company for the year ended 30 June 2014 and interim financial statements for the half year ended 31 December 2013, have been prepared on a going concern basis.	7.2
Operating Risks	There are significant operating risks in exploration and development of mining projects.	7.3
Resource Estimates	Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which are 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.	7.5

Market Conditions	The market price of the Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.	7.16
General Risks	Economic risks, insurance risk, market conditions, general resource sector risks, regulatory risk and other risks exist.	7.0

ELECTRONIC PROSPECTUS

Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Entitlement and Acceptance Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

2. CORPORATE DIRECTORY

Directors

Mr Andy Viner
Executive Chairman

Mr Andre Marschke
Non-Executive Director

Mr Kevin Hart
Non-Executive Director/Company
Secretary

Solicitors*

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

Company Secretary

Mr Kevin Hart

Auditors*

KPMG
Level 31, Central Park
152-158 St George's Terrace
Perth, Western Australia 6000

Registered Office

Suite 6, 7 The Esplanade
Mt Pleasant, Western Australia 6153
Telephone: (08) 9316 9100
Facsimile: (08) 9315 5475

ASX Code

AYR

Website

Website: www.alloyres.com

Share Registry*

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross, Western Australia 6153
Telephone: (08) 9315 2333
Facsimile: (08) 9315 2233

General Enquiries

Telephone: +61 8 9316 9100

*These parties have been included for information purposes only. They have not been involved in the preparation of this Prospectus.

3. CHAIRMAN'S LETTER

20 November 2014

Dear Fellow Shareholder,

The Company is pleased to offer all its Shareholders the right to subscribe for one New Share for every 10 shares held, at an issue price of 0.7 cents per New Share (with one free attaching New Option for each two New Shares subscribed for) to raise up to \$311,008 before costs of the issue. The New Options have an exercise price of 1.5 cents per New Option with an expiry date of 31 December 2015.

On 13 November 2014 our farmin partner Doray Minerals Limited ('Doray') released results from the reconnaissance Air Core drill program completed during September and October at the Horse Well Gold Project. The program was highly successful in confirming extensive gold mineralisation within the target area with the highest grade results recorded to date at Horse well of 8m at 7.9 g/t. After receipt of these results Doray immediately accelerated exploration in the project area with deep RC and follow up Air-core drill programs now underway.

The Company on 18 November 2014 announced a variation to the Barrytown Project Sale Agreement whereby the funds expected to be received by the Company at the end of November has been reduced to \$100,000 with the balance of \$200,000 now deferred for 12 months. As such, the Directors consider it prudent to raise funds in the interim to support the Company's activities.

With exploration activities for the next 12 months at the Company's Horsewell Gold Project fully funded by Doray Minerals Limited the proceeds of the Offer will be used to fund the Company's ongoing review of new project opportunities and providing working capital.

The Entitlement Issue is not underwritten but the Directors have reserved the right to place any Shortfall Shares arising from the Entitlements Issue.

I encourage you to read this Prospectus fully as it contains detailed information about Alloy and the risks of investing in Alloy. At the time of lodging this Prospectus, it is the intention of all your Directors to participate fully and to take up their maximum Entitlement under this offer. Accordingly, I encourage your participation in this Entitlement Issue. Should you wish to discuss any aspect of this capital raising, please do not hesitate to contact myself, my fellow Directors or the Company Secretary, Kevin Hart on (08) 9316 9100.

Yours sincerely

Andy Viner
Executive Chairman

4. DETAILS OF THE OFFER

4.1 Offer

By this Prospectus, the Company offers for subscription approximately 44,429,700 new Shares pursuant to a pro-rata non-renounceable entitlement issue to Shareholders of one (1) New Share for every ten (10) Shares held on the Record Date at an issue price of \$0.007 per Share. For every two (2) Shares applied for under the Entitlement Issue the Company will issue one (1) attaching New Option, exercisable at 1.5 cents each on or before 31 December 2015. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company (and assuming no existing Options are exercised prior to the Record Date), the maximum number of Shares to be issued pursuant to the Offer is approximately 44,429,700 New Shares, and 22,214,850 New Options exercisable by payment of 1.5 cents each on or before 31 December 2015. The Offer will raise approximately \$311,008 before costs of the Offer. The purpose of the Offer and the use of funds raised are set out in Section 5 of this Prospectus.

Holders of existing Options will not be entitled to participate in the Offer. The Company currently has 10,500,000 Options on issue as at the date of this Prospectus, which Options may be exercised by the Option holder prior to the Record Date in order to participate in the Offer.

All of the New Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6 for further information regarding the rights and liabilities attaching to the Shares.

4.2 How to accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. You may participate in the Offer as follows:

- (a) if you wish to accept your Entitlement **in full**:
 - (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
 - (ii) attach your cheque for the amount indicated on that relevant Entitlement and Acceptance Form or pay via Bpay by following the instructions set out on the Entitlement and Acceptance Form (Applicants should ensure they include their reference number if paying by BPay); or
- (b) if you only wish to accept **part** of your Entitlement:
 - (i) fill in the number of Securities you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque for the appropriate application monies (at \$0.007 per Share) or pay via BPay by following the instructions set out on the Entitlement and Acceptance Form (Applicants should ensure they include their reference number if paying by BPay); or
- (c) if you wish to subscribe for **additional** new shares to your Entitlement:
 - (i) fill in the number of Securities you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque for the appropriate application monies (at \$0.007 per Share) or pay via Bpay by following the instructions set out on the Entitlement and Acceptance Form (Applicants should ensure they include their reference number if paying by BPay); or
- (d) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

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 (or BPay payment) must reach the Company’s share registry at the address set out on the Entitlement and Acceptance Form by no later than 5:00pm WST on the Closing Date.

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

4.3 Minimum subscription

There is no minimum subscription for the issue.

4.4 Shortfall Offer

In addition to applying for their Entitlement, Eligible Shareholders may apply for further New Shares out of any Shortfall. As permitted by the Listing Rules, the Directors reserve the right to issue the Shortfall to Eligible Shareholders and or other parties as determined by the Directors at their discretion. Accordingly, the Company cannot guarantee that Eligible Shareholders will receive the additional New Shares in excess of their Entitlement.

4.5 ASX Listing

Application for official quotation by ASX of the New Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If approval is not obtained from ASX before the expiration of 3 months after the date of issue of the Prospectus, (or such period as modified by the ASIC), the Company will not issue any Shares 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 New Shares is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

Quotation of the New Options will not be sought.

4.6 Allotment of Securities

New Shares and New Options issued pursuant to the Offer will be allotted as soon as practicable after the Closing Date and in accordance with the ASX Listing Rules and timetable set out in Section 1 of this Prospectus. The Company will allot the New Shares and New Options on the basis of a Shareholder’s Entitlement. Where the number of New Shares and New Options issued is less than the number applied for, or where no allotment is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date.

Pending the allotment and issue of the New Shares and New Options 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.

4.7 Overseas Shareholders

The Offer is not being extended to any Shareholders whose registered address is outside Australia or New Zealand. The Company is of the view that it is unreasonable to make the Offer to Shareholders outside Australia and New Zealand, having regard to:

- the number of those Shareholders;
- the number and value of New Shares to be offered to those persons; and
- the cost of complying with overseas legal requirements.

The Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer other than for Shareholders in Australia and New Zealand. The Company is not required to make Offers under the Prospectus to shareholders other than in Australia and New Zealand. Where the Prospectus has been despatched to Shareholders domiciled outside Australia or New Zealand and where the country's securities code or legislation prohibits or restricts in any way the making of the offers contemplated by the Prospectus, the Prospectus is provided for information purposes only.

The Offer is being made in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2013.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up Entitlement under the Issue does not breach regulations in the relevant overseas jurisdiction. 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.

4.8 New Zealand

New Shares are not being offered or sold 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 new Shares is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law required to contain.

The Company in its absolute discretion, reserves the right to determine whether a Shareholder outside of Australia or New Zealand has complied to be eligible and able to participate in the Offer.

In accordance with the Securities Act (Overseas Companies) Exemption Notice 2013 (NZ), a person who, on the Record Date was registered as a holder of Shares with a New Zealand address but who, as at the time of this Offer no longer holds Shares is not eligible to participate in this Offer.

4.9 Taxation Implications

The Directors do not consider that it is appropriate to give Applicants advice regarding the taxation consequences of applying for Securities under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation consequences. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Applicants. Potential Applicants should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Securities offered pursuant to this Prospectus.

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

The Company will not be issuing share and 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 New Shares and New Options allotted 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.

4.11 Privacy

If you complete an application for New Shares, 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 Shareholder, 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 New Shares, the Company may not be able to accept or process your application.

4.12 Enquiries

Any questions concerning the Offer 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 Offer

The purpose of the Offer is to raise approximately \$311,008 (before expenses). The proceeds of the Offer are planned to be used in accordance with the table set out below:

Proceeds of the Offer		
	\$	%
Review of new project opportunities	100,000	32%
Working capital, including salaries and administration costs of the Company	198,139	64%
Expenses of the Offer	12,869	4%
Total	311,008	100%

Notes:

¹: Refer to Section 8.5 of this Prospectus for further details relating to the estimated expenses of the Offer.

To the extent that the funds raised are less than fully subscribed, the Directors will determine the most appropriate level of expenditure by category, however the shortfall will be deducted from each item of expenditure set out in the table above, on a proportionate basis using the percentage allocation in the above table which assumes that the Offer is fully subscribed. Given the inherent uncertainties associated with exploration programs, budgets may be altered to accommodate the results of exploration activities as they come to hand. It is the current intention to utilise the funds raised over the next twelve months.

The expenditures shown above may be subject to change, and will be contingent upon results, circumstances and other opportunities. The Directors are of the opinion that on completion of the Offer, the Company will have sufficient funds to meet its objectives. It is the Directors intention to seek to place sufficient number of the Shortfall Shares under the Shortfall Offer to raise the full subscription amount of \$311,008.

5.2 Effect of the Offer

The principal effect of the Offer, assuming all Shares offered under the Placement are issued and no Options are exercised prior to the Record Date, will be to:

- (a) increase the cash reserves by approximately \$298,139 immediately after completion of the Offer after deducting the estimated expenses of the Offer; and
- (b) increase the number of Shares on issue from 444,297,004 to approximately 488,726,704 Shares and increase the number of Options on issue from 10,500,000 to approximately 32,714,750 following completion of the Offer.

5.3 Consolidated and Pro-Forma Balance Sheets

The unaudited Consolidated Balance Sheet as at 30 September 2014 and the unaudited Pro Forma Balance Sheet as at 30 September 2014 shown on the following page have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position. They have been prepared on the assumption that all Shares pursuant to the Offer in this Prospectus are issued.

The Balance Sheets have been prepared to provide Shareholders 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.

Consolidated Balance Sheet and Pro Forma Balance Sheet

	Notes	Consolidated	Pro-forma
		30 September 2014	30 September 2014
		(unaudited)	(unaudited)
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	(i)	324,900	723,039
Prepayments		9,473	9,473
Trade and other receivables		10,477	10,477
TOTAL CURRENT ASSETS		344,850	742,989
NON-CURRENT ASSETS			
Plant and equipment		889	889
Exploration and evaluation costs	(i)	4,526,394	4,526,394
TOTAL NON-CURRENT ASSETS		4,527,283	4,527,283
TOTAL ASSETS		4,872,133	5,270,272
CURRENT LIABILITIES			
Trade and other payables		50,768	50,768
Employee benefits payable		61,222	61,222
TOTAL CURRENT LIABILITIES		111,990	111,990
TOTAL LIABILITIES		111,990	111,990
NET ASSETS		4,760,143	5,158,282
EQUITY			
Contributed equity	(ii)	13,993,282	14,284,678
Accumulated Losses	(i)	(9,419,583)	(9,319,583)
Share based payments reserve		186,444	186,444
TOTAL EQUITY		4,760,143	5,158,282

Notes and Assumptions	\$
(i) Cash and cash equivalents	
Cash and cash equivalents as at 30 September 2014	324,900
Capital raised from entitlement issue	311,008
Costs of Offer	(12,869)
Proceeds from Barrytown sale as notified to ASX on 18.11.14	100,000
	723,039
(ii) Issued capital	
Issued capital as at 30 September 2014	13,993,282
Capital raised from entitlement issue (after costs of \$19,612)	291,396
	14,284,678

The key assumptions on which the pro-forma balance sheet is based are as follows:

- Alloy Resources issues 44,429,700 new shares, and 22,214,850 attaching new options at \$0.007 per share pursuant to the Offer. The issue will raise approximately \$311,000 before costs.
- Alloy incurs transaction costs of \$12,869 for the issue under the Offer which have been recognised directly against the share capital, as a reduction of the proceeds of the Offer.
- \$100,000 cash consideration for the sale of 80% interest in the Barrytown Project received from Pacific Mineral Resources Ltd before 30 November 2014.

- (d) The accounting policies adopted in the preparation of the pro forma balance sheet are consistent with the accounting policies adopted and described in the Company's Financial Report for the year ended 30 June 2014 and should be read in conjunction with that Financial Report.
- (e) No options are exercised prior to the Record Date.
- (f) Alloy suffers no materially adverse event.

5.4 Effect on capital structure on completion of the Offer and Placement

A comparative table of changes in the capital structure of the Company as a consequence of the Offer is set out below, assuming that the Offer is fully subscribed and no Options are exercised prior to the Record Date.

Shares	Number
Shares on issue at date of Prospectus	444,297,004
Shares issued pursuant to the Offer	44,429,700
Total Shares on issue after completion of the Offer	488,726,704
<hr/>	
Unlisted Options	Number
Unlisted exercisable at \$0.045 on or before 30 August 2015	3,500,000
Unlisted exercisable at \$0.015 on or before 30 November 2016	7,000,000
Unlisted Options issued attaching to and pursuant to the Offer	22,214,850
Total Options on issue after completion of the Offer	32,714,850

Upon completion of the Offer, on a fully diluted basis, the share capital of the Company would be 521,441,554 shares.

As at the date of this Prospectus, the Company has no substantial holders and none of the securities of the Company are subject to any escrow arrangements.

6. RIGHTS AND LIABILITIES ATTACHING TO THE SECURITIES

6.1 Terms of Shares

The New Shares issued by the Company will rank pari passu in all respects with the Company's existing Shares.

A summary of the rights attaching to Shares are set out below. The summary is qualified by full terms of the Constitution and does not purport to be exhaustive and constitute a definitive statement of the rights and liabilities of Shareholders. The rights and liabilities attaching to Shares arise from an interaction of the Company's Constitution with statute and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in specific circumstances, the Shareholder should seek legal advice.

Copies of the Company's Constitution are available for inspection during business hours at the Company's registered office. The clauses of the Constitution contain the internal rules of the Company and define matters such as the rights, duties and powers of its Shareholders and Directors, including provisions to the following effect (when read in conjunction with the Corporations Act or Listing Rules):

Shares

The issue of shares in the capital of the Company by the Company is under the control of the Directors, subject to the Corporations Act, Listing Rules and any rights attached to any special class of shares.

Transfer of Shares

Generally, Shares in the Company are freely transferable. The Company participates in the electronic share registration and transfer system known as CHESS operated by ASX under the Security Clearing House Business Rules. Accordingly, the Company will issue holding statements in lieu of share certificates. The Company will not charge any fee for registering a transfer of shares. The Directors may refuse to register a transfer of shares, or request SCH to apply a holding lock to prevent a proper SCH transfer, in the circumstances identified in the Constitution or as otherwise permitted or required under the Corporations Act or Listing Rules.

Meetings of Members

Directors may call a meeting of members whenever they think fit. Members may call a meeting as provided by Section 249D of the Corporations Act. The Constitution contains provisions prescribing the content requirements of notices of meetings of members and all members are entitled to a notice of meeting. A quorum for a meeting of members is two natural persons, each of whom is or represents different Shareholders who are eligible to vote.

The Company holds annual general meetings in accordance with the Corporations Act and the Listing Rules.

Voting

Subject to any rights or restrictions for the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will, in the first instance, be decided by a show of hands unless a poll is demanded. On a show of hands, every Member present in person or by proxy or attorney or representative will have 1 vote.

On a poll, each eligible member has one vote for each fully paid share held and a fraction of a vote for each partly paid share determined by the amount paid up on that

share, unless moneys upon such shares are then due and payable in which case no vote can be made in respect of that share.

Directors

Under the provisions of the Constitution, unless changed by the Company in general meeting, the minimum number of Directors is three. The existing Directors and the Company in general meeting may appoint a new Director to fill a casual vacancy or as an addition to the Board but so that the total number of Directors do not exceed ten. Any such Director must retire at the next following annual general meeting under the Constitution, (at which meeting he or she may be eligible for election as a Director). No Director, other than the Managing Director, may hold office for longer than three years without submitting him or herself for re-election at the next following annual general meeting.

The business of the Company is to be managed by or under the direction of the Directors. The Directors are not required by the Constitution to hold any shares in the Company.

Dividends

Subject to any rights attaching to shares which may in the future be issued with special or preferred rights, the Directors may fix the amount, the time for payment and the method of payment of a dividend. Subject to any special rights attaching to shares (such as preference shares), dividends will be paid proportionately to the amounts paid up on shares held by each member. The Company is not required to pay any interest on dividends.

Officers' Indemnities and Insurance

Under the Constitution, to the extent permitted by law, the Company indemnifies every person who is or has been a Director or Secretary of the Company against a liability incurred by that person in his or her capacity as a Director or Secretary provided that the liability does not arise out of conduct involving his or her own dishonesty, negligence, lack of good faith or breach of duty. The Company may also pay the premiums on Directors and officers liability insurance in accordance with Corporations Act.

Winding Up

If on a winding up of the Company there remains a surplus, then under the Constitution and subject to any rights attaching to Shares which may in the future be issued with special or preferred rights, all assets representing the surplus that may be legally distributed among Shareholders shall be so distributed in proportion to the amount paid up on the shares held by each Shareholder.

Alteration to the Constitution

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. At least 28 days' written notice, specifying the intention to propose the resolution as a special resolution must be given.

ASX Listing Rules

As the Company is admitted to the Official List, then despite anything in the Constitution of the Company, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision or not to contain a provision the Constitution is deemed to contain that provision or not to contain that provision (as

the case may be). If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

Shareholder Liability

As the New 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.

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 general meeting of the holders of the shares in that class.

6.2 Terms of Unlisted Options

The Unlisted Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) The exercise price of each Option is 1.5 cents.
- (b) The Options expire at 5.00pm WST 31 December 2015.
- (c) Shares issued as a result of the exercise of any of these Options will rank equally in all respects with previously issued Shares.
- (d) The Options are exercisable by completing the application for exercise of options and delivering the same together with payment for the number of Shares in respect of which the Options are exercised to the registered office of the Company.
- (e) Within 14 days of the receipt of a properly executed notice of exercise and application monies the Company will issue to the Option holder the number of shares specified in that notice.
- (f) The Company will apply for official quotation of all shares issued and allotted pursuant to the exercise of the Options.
- (g) The options do not confer any right to participate in a new issue without exercising the options.
- (h) In the event of any reorganisation (including consolidation, subdivision, reduction or cancellation) of capital of the Company, the rights of Option holders are to be changed to the extent necessary to comply with the Listing Rules on a reorganisation of capital at the time of the reorganisation.
- (i) Subject to paragraph (h) an Option does not confer the right to a change in exercise price or change in the number of underlying securities over which an Option can be exercised.
- (j) Each Option gives the option holder the right to acquire one Share.

- (k) Options held by each option holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (l) An exercise notice is only effective when the Company has received the full amount of the exercise price in cleared funds.
- (m) Unless otherwise required by the ASX Listing Rules, the Corporations Act or the Company's constitution the Options shall be freely transferable.

7. RISK FACTORS

Alloy Resources Limited is an exploration focussed company and potential investors in the Company should be aware that subscribing for the New Shares involves a number of risks. The risk factors outlined in this Section and elsewhere in this Prospectus should be carefully considered by investors when evaluating an investment in the Company. In addition, investors should appreciate that the value of shares on ASX may rise or fall depending on a range of factors beyond the control of the Company. This is especially the case with companies undertaking mining and exploration activities.

Any of the factors set out in this Section or any other factors identified in this Prospectus may materially affect the financial performance of the Company and the market price of the Shares. To that extent, the Shares carry no guarantee with respect to the payment of dividends, return on capital or the price at which those Shares will trade on the ASX.

The Directors consider that an investment in the Company should be considered speculative due to:

- the volatility in publicly listed entities on world stock markets generally, and of mining and exploration companies in particular; and
- the speculative nature of mining and exploration activities.

While the Company plans to take prudent measures to safeguard from, or mitigate its exposure to these risks, many of the risks are outside of the Company's control.

There are a number of risk factors that investors should consider before deciding whether or not to invest in the New Shares. The principal risk factors include, but are not limited to, the following:

Company Specific

7.1 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 444,297,004 currently on issue to 488,726,704. This means that each Share will represent a significantly lower proportion of the ownership of the Company if shareholders do not take up their Entitlements.

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 \$0.008 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

7.2 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 2014 has been prepared on a going concern basis. The Company's auditor included an "emphasis of matter" in its auditor's report in respect of the 2014 annual financial statements as to the existence of material uncertainty regarding continuation as a going concern. 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 exploration projects owned by the Company and/or the raising of further equity and/or loan capital should the Company not be successful in obtaining adequate funding or cash inflows are not as planned, there is material uncertainty as to the ability of the Company to continue as a going concern and to realise its assets and extinguish liabilities as they arise. 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.

7.3 Exploration and Evaluation 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. The success of the Company depends on the delineation of economically minable reserves and resources, access to required development capital, favourable commodity prices, securing and maintaining title to the Company's exploration tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities.

Exploration on the Company's existing exploration tenements by its farm-in partners may be unsuccessful, resulting in a reduction of the value of those tenements, diminution in the cash reserves of the Company and possible relinquishment of the exploration tenements.

Industry Specific

7.4 Commodity Price and Exchange Rate Risks

To the extent the Company in the future 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.

7.5 Resource Estimates – Horse Well Gold Project

The Company has published resource estimates for the Horse Well Gold Project. 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.

7.6 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. The Company is not aware of any non – compliance at this point in time.

7.7 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 Company's current exploration activities are subject to industry standard Heritage Agreements and the extent and timing of exploration programs is subject to compliance with these agreements.

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

7.8 Regulatory Risks

The Company's exploration and any future development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or further development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the tenements.

7.9 Legislative Changes and Government Policy Risk

Changes in government regulations and policies may adversely affect the financial performance of the Company. The Company's capacity to explore and in the future mine, in particular the Company's ability to explore and mine any reserves, may be affected by changes in government policy, which are beyond the control of the Company.

7.10 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 in a farmin / joint venture arrangement with Doray Minerals Limited for the Horsewell Project.

7.11 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.

7.12 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.

7.13 Force Majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

General Risks

7.14 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.

7.15 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.

Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (a) general economic outlook;
- (b) interest rates and inflation rates;
- (c) currency fluctuations;
- (d) changes in investor sentiment toward particular market sectors;
- (e) the demand for, and supply of, capital; and
- (f) terrorism or other hostilities.

7.16 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.

7.17 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.

7.18 Dividends

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

7.19 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 shares offered under this Prospectus. Therefore, the Shares 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 shares pursuant to this Prospectus.

8. ADDITIONAL INFORMATION

8.1 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 “transaction specific prospectuses” are only required to contain information in relation to the effect of the issue of securities on the 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 12 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 financial statements of the Company for the financial year ended 30 June 2014 being the last financial statements for a financial year, of the Company lodged with the ASIC before the issue of this Prospectus;
 - ii. any half year financial statements of the Company lodged with ASIC since the lodgement of the last financial statements for the year ended 30 June 2014 lodged with ASIC before the issue of this Prospectus; and
 - iii. any documents used to notify ASX of information relating to the Company in the period from lodgement of the financial statements referred to in paragraph (i) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in Section 674(1) of the Corporations Act.

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.

The Company has lodged the following announcements with ASX since the lodgement of the 2014 audited financial statements:

Date	Description of Announcement
18/11/2014	Barrytown Project Revised Sales Terms
13/11/2014	High Grade Aircore Results at Dusk til Dawn
27/10/2014	Notice of Annual General Meeting/Proxy Form
27/10/2014	Annual Report to Shareholders
24/10/2014	Quarterly Review of Activities and Cashflow Report
07/10/2014	Appendix 3B and Change of Director Interest Notices

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.au.

8.2 Directors' interests

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

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

- a) to induce him to become, or to qualify him as, a Director; or
- b) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (iii) the Offer.

Directors' interests in securities of the Company at the date of this Prospectus are:

Name	Interest at date of Prospectus			Entitlement		
	Shares	Options	Voting power	Shares	Options	Voting power
Andy Viner	21,128,907	8,500,000 ¹	4.76%	2,112,891	1,056,445	4.76%
Andre Marschke	21,300,000	-	4.79%	2,130,000	1,065,000	4.79%
Kevin Hart	8,010,416	2,000,000 ²	1.8%	801,042	400,521	1.8%

Note:

¹ 3,500,000 Options are exercisable by payment of 4.5 cents each on or before 30 August 2015, 5,000,000 Options are exercisable by payment of 1.5 cents each on or before 30 November 2016.

² 2,000,000 Options exercisable by payment of 1.5 cents each on or before 30 November 2016.

The Constitution of the Company provides that the non-executive Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the Directors and in default of agreement then in equal shares.

The current aggregate fixed sum permitted as remuneration of non-executive Directors has been set at an amount not to exceed \$150,000 per annum.

As set out in the 2014 Annual Report, the Company paid the current Directors remuneration for the year ended 30 June 2014, a total amount of \$316,700.

2014	Short-term		Post Employment	Share-based payment	Total
Directors	Fees and Salaries \$	Non- monetary benefits \$	Superannuation Contributions \$	Rights/Options \$	\$
Andrew Viner	201,835	-	18,670	43,293	263,798
Kevin Hart	28,000	-	-	11,308	39,308
Andre Marschke (appointed 7/1/2014)	12,443		1,151	-	13,594
TOTAL	242,278	-	19,821	54,601	316,700

The table below sets out the annual remuneration paid to the Directors for the current financial year to date, inclusive of directors' fees and consultancy fees.

Director	Current Financial Year to Date	Expected 2015 Financial year
Andrew Viner	\$73,670	\$220,500
Andre Marschke	\$9,355	\$28,000
Kevin Hart	\$9,355	\$28,000

Mr Kevin Hart has an interest as a Partner in a chartered accounting firm, Endeavour Corporate. This firm provides company secretarial, accounting services and office space to the Company in the ordinary course of business. The value of transactions from 1 July 2014 to the date of this Prospectus is \$22,597 (year ended 30 June 2014: \$104,383).

All consulting and other services provided to the Company are based on normal commercial terms.

In addition, a Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors, companies associated with the directors or their associates are also reimbursed for all reasonable expenses properly incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

8.3 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
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

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

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) 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 those persons for services provided in connection with:

- (d) the formation or promotion of the Company; or
- (e) the Offer.

8.4 Legal proceedings

There is no litigation, arbitration or proceedings pending against or involving the Company as at the date of this Prospectus.

8.5 Estimated expenses of Offer

The total expenses of the Offer are estimated to be approximately \$19,612 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	2,290
ASX fees	2,579
Legal expenses	5,000
Printing and Distribution	3,000
Total	12,869

8.6 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 and lowest market sale prices of the Company's 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: \$0.009 on 18 and 29 September, and 3 and 28 October 2014

Lowest: \$0.007 on 10, 13, 14 and 22 October, and 3, 6 and 12 November

The latest available closing sale price of the Company's Shares on ASX prior to the lodgement of this Prospectus with the ASIC was \$0.008 on 20 November 2014.

8.7 Electronic Prospectus

Pursuant to Class Order 00/044, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the application form. If you have not, please phone the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

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.

Each of the Directors of Alloy Resources Limited has consented to the lodgement of this Prospectus with the ASIC in accordance with Section 720 of the Corporations Act

Dated the 20th day of November 2014

Andy Viner
Executive Chairman
Alloy Resources Limited

Applicant means a Shareholder who applies for Securities pursuant to the Offer.

ASIC means the Australian Securities and Investments Commission.

ASX means the ASX Limited (ACN 008 624 691).

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 a day on which trading takes place on the stock market of ASX.

Closing Date means the closing date of the Offer, being 5:00pm (WST) on 15 December 2014 (unless extended).

Company means Alloy Resources Limited (ACN 109 361 195).

Constitution means the Company's Constitution as at the date of this Prospectus.

Corporations Act means the *Corporations Act* 2001(Cth).

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

Dollar or "\$" means Australian dollars.

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.

Issue means the issue of New Shares and New Options offered by this Prospectus.

Listing Rules or **ASX Listing Rules** means the Listing Rules of the ASX.

New Shares means shares to be issued pursuant to this Prospectus

New Options means options to be issued pursuant to this Prospectus

Offer means the offer pursuant to this Prospectus of one (1) new Share for every ten (10) Shares held by a Shareholder on the Record Date, with one attaching unlisted option for every two shares subscribed for with an exercise price of 1.5 cents expiring on 31 December 2015, to raise approximately \$311,008.

Official List means the official list of ASX.

Unlisted Option means an unlisted option to acquire a Share.

Prospectus means this prospectus dated 20 November 2014.

Quotation and **Official Quotation** means official quotation on ASX.

Record Date means 5:00pm (WST) on 27 November 2014.

Related Corporation has the meaning given to that term in the Corporations Act.

Securities means New Shares and New Options.

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

Shareholder means a shareholder of the Company.

Shortfall Application Form means the shortfall application form for the Shortfall Shares.

Shortfall Shares means those Shares under the Offer not applied for by Shareholders under their Entitlement.

WST means Western Standard Time, being the time 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 | <div>1. Ordinary fully paid shares
2. Unlisted Options</div> |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | <div>1. 44,429,700
2. 22,214,850</div> |
| 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) | <div>1. Ordinary fully paid
2. Unlisted options, exercise price 1.5 cents expiring 31 December 2015</div> |

+ 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 	<ol style="list-style-type: none"> 1. Upon closure of the offer, the shares will rank equally with those already on issue. 2. When options are exercised, the shares issued will rank equally with those already on issue.
5	Issue price or consideration	<ol style="list-style-type: none"> 1. 0.7 cents per share 2. Nil
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	To fund the Company's ongoing review of new project opportunities and provide working capital.
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	28 November 2013
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	Nil	
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	N/A	
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.	19/12/2014	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number 488,726,704 (to be confirmed depending on acceptances)	+Class Ordinary fully paid shares

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

	Number	+Class
9	3,500,000	Unlisted director options exercise-able by payment of 4.5 cents each expiring 30 August 2015.
	7,000,000	Unlisted Director options exercise-able by payment of 1.5 cents each expiring 30 November 2016.
	22,214,850 (to be confirmed depending on acceptances)	Unlisted options exercise-able by payment of 1.5 cents each expiring 31 December 2015.
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 for 10 1 attaching option for every 2 shares subscribed for
14	+Class of +securities to which the offer relates	Ordinary fully paid shares
15	+Record date to determine entitlements	27/11/2014
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Yes
17	Policy for deciding entitlements in relation to fractions	Fractions will be rounded up

+ 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	All countries with the exception of Australia and New Zealand
	<small>Note: Security holders must be told how their entitlements are to be dealt with.</small> <small>Cross reference: rule 7.7.</small>	
19	Closing date for receipt of acceptances or renunciations	15/12/2014

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

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	N/A
23	Fee or commission payable to the broker to the issue	N/A
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	N/A
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	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
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

+ See chapter 19 for defined terms.

- | | | |
|----|--|-----|
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)? | N/A |
| 33 | +Issue date | N/A |

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) ☒ +Securities 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>Example: In the case of restricted securities, end of restriction period</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"><thead><tr><th>Number</th><th>⁺Class</th></tr></thead><tbody><tr><td></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: ..20.11.2014.....

Print name:KEVIN HART.....

== == == == ==

+ 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	351,070,937
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 	87,767,734 – Entitlement Issue (07.10.13) 1,166,667 – Conversion of convertible securities (10.10.13) 1,166,666 – Conversion of convertible securities (07.10.14) 44,429,700 – Entitlement issue (20.11.14) <i>(to be confirmed depending upon acceptances)</i>
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	-
“A”	485,601,704

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	72,840,256
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><i>Note:</i></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> 	3,125,000 – shares issued pursuant to option agreement (02.09.14)
“C”	3,125,000
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>	72,840,256
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	3,125,000
Total [“A” x 0.15] – “C”	69,715,256 <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>	441,172,004
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	44,117,200
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> 	-
“E”	-

⁺ See chapter 19 for defined terms.

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>	44,117,200
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	-
Total [“A” x 0.10] – “E”	44,117,200 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.