Alloy Resources Limited

ABN 20 109 361 195

ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

Corporate Directory

Directors

Mr Andrew Viner	Executive Chairman
Mr Kevin Hart	Non-Executive Director
Mr Andre Marschke	Non-Executive Director

Company Secretary
Mr Kevin Hart

Principal and Registered Office
Suite 6, 7 The Esplanade
Mt Pleasant, Western Australia 6153
Telephone: (08) 9316 9100
Facsimile: (08) 9315 5475
Website: www.alloyres.com

Auditor
KPMG
235 St George's Terrace
Perth, Western Australia 6000

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

Stock Exchange Listing
The Company's shares are quoted on the Australian Securities Exchange. The Home Exchange is Perth, Western Australia.

ASX Code
AYR – Ordinary shares

Corporate Governance
The Company has adopted the 3rd Edition of the ASX Corporate Governance Recommendations.

A summary statement which has been approved by the Board together with current policies and charters is available on the Company website.
(Click the following URL) http://www.alloyres.com.au/company-corpgov.php

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Chairman's Letter

Dear Fellow Shareholders,

It was a positive year for Alloy Resources notwithstanding low levels of market support for junior resource companies against the backdrop of a softening of the gold price and general weakness amongst commodities.

Alloy was able to maintain drilling activity on our principal project Horse Well by way of funding from our strong Joint Venture partner Doray Minerals Limited, who have this year committed to the second stage of their earn-in which will see a further one million dollars of exploration expenditure before May 2016. Drilling is underway and results are eagerly awaited.

One of the bright lights in the resource industry that has gone largely unnoticed is the Australian dollar gold price which has remained strong over the last year and seen consolidation within the Australian producers and active exploration occurring at mines and brownfields projects. The Horse Well Gold Project is very well located being adjacent to Northern Star's Jundee Gold Mine and hence has strategic value in the region especially if a major discovery is made.

We and our Joint Venture partner believe there is a major gold system present at Horse Well which has potential to yield a new stand-alone gold Project, and we believe the coming year will be very exciting as exploration continues.

Doray has confirmed extensive gold mineralisation at the Dusk til Dawn prospect which will now see pattern RC drill testing during the September quarter. This prospect has illustrated the potential of the regional Crack of Dawn target area and initial regional air-core drill testing has located numerous new targets which are to be followed up during the second year of the Joint Venture.

The Company has actively been looking for a new project that can add value for shareholders. This task has been difficult given current market conditions so low entry costs and inexpensive testing of targets have been primary parameters.

One such opportunity has been advanced in South Australia with the acquisition of 830 square kilometers of land containing an under-tested copper target at Martins Well. Sampling of historical drill core has been very encouraging, defining copper mineralization within a highly weathered gossan structure of over two kilometers strike length. This project justifies deeper drill testing either by a farm-in partner or by the Company should market conditions improve.

The Company will continue with project generation in the search for value-adding opportunities.

Thank you for your continued support and we look forward in anticipation of the results to flow from Horse Well and new project acquisitions.

Andy Viner
Executive Chairman

Review of Operations

HORSE WELL GOLD PROJECT

Farm-in partner Doray Minerals has actively explored this project during the year, and has now committed to the second stage of the Farmin which will see a further $1 million of expenditure prior to May 2016 to earn a 60% interest in the Horse Well project (Figure 1). The project is located in the north-eastern goldfields of Western Australia and is located about 50 kilometres north of the 6 million ounce Jundee Gold Mine.

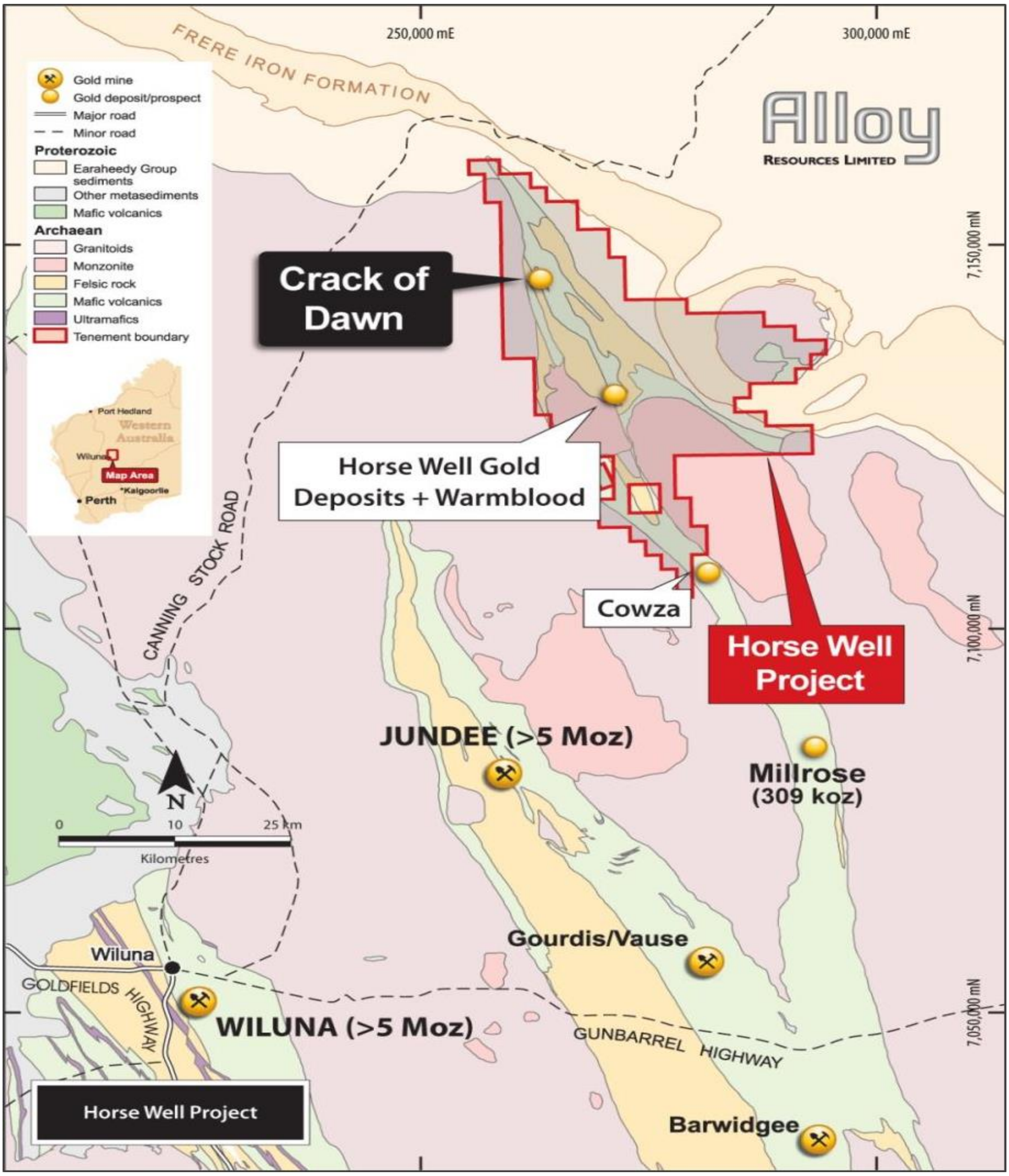


Figure 1 *Horse Well location on regional geology*

COMPLETED EXPLORATION

Dusk til Dawn RC drilling

Completed work during the year saw two phases of RC drilling at the Dusk til Dawn prospect testing the mineralised structure defined by an oriented diamond hole ACDD001, along strike to the north-west and south-east, testing the potential for a south easterly plunging orebody.

Initial follow-up RC drilling in November 2014 targeted the structure between holes ACDD001 and DDAC054 (air-core hole explained in section below) with two holes drilled towards the south west (azimuth 225 degrees), aiming to intersect the interpreted Dusk til Dawn mineralised shear structure at right angles for the first time (Figure 3) (*refer December 2014 ASX quarterly report*).

DDRC001 intersected a wide zone of alteration and mineralisation and returned **65m @ 2.6g/t Au** from 50m, including a zone of high-grade gold in oxide material which returned **13m @ 8.17g/t Au** from 50m (Figure 2).

DDRC002, collared approximately 50m to the NE of DDRC001, intersected the Dusk til Dawn shear approximately 55m down dip and returned **21m @ 0.7 g/t Au** from 140m.

High-grade gold mineralisation has so far been confirmed from DDAC054, at the northern end, towards **ACDD001, ACDR002 and 003** at the southern end with the NW-SE trending mineralised structure interpreted to continue further along strike in both directions and at depth.

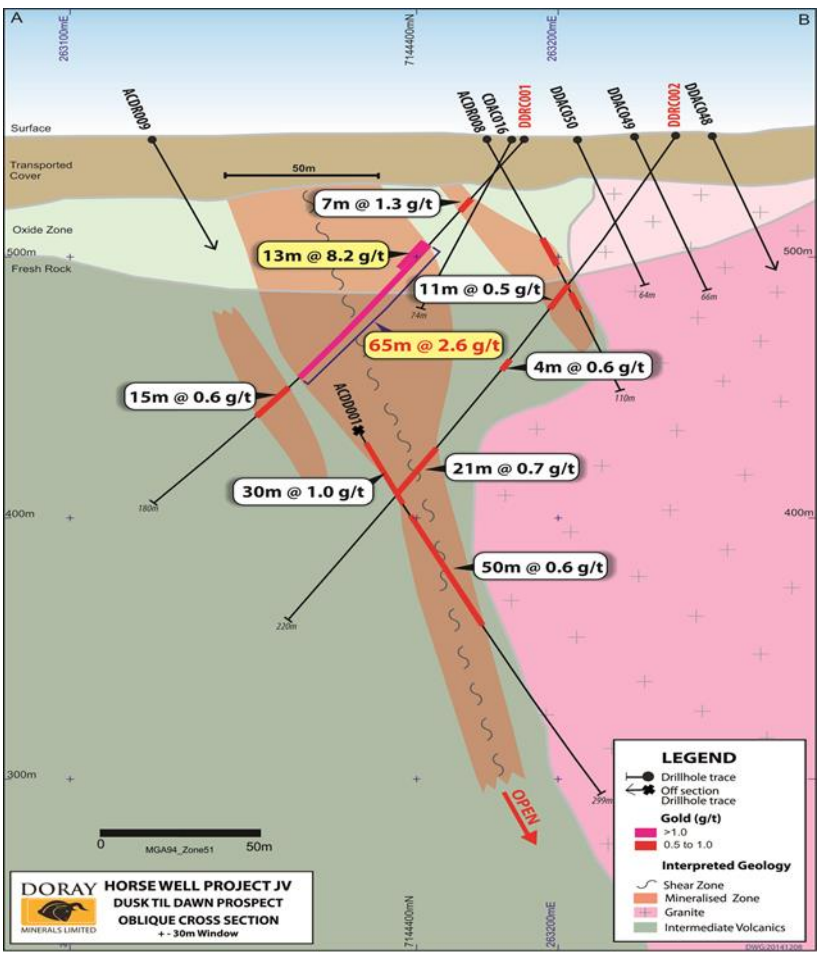


Figure 2. *Dusk til Dawn cross section showing results from initial RC drilling.*

Review of Operations (continued)

A second phase of RC drilling for a total of 5 holes for 930m was drilled in December and January 2015 (see Figure 2). All holes intersected the structure, which appears to host gold mineralisation over at least 300m of down-plunge length (see Figure 3). Assay results received confirmed the presence of thick zones of moderate grade Au mineralisation (*see ASX release 12 March 2015*).

Holes DDRC006 and DDRC007 intersected what is interpreted to represent a down plunge extension. Significant results returned from the RC programme include:

- **23m** @ **1.2g/t Au** from 220mdh (DDRC007)
- **13m** @ **0.9g/t Au** from 73mdh (DDRC003)
- **21m** @ **0.7g/t Au** from 200mdh (DDRC006)

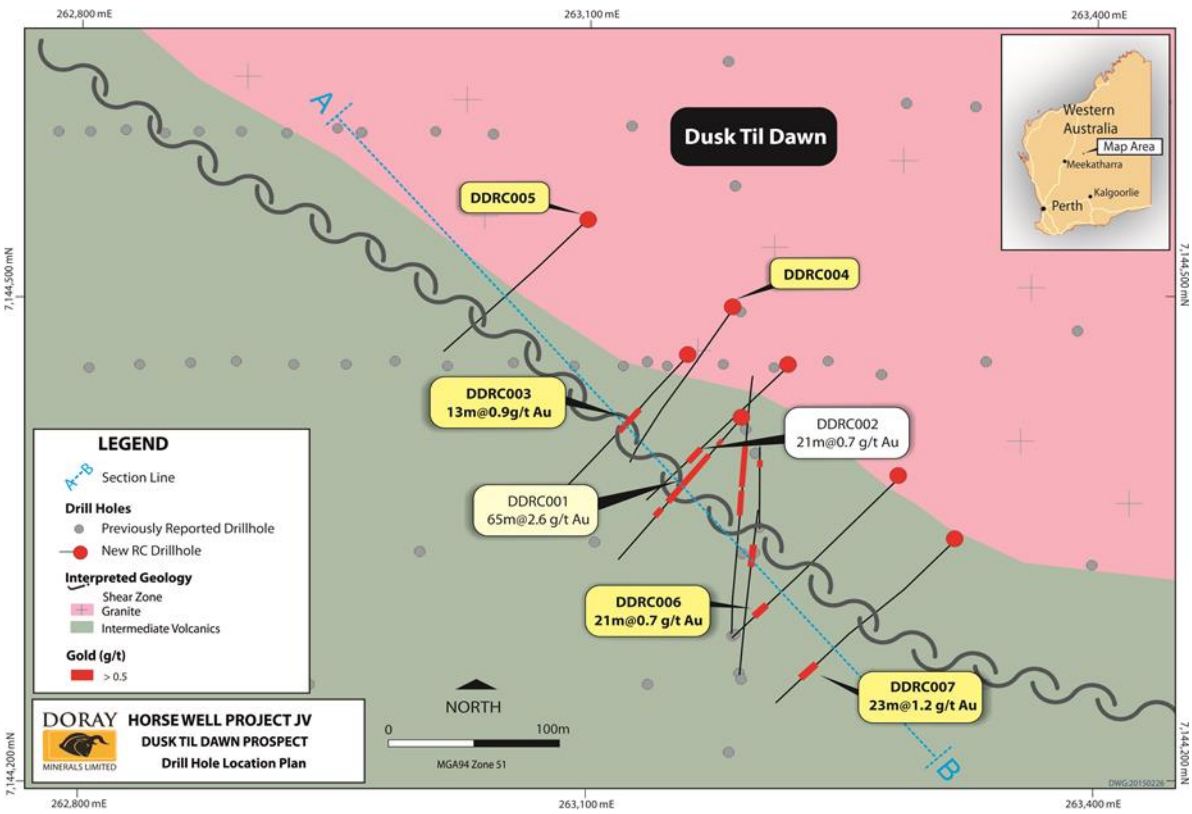


Figure 3 *Dusk til Dawn prospect, showing plan view of recent drilling*

Air core drilling

As part of Doray's commitment to complete a planned and permitted program of air-core drilling to test the regional Crack of Dawn area, a large program was completed during September and early October 2014.

At Dusk til Dawn three traverses of 64 closely spaced air-core holes were drilled to the north west of the diamond hole to intersect the trend of gold mineralisation for a total of 2908 metres. The vast majority of holes intersected the expansive outer pyritic alteration zone.

Regional traverses of holes were also completed testing the granite contact along its entire 14 kilometre contact, and also the 4 kilometre long T-06 'de-magnetised zone' target. This program included 83 holes for 4,264 metres and logging has confirmed extensive areas with outer pyritic alteration as expected, including the T-06 target. The location of holes and anomalous results is shown on Figure 4 and is very encouraging given the wide spaced nature of the drill lines.

Review of Operations (continued)

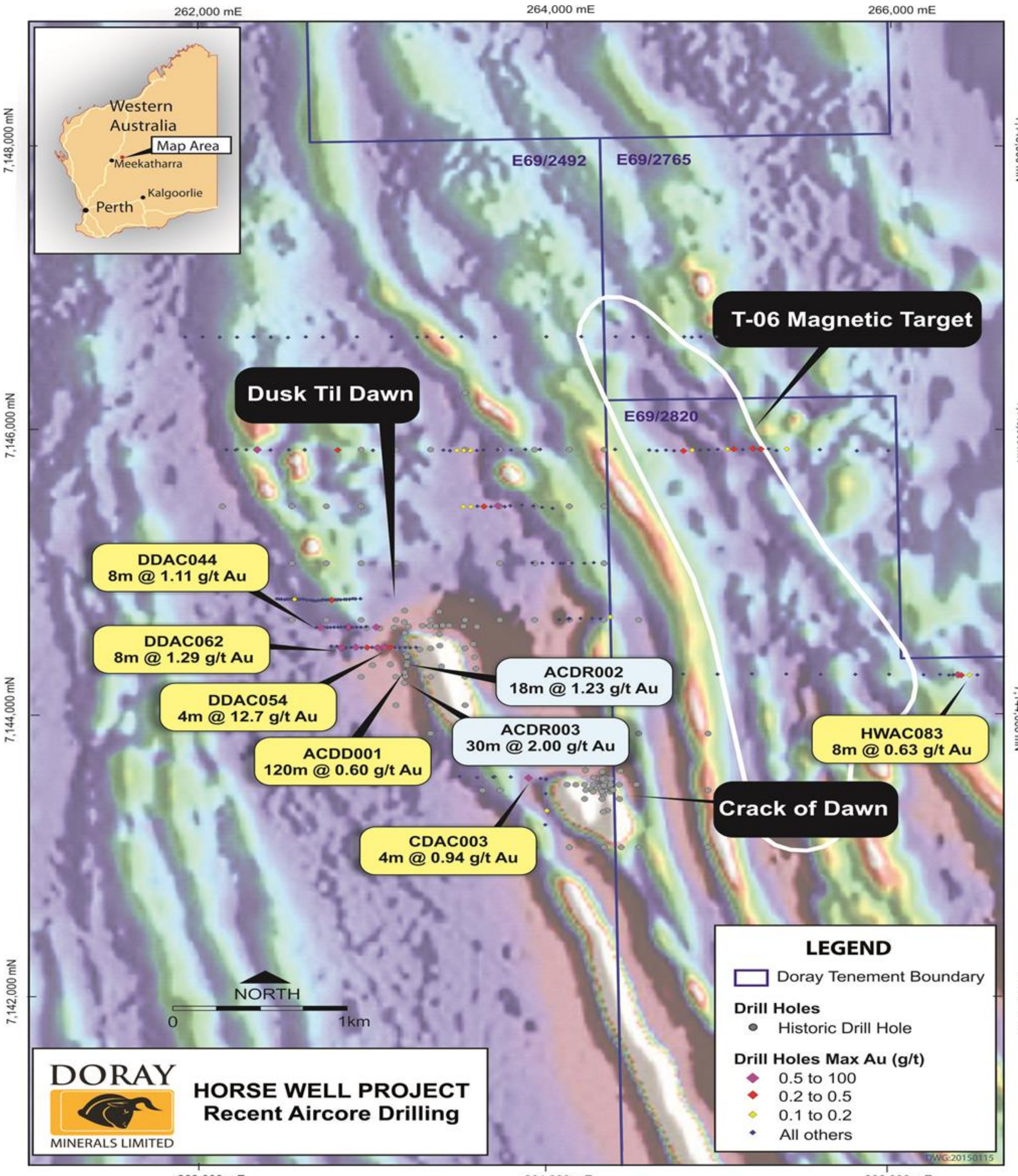


Figure 4 *Significant intervals from the air core drilling programme at the Horse Well JV Project shown over magnetic image*

Review of Operations (continued)

PLANNED EXPLORATION

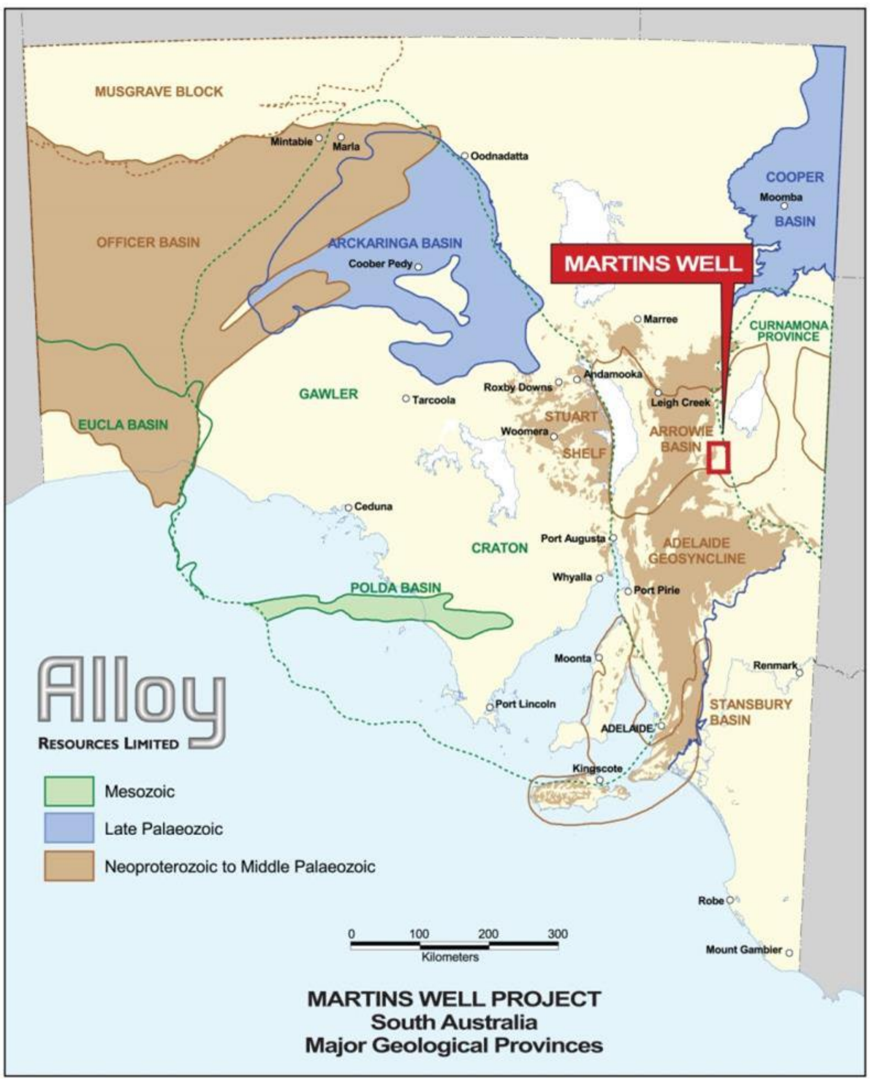
Doray recently commenced RC drilling at Dusk 'til Dawn in July 2015 following Heritage and environmental approval. A program of 18 holes for 3,940 metres on an 80 x 40 metre oblique pattern perpendicular to the mineralised structure is planned. RC drilling to the north west of DDAC 054 still requires Heritage clearance and offers additional strike extension potential to the Dusk til Dawn mineralisation

A large reconnaissance and infill air-core drill program targeting regional trends at Crack of Dawn is pending Heritage clearance to be completed in late August 2015. It is expected that this drilling will occur during early October.

The northern most regional air-core drill line intersected shallow impenetrable Proterozoic cover rocks and may require RC drilling once mineralised trends have been located to the south.

MARTINS WELL PROJECT

The Martins Well Project is located in the north-eastern Flinders Ranges of South Australia (Figure 5). The Company is targeting high-grade copper-silver-gold and also lead-zinc in mesothermal structural deposits. The Company has one granted Exploration Licence of 850



square kilometres.

Figure 5 *Martins Well project location*

The primary target is the Mammoth Black Ridge prospect where three outcropping iron rich structures have been confirmed as gossans formed from strong weathering of sulphide rich material and hydrothermal siderite.

Historical rock chip sampling shows anomalous copper and arsenic values associated with the gossans and a historical shaft reported a sample of high-grade copper-silver-gold (Figure 6).

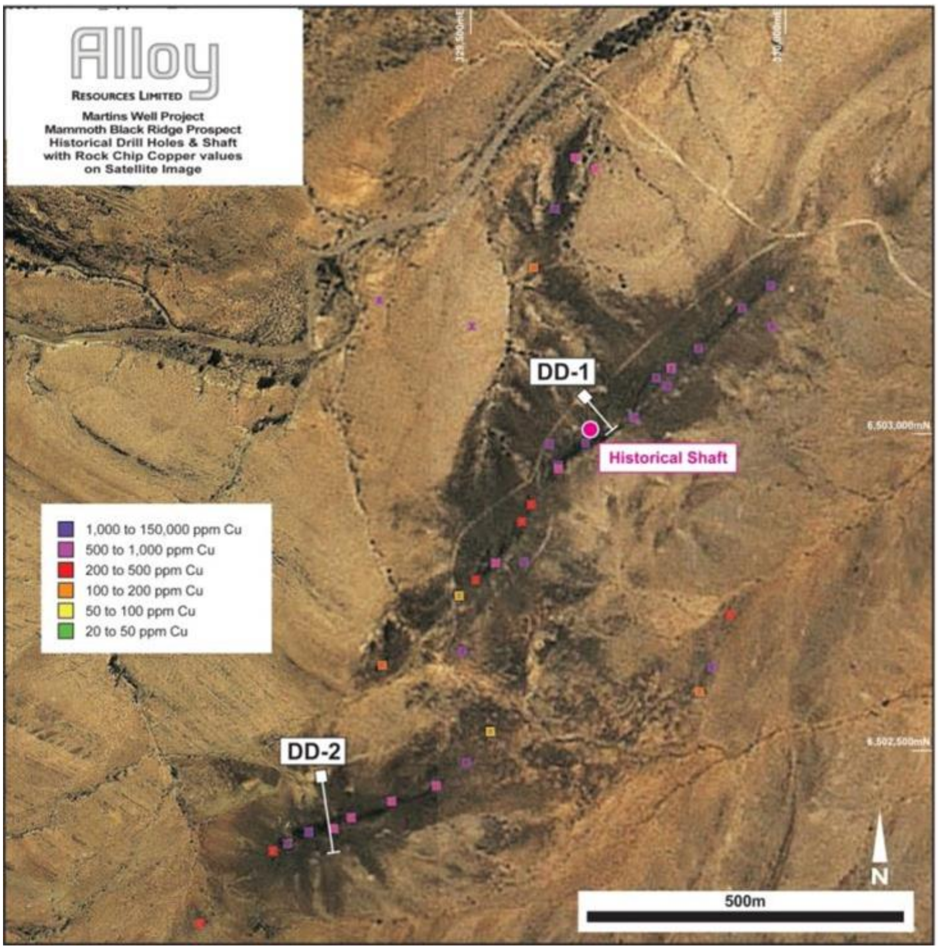


Figure 6 *Location of historical drill holes on satellite image with rock chip samples and copper values*

EXPLORATION COMPLETED

Historic Diamond Core Analyses (see ASX release 16 June 2015)

During initial field inspection by the Company, two historical drill hole sites were located, however the government was not able to locate any records for these. As reported to the ASX on 12 March and 23 April 2015, drill core dated from 1959-60 was subsequently discovered by the government at their Whyalla storage facility and bought to Adelaide where the Company has now logged and sampled the core from the two holes (DD-1 and DD-2) regarded as intersecting the Mammoth Black Ridge iron gossans.

Review of Operations (continued)

A total of 86 core samples were collected by cutting half the available core and selecting intervals coinciding where core blocks were available. Samples were analysed for 65 multi-elements by four acid digestion or fire assay and ICP-AES/ICP-MS finish.

DD-1

DD-1 was sampled from 17.53 metres to 122.22 metres (e.o.h).

The main gossan was intersected over 16 metres between 71.5 metres and 87.5 metres and was observed to be very iron rich and obviously gossanous from massive sulphides. The sulphides have created very strong acid leaching and no sulphur was recorded in the samples. A significant intersection of copper (>0.1%) was recorded from the gossan (see Figure 7 below), interpreted to be across the dip of structure;

- **20.27 metres @ 0.26% copper, 0.83 g/t silver and 648 ppm arsenic from 68.99 metres down hole**

DD-2

DD-2 was sampled from 53 metres to 221.21 metres (e.o.h).

The main gossan was intersected over 15.36 metres between 66.5 metres and 81.86 metres and was observed to be very iron rich with very strong botryoidal textures and some remnant gossanous zones. Oxidation may be stronger within this structure probably because sulphides have created very strong acid leaching and no sulphur was recorded in the samples.

No significant copper was intersected within the iron rich structure although arsenic was anomalous.

Siderite mineralisation was anomalous as expected however in general copper and arsenic showed levels of only 200-1000 ppm and a peak value of 2960 ppm (0.29%) for copper and 6480 ppm (0.64%) for arsenic. These values mean the mineralisation is too disseminated to be nearing economic levels.

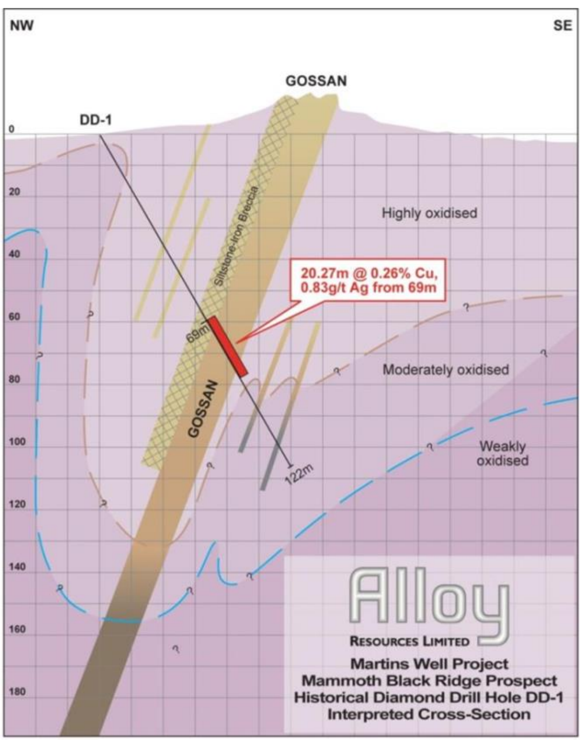


Figure 7 *Hole DD-1 cross section with geology and assays*

Review of Operations (continued)

<u>Geological model</u>

Figure 8 below presents a map of the prospect with observations and interpretation of geological strata, sulphide gossans and siderite units at the Mammoth Black Ridge prospect. A very simple low to moderate temperature structurally controlled hydrothermal mineralisation style can be invoked to explain the observed mineralisation. The semi-massive sulphide (and quartz veining) appears to be a later phase in the system and requires further work to define the controls on its location and orientation.

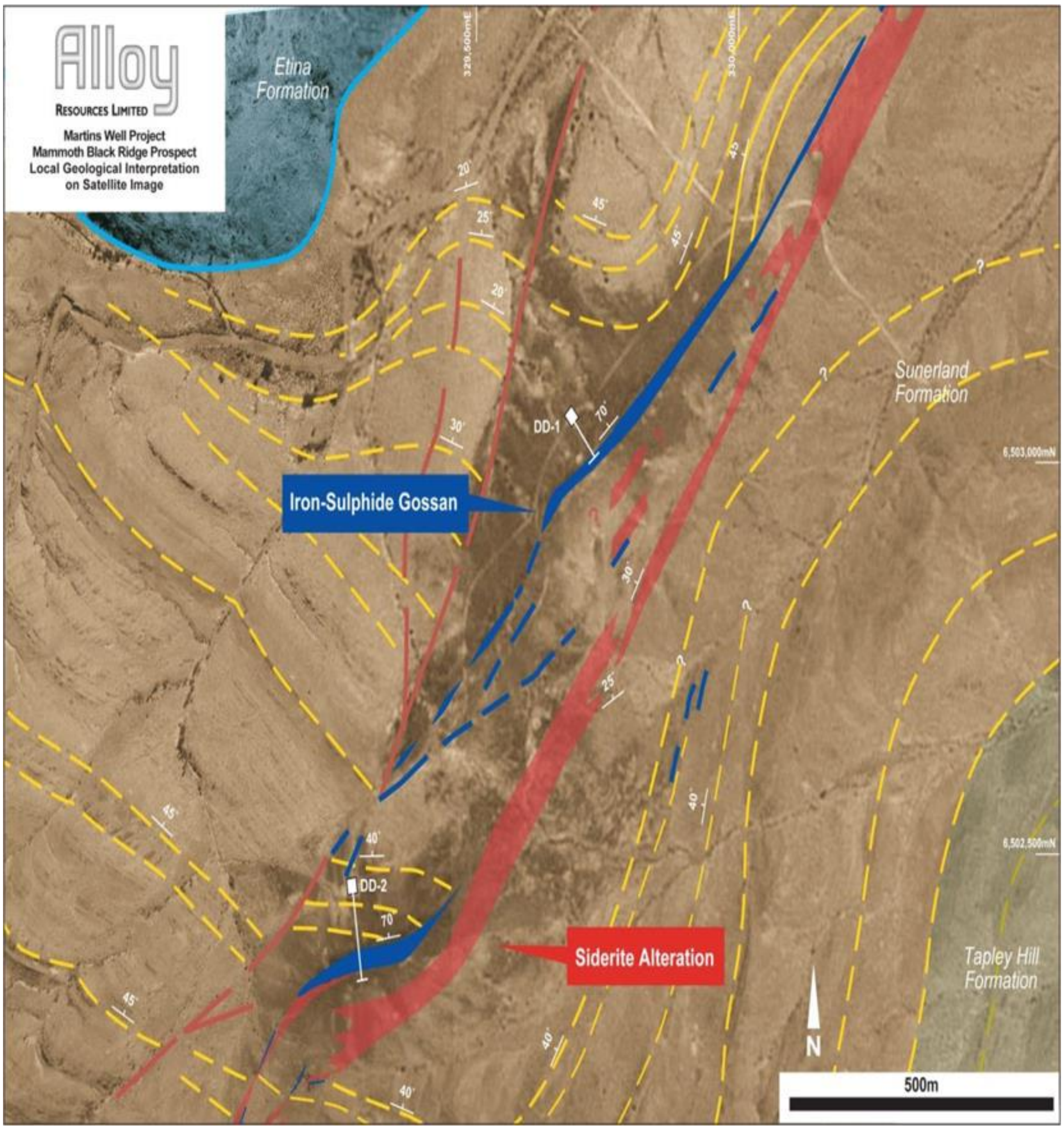


Figure 8 *Mammoth Black Ridge mapped geology on satellite image*

PLANNED EXPLORATION

The Company has reviewed the historical drill core analyses and related geology and is of the opinion that better definition of the location of the semi-massive sulphides containing elevated copper assays is required prior to drilling. Two techniques to achieve this are under consideration, being either a detailed surface soil sampling program or a ground geophysical survey.

Review of Operations (continued)

The Company has received a funding grant for 50% of direct drilling costs to the amount of up to $75,000 under the South Australian Government's PACE Frontier co-operative exploration drilling project. The drilling proposal was focussed on RC and diamond drill testing of the Mammoth Black Ridge prospect and will be utilised for planned drilling.

Prior to commencement of drilling an ILUA will be signed with Native Title holders and a Heritage Survey completed to allow drilling to proceed.

The Company has noted that the project contains a number of other targets that appear similar to Mammoth Black Ridge in their style from satellite imagery, and little or no historical exploration exists. Some additional field inspection and sampling of some of these targets should be completed when field crews return to the project.

BARRYTOWN (20%)

The Barrytown Mineral Sands Project is being operated by partner Pacific Mineral Resources Limited. During the year the Company sold an 80% interest in the Tenement to its partner for $100,000.

A final payment of either $200,000 cash or AUD $300,000 in listed entity shares within 12 months is due to Alloy after the granting of the Tenement Extension which is currently being pursued.

PROJECT GENERATION

The Company has secured approximately 155 square kilometres of Exploration Licence applications in the Edjudina area located 150 kilometres east of Kalgoorlie. This area is regarded as prospective for high grade gold mineralisation.

The Company continues to review other project and Corporate based opportunities that have potential to increase shareholder value.

MINERAL RESOURCE STATEMENT

The Company's Mineral Resource Statement has been compiled and is reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC 2012 Edition) and Chapter 5 of the ASX Listing Rules and ASX Guidance Note 31.

Horse Well has an Inferred Resource of 846,000 tonnes at a grade of 2.76g/t for 75,100 ounces as defined in Table 1 below.

Table 1: Horse Well Inferred Resource

Area	***Tonnes***	***Grade (g/t)***	***Ounces***
Palomino	***554,000***	***2.45***	***43,600***
Filly SW	***85,800***	***8.24***	***22,700***
Filly	***206,000***	***1.32***	***8,700***
TOTAL	***846,000***	***2.76***	***75,100***

Notes:

- *All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.*
- *The cut-off grades for all Resources are; 0.50 g/t for Oxide, 0.75 g/t for Transition and 1.00 g/t for Fresh weathering classifications.*
- *Resources have been defined in an A$1,800 per ounce Whittle optimal shell.*
- *The Inferred Resource has been estimated using appropriate high grade cuts, minimum mining widths and dilutions (see Table 1, Section 3 ASX Release for details).*

Review of Operations (continued)

Resource Estimate Summaries

The Company has no Ore Reserve estimates. There has been a 25% reduction to the total gold inventory for the Horse Well Gold Project based on a review of the JORC 2004 Mineral Resource estimates, application of the Company's current economic hurdles and relevant compliance of data as required under the JORC 2012 guidelines.

The current gold Mineral Resources at Horse Well are listed in Table 2 below, including details of changes necessary for compliance with JORC 2012.

Table 2: 2015 Horse Well Mineral Resource Comparison

	2015 JORC 2012 Resources				2014 JORC 2004 Resources		
PROSPECT	JORC CATEGORY	TONNES	GRADE (g/t Au)	OUNCES Au	TONNES	GRADE (g/t Au)	OUNCES Au
Palomino	indicated				656,000	2.52	53,150
	Inferred	554,000	2.45	43,600	105,000	3.71	12,525
Bronco	indicated				41,400	1.59	2,117
	Inferred						
Filly	indicated				161,300	1.56	8,091
	Inferred	206,000	1.32	8,700			
Filly SW	indicated				90,400	7.85	22,817
	Inferred	85,800	8.24	22,700			
Total		846,000	2.76	75,100	1,054,100	2.91	98,700

(This information was prepared and first disclosed under the JORC Code 2004 and has now been updated in accordance with the JORC Code 2012.

New areas of gold mineralisation defined by drilling, in particular at the Warmblood prospect, have not yet had new mineral resource estimates completed.

Details of the updated Mineral Resources for the Horse Well Gold Project deposits were included in September Quarterly Report released to the ASX in October 2015

COMPETENT PERSONS STATEMENT

The Mineral Resources Statement is based on, and fairly represents, information and supporting documentation prepared by the respective competent persons named below.

The information in this Mineral Resource Statement as a whole has been approved by Mr 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 he is 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 Annual Report in the form and context in which it appears.

Mr Viner is a shareholder and option holder of Alloy Resources Limited.

Mineral Resources

The resources in this release are based on work carried out by Dr. S. Carras FAusIMM of Carras Mining Pty Ltd. Dr. Carras has 35 years of experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves" and consents to the inclusion in this report of the information in the form and context in which it appears.

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 and that the form and context in which the Competent Person's findings are presented have not materially changed from the original market announcement.

Schedule of Tenements

Project	Location	Tenement	Held at the end of the year
(All tenements registered to Alloy Resources Limited except where noted below)			
Horse Well			
Eskay Resources Pty Ltd 100%	WA	E69/1772	100%+
(Eskay Resources Pty Ltd is a wholly owned subsidiary of Alloy Resources)			
Alloy Resources Limited - Granted	WA	E53/1466	100%+
Alloy Resources Limited - Granted	WA	E53/1471	100%+
Alloy Resources Limited - Granted	WA	P53/1524	100%+
Alloy Resources Limited - Granted	WA	P53/1525	100%+
Alloy Resources Limited - Granted	WA	P53/1526	100%+
Alloy Resources Limited - Granted	WA	E69/2765	100%+
Alloy Resources Limited - Granted	WA	E69/3069	100%+
Wayne Jones – Alloy Earned Interest	WA	E69/2492	100%+
Phosphate Australia Limited	WA	E69/2820	80%+
+ *subject to Doray farmin Agreement*			
Millrose			
Alloy Resources Limited - Application	WA	E53/1839	0%
Edjudina			
Alloy Resources Limited - Application	WA	E39/1858	0%
Alloy Resources Limited - Application	WA	E31/1095	0%
Alloy Resources Limited - Application	WA	E31/1105	0%
Alloy Resources Limited - Application	WA	E31/1106	0%
Barrytown Mineral Sands Project			
Alloy Resources Limited - Granted	New Zealand	EL 51803	20%**
*** Subject to farm-out and Sale Agreement to Pacific Mineral Resources*			
Martins Well			
Alloy Resources Limited - Granted	SA	EL 5577	100%#
# Subject to 90% earn-in Agreement			

Directors Report (continued)

The Directors present their report on Alloy Resources Limited and the entities it controlled at the end of, or during the year ended 30 June 2015 and the auditor's report thereon.

Directors

The names and details of the Directors of Alloy Resources Limited during the financial year and until the date of this report are:

Andrew Viner – Executive Chairman
Appointed a Director on 21 June 2011, Appointed Executive Chairman 1 July 2014.
Andy is a geologist with 28 years technical, managerial and corporate experience in mineral exploration and development. During his career he has generated and managed projects for a number of commodities, with a particular focus on precious metals, in Australia, Asia and South America. Andy was founding Managing Director of Jackson Gold Limited from 2002 to 2007 and Executive Director of Matsa Resources Limited from 2008 to 2010. He is a member of the Australian Institute of Mining and Metallurgy and the Institute of Company Directors.

Andre Marschke – Non-executive Director
Appointed a Director on 7 January 2014.
Andre has 15 years' experience in financial markets. He was formerly a Stockbroker with Smith Barney Citigroup, Hartleys and Pembroke Josephson and Wright and then became a joint founder of Scintilla Capital Pty Ltd, a boutique investment advisory business based in Queensland. He holds a Bachelor of Economics degree from the University of Queensland, a Graduate Diploma in Applied Finance and a Graduate Diploma in Technical Analysis from the Securities Institute of Australia.

Kevin Hart – Non-executive Director and Company Secretary
Appointed a Director on 2 June 2004.
Kevin holds a Bachelor of Commerce Degree and is a Chartered Accountant. He is a Partner at Endeavour Corporate Pty Ltd, an advisory firm that specialises in the provision of Company Secretarial services to ASX listed entities. Kevin has over 26 years of professional experience with various public companies, mostly in the exploration and mining industry. Kevin is also a former director of Gold Road Resources Limited from May 2007 to June 2014.

Directors' Interests

As at the date of this report the Directors' interests in shares and options of the Company are as follows:

Director	*Directors' Interests in Ordinary Shares*	*Directors' Interests in Unlisted Options (Vested)*	*Directors' Interests in Share Rights (Not Vested)*
Andrew Viner	23,741,799	9,566,447 (i)	-
Kevin Hart	8,811,458	2,400,522 (ii)	-
Andre Marschke	23,655,000	3,065,000 (iii)	-

(i) 3,500,000 unlisted options exercisable by payment of 4.5 cents each on or before 30 August 2015. 5,000,000 unlisted options exercisable by payment of 1.5 cents each on or before 30 November 2016.
1,056,447 unlisted options exercisable by payment of 1.5 cents each on or before 31 December 2015

(ii) 2,000,000 unlisted options exercisable by payment of 1.5 cents each on or before 30 November 2016.
400,522 unlisted options exercisable by payment of 1.5 cents each on or before 31 December 2015.

(iii) 2,000,000 unlisted options exercisable by payment of 1.6 cents each on or before 30 November 2017.
1,065,000 unlisted options exercisable by payment of 1.5 cents each on or before 31 December 2015.

Directors' Meetings

The number of meetings of the Company's Directors held during the year ended 30 June 2015 and the number of meetings attended by each Director was:

Director	*Board of Directors' Meetings*	
	Held	*Attended*
Andrew Viner	8	8
Kevin Hart	8	8
Andre Marschke	8	8

Principal Activities

The principal activities of the Group during the financial year consisted of mineral exploration and investment.

There were no significant changes in these activities during the financial year.

Results of Operations

The consolidated net loss after income tax for the financial year is $2,822,968 (2014: $488,608). Included in the loss is an amount of $2,580,774 (2014: $61,199) being an impairment of exploration assets following a review as detailed in note 11.

Dividends

No dividend has been paid since the end of the previous financial year and no dividend is recommended for the current year.

Review of Activities

Exploration activities for the financial year were focussed on the Company's Horse Well Gold project and Martin's Well Project in South Australia. A significant effort has been directed to assessing new opportunities for Project generation and acquisition.

Project highlights during the financial year include:

Horse Well Gold Project – Doray Minerals Limited Farming In

- Doray Minerals Limited having met the minimum expenditure commitment entered the second stage of the farm-in agreement and committed to a further $1 million in expenditure prior to May 2016.
- A 4,000 meter RC drill hole program is underway at the Dusk til Dawn prospect, designed to define the extent of high grade supergene and deeper primary gold mineralisation.
- Doray is planning reconnaissance air-core drilling over other targets at the Horse Well JV. Drilling is expected to commence pending the receipt of heritage approval.

Martin's Well South Australia

- A large polymetallic target defined over a 2.5 km strike and 1 kilometre width at the Mammoth Black Ridge Prospect.
- Core from two historical Mammoth Black Ridge Diamond Drill holes from 1959-60 analysed;
  - Expected weathering depleted gossans surprised with historic diamond core returning a thick intersection of anomalous mineralisation of 20.27 metres @ 0.26% Copper from 69 metres down hole.
  - Higher remnant copper assays correlated with weathered semi-massive sulphide in gossans.
  - This result points to good potential for there to be strong mineralisation at depth below weathering in the fresh rock target zone.

Project Generation

The Company has secured approximately 155 square kilometres of Exploration Licence applications in the Edjudina area located 150 kilometres east of Kalgoorlie. This area is regarded as prospective for high grade gold mineralisation.

Financial Position

At the end of the financial year the Group had $261,282 (2014: $433,157) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure was $2,142,720 (2014: $4,395,725).

Expenditure on exploration and acquisition of tenements during the year was $430,822 (2014: $819,738). This amount is net of the farm-in contribution received from Doray Minerals Limited of $103,053 (2014:$100,000).

Impact of Legislation and other External Requirements

There has been no impact on the Group as a result of new legislation or other external requirements.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Group during the financial year.

Options over Unissued Capital

As at the date of this report unissued ordinary shares of the Company under option are:

Number of Options Granted	*Exercise Price*	*Expiry Date*
3,500,000(i)	4.5 cents	30 August 2015
7,000,000(ii)	1.5 cents	30 November 2016
2,000,000(iii)	1.6 cents	30 November 2017
22,642,821(iv)	1.5 cents	31 December 2015

(i) The unlisted directors' options are fully vested and exercisable by payment of 4.5 cents on or before 30 August 2015.
(ii) The unlisted directors' options are fully vested and exercisable by payment of 1.5 cents on or before 30 November 2016.
(iii) The unlisted director's options are fully vested and exercisable by payment of 1.6 cents on or before 30 November 2017.
(iv) The unlisted options are fully vested and exercisable by payment of 1.5 cents on or before 31 December 2015.

These options do not entitle the holder to participate in any share issue of the Company or any other body corporate. The holders of options are not entitled to any voting rights until the options are converted into ordinary shares.

Matters Subsequent to the End of the Financial Year

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the Group are included elsewhere in the Annual Report. Disclosure of any further information has not been included in this report because, in the reasonable opinion of the Directors to do so would be likely to prejudice the business activities of the Group and is dependent upon the results of the future exploration and evaluation.

Environmental Regulation and Performance

The Group holds various exploration licences to regulate its exploration activities in Australia. These licences include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of its exploration activities.

As far as the Directors are aware, all exploration activities have been undertaken in compliance with all relevant environmental regulations.

Remuneration Report (audited)

The remuneration report is set out under the following main headings:

(a) Details of key management personnel

(b) Principles used to determine the nature and amount of remuneration

(c) Details of remuneration

(d) Service agreements

(e) Share-based compensation

(f) Option holdings of key management personnel

(g) Shareholdings of key management personnel

(h) Loans made to key management personnel

(i) Other transactions with key management personnel and their related entities.

(j) Additional information

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group, including directors of the Company and other executives. Key management personnel comprise the directors of the Company and senior executives for the Group.

Remuneration Report (continued)

(a) Details of Key Management Personnel

Directors

Andrew Viner	Executive Chairman
Andre Marschke	Non-executive Director
Kevin Hart	Non-executive Director and Company Secretary

(b) Principles used to determine the nature and amount of remuneration

The key principles include:

- Competiveness and reasonableness
- Acceptability to shareholders
- Performance linkage/alignment of executive compensation
- Transparency
- Capital management

The framework provides a mix of fixed and variable pay, and a blend of short and long term incentives.

Non-executive Directors
Non-executive directors' fees not exceeding an aggregate of $150,000 per annum were approved by the shareholders at the Annual General Meeting held on 27 November 2007.

Executive Pay
The combination of the following comprises the executive's total remuneration:

- Base pay and benefits, including superannuation,
- Short term performance incentives, and
- Long term incentives through participation in the Alloy Resources Ltd Incentive Option Scheme and Performance Rights Plan.

Base pay
Structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There are no guaranteed base pay increases included in any executives' contracts.

Benefits
Executives can salary sacrifice certain benefits including motor vehicle.

Superannuation
Retirement benefits are paid to complying superannuation funds nominated by the executives. During the period ended 30 June 2015 the Company contribution rate was 9.5% of ordinary time earnings.

Short term incentives
The Board has not established any ongoing short term incentives. It is noted that the Executive Chairman's service agreement includes a performance based component. Upon meeting certain key performance criteria set by the Board, the Executive Chairman can earn up to 30% of his base salary as a short term cash incentive. No programme is currently in place.

Remuneration Report (continued)

Long-term incentives
Long term incentives are provided via the Alloy Resources Limited Incentive Option Scheme and Performance Rights Plan.

The plans were approved by shareholders at the Annual General Meeting held on 28 November 2013.

(c) Details of remuneration

Details of the nature and amount of each element of the emoluments of each key management personnel of the Company and the consolidated entity for the year ended 30 June 2015 and 2014 are set out in the following tables:

2015	***Short-term***		***Post Employment***	***Share-based payment***	***Total***	***Performance Related***	***Value of options /rights as proportion of remuneration***
Directors	***Fees and Salaries $***	***Non-monetary benefits $***	***Superannuation Contributions $***	***Rights/Options $***	***$***	***%***	***%***
Andrew Viner	201,835	-	19,174	2,237	223,246	-	1.00
Kevin Hart	28,000	-	-	-	28,000	-	-
Andre Marschke	25,629	-	2,434	6,000	34,063	-	17.61
TOTAL	**255,464**	**-**	**21,608**	**8,237**	**285,309**	**-**	**2.89**

(1) In light of the current market conditions, in March 2015 the Board agreed to a reduction in the Executive Chairman's salary by 40% and to defer Non-executive director fees for a period of six months in order to preserve cash. These outstanding Director Fees and salaries have been accrued as at 30 June 2015.

No short term incentive payments were paid or payable to Mr Andrew Viner under his service agreement during the period.

2014	***Short-term***		***Post Employment***	***Share-based payment***	***Total***	***Performance Related***	***Value of options /rights as proportion of remuneration***
Directors	***Fees and Salaries $***	***Non-monetary benefits $***	***Superannuation Contributions $***	***Rights $***	***$***	***%***	***%***
Peter Harold (1)	28,000	-	-	11,308	39,308	-	28.8
Andrew Viner	201,835	-	18,670	43,293	263,798	-	16.4
Kevin Hart	28,000	-	-	11,308	39,308	-	28.7
Andre Marschke (2)	12,443		1,151	-	13,594	-	-
TOTAL	**270,278**	**-**	**19,821**	**65,909**	**356,008**	**-**	**18.5**

(1) Resigned 30 June 2014
(2) Appointed 7 January 2014

Remuneration Report (continued)

(d) Service agreements

Remuneration and other terms of employment for the Executive Chairman are formalised in a service agreement. The agreement provides for the provision of performance-related cash bonuses and participation, when eligible, in the Alloy Resources Ltd Incentive Option Scheme (‘Scheme’) and Performance Rights Plan (‘Plan’). Other major provisions of the agreements relating to remuneration are set out below:

The contract may be terminated early by either party with notice as set out in the service agreement, subject to termination payments as detailed below.

Andrew Viner, Executive Chairman

- Term of agreement – no fixed term, commenced 21 June 2011.
- Termination notice – 6 months’ notice.
- Base salary inclusive of superannuation of $220,000 to be reviewed annually.
- Short term incentives up to 30% of base salary at the discretion of the Board.
- The issue of 3.5 million share options at a 50% premium to the closing share price on the date of issue, 4 year term and vesting on issue. The issue was approved by shareholders at a General Meeting held on 9 September 2011 and is subject to the terms of the Company’s Employee Option Plan.
- The issue of 3.5 million performance rights vesting equally over a 3 year period from his commencement date was approved by shareholders at a General Meeting held on 9 September 2011 and is subject to terms of the Company’s Performance Rights Plan. As at the date of this report, the rights have all been exercised.

(e) Share-based compensation

Options and Performance Rights

Options over shares in Alloy Resources Ltd are granted under the Alloy Resources Ltd Incentive Option Scheme and the Alloy Resources Ltd Performance Rights Plan which were approved by shareholders at an Annual General Meeting of shareholders of the Company held on 28 November 2013.

The Option Scheme and the Performance Rights Plan is designed to provide long term incentives for executives to deliver long term shareholder returns, and participation in the future growth of the Company. Under the Scheme participants are granted options which typically vest on issue with a strike price as determined at the discretion of the Board. The Scheme allows the Company to issue free options to an eligible person. The options are exercisable at a fixed price in accordance with the Plan. The options of any participant in the scheme lapse where the relevant person ceases to be an employee or director of, or vendor services to the Company.

Performance rights to be issued under the Plan have varying vesting periods as determined by the Board at the date of grant except under certain circumstances whereby performance rights may be capable of exercise prior to the expiry of the vesting period. Participation in the Scheme is at the Board’s discretion and no individual has a contractual right to participate in the Scheme or to receive any guaranteed benefits.

Remuneration Report (continued)

The terms and conditions of each grant of options affecting remuneration in the previous, this or future reporting periods are as follows:

	Number of options granted	Grant date	Fair value per option at grant date ($)	Exercise price per option ($)	Expiry date	Vesting date
Directors						
Andrew Viner	3,500,000	9 Sep 2011	0.0156	0.045	30 Aug 2014	9 Sep 2011
Andrew Viner	5,000,000	29 Nov 2013	0.0057	0.015	30 Nov 2016	29 Nov 2013
Peter Harold	2,000,000	29 Nov 2013	0.0057	0.015	30 Nov 2016	29 Nov 2013
Kevin Hart	2,000,000	29 Nov 2013	0.0057	0.015	30 Nov 2016	29 Nov 2013
Andre Marschke	2,000,000	4 Dec 2014	0.003	0.016	30 Nov 2017	4 Dec 2014

The following factors and assumptions were used in determining the fair value of options on grant date:

Grant Date	*Option life*	*Fair value per option*	*Exercise price*	*Price of shares on grant date*	*Expected volatility*	*Risk free interest rate*	*Dividend yield*
3,500,000 Unlisted Options							
9 Sep 2011	4 Years	$0.0156	$0.045	$0.030	80%	3.72%	0%
9,000,000 Unlisted Options							
29 Nov 2013	3 Years	$0.0057	$0.015	$0.007	170.15%	3.03%	0%
2,000,000 Unlisted Options							
4 Dec 2014	3 Years	$0.003	$0.016	$0.007	125%	2.54%	0%

The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date.

Fair values at grant date are independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

There were no performance rights in existence as at 30 June 2015.

No options or performance rights have been granted since the end of the financial year.

The movement during the reporting period, by value, of options over ordinary shares in the Company held by each key management person is detailed below:

Options

	Granted in the year $	Value of options exercised in the year $	Lapsed in the year $
Andrew Viner	-	-	-
Kevin Hart	-	-	-
Andre Marschke	$6,000	-	-

Remuneration Report (continued)

Performance Rights

Grant date	Number	Exercise Price	Vesting conditions	Expiry date
9 September 2011	3,500,000	Nil	Equally over 3 years	21 June 2015

The value of options that lapsed during the year represents the benefits forgone and is calculated using the Black Scholes option-pricing model at the grant date.

Given the Company is involved in mineral exploration and Company performance is in part measured by exploration success, the share-based compensation of the persons referred to above is not dependent on the satisfaction of individual performance conditions.

There is no policy in place for the KMP's to limit their exposure to risk in relation to the shares and share options granted as part of their remuneration.

Exercise of options granted as compensation

During the reporting period, no shares were issued on the exercise of options previously granted as compensation.

Analysis of options and rights over equity instruments granted as compensation

Details of vesting profile of the options granted as remuneration to each key management person of the Group are detailed below.

	Options granted		Financial years in which grant vested	% forfeited in 2015	% vested as at 30 June 2015
Directors	**Number**	**Date**			
Andrew Viner	3,500,000	9 Sep 2011	2012	-	100
Andrew Viner	5,000,000	29 Nov 2013	2014	-	100
Kevin Hart	2,000,000	29 Nov 2013	2014	-	100
Andre Marschke	2,000,000	4 Dec 2014	2015	-	100

(f) Option holdings of key management personnel

The numbers of options over ordinary shares in the Company held during the financial year by each director of the Company and other key management personnel of the Group are set out below:

2015 Name	Balance at start of the year	Granted during the year as compens-ation	Entitlement Issue	Exercised during the year	Expired unexercised	Balance at the end of the year	Vested and exercisable at the end of the year
Directors							
Andrew Viner	**8,500,000**	**-**	**1,056,447**	**-**	**-**	**9,556,447**	**9,556,447**
Kevin Hart	**2,000,000**	**-**	**400,522**	**-**	**-**	**2,400,522**	**2,400,522**
Andre Marschke	**2,000,000**	**2,000,000**	**1,065,000**	**-**	**(2,000,000)**	**3,065,000**	**3,065,000**

Remuneration Report (continued)

2014 Name	Balance at start of the year	Granted during the year as compensation	Exercised during the year	Expired unexercised	Balance at the end of the year	Vested and exercisable at the end of the year
Directors						
Peter Harold	-	2,000,000	-	(2,000,000)	-	-
Andrew Viner	3,500,000	5,000,000	-	-	8,500,000	8,500,000
Kevin Hart	-	2,000,000	-	-	2,000,000	2,000,000
Andre Marschke	2,000,000[(i)]	-	-	-	2,000,000	2,000,000

(i) Represent options and shares held as at date of appointment as director.

(g) Share holdings of key management personnel

The number of shares in the Company held during the financial year by each director of the Company and other key management personnel of the Group, including their personally related parties are set out below. There were no shares granted during the reporting period as remuneration.

2015 Name	**Balance at start of the year**	**Received during the year on exercise of rights**	**Other changes during the year**	**Balance at the end of the year**
Directors				
Andrew Viner	**19,462,241**	**1,166,666**	**3,112,892**[1]	**23,741,799**
Kevin Hart	**8,010,416**	**-**	**801,042**[2]	**8,811,458**
Andre Marschke	**21,300,000**	**-**	**2,355,000**[3]	**23,655,000**

1. Participated in non-renounceable entitlement issue and on-market purchases.
2. Participated in non-renounceable entitlement issue.
3. Participated in non-renounceable entitlement issue, and on-market purchases.

2014 Name	**Balance at start of the year**	**Received during the year on exercise of rights**	**Other changes during the year**	**Balance at the end of the year**
Directors				
Peter Harold	2,066,666	-	516,666[1]	2,583,332
Andrew Viner	10,636,460	1,166,667	7,659,114[2]	19,462,241
Kevin Hart	3,408,333	-	4,602,083[3]	8,010,416
Andre Marschke	21,300,000[(i)]	-	-	21,300,000

(i) Represent options and shares in which the Director had a relevant interest as at date of appointment as director.

4. Participated in non-renounceable entitlement issue.
5. Participated in non-renounceable entitlement issue, share purchase plan and on market purchases.
6. Participated in non-renounceable entitlement issue, and share purchase plan.

(h) Loans made to key management personnel

No loans were made to a director of Alloy Resources Limited or any other key management personnel, including personally related entities during the financial year.

Remuneration Report (continued)

(i) Other transactions with key management personnel and their related parties

Some Directors and Executives hold positions within other entities which cause them to have control or exert significant influence over the financial or operating policies of those entities.

The following entities transacted with the Company during the financial year. In each instance normal commercial terms and conditions applied. Terms and conditions were not more favourable than those available, or which might reasonably be expected to be available, for a similar transaction to unrelated parties on an arms-length basis.

Mr. Kevin Hart has an interest as a partner in a Chartered Accounting firm; Endeavour Corporate. This firm provides company secretarial and accounting services and office accommodation to the Company in the ordinary course of business. The value of the transactions in the financial year ending 30 June 2015 amount to $82,521 (2014: $104,383). The amount owing to Endeavour Corporate at 30 June was $6,989 (2014: $13,761).

(i) Company performance

The table below shows the performance of the Company as measured by share price and change in market capitalisation.

	30 June				
	2015	**2014**	**2013**	**2012**	**2011**
	$	**$**	**$**	**$**	**$**
Share price	0.005	0.006	0.003	0.01	0.039
Market capitalisation	2,463,538	2,640,032	821,013	1,860,449	5,695,749
Loss for the year	(2,822,968)	(488,608)	(1,029,217)	(678,512)	(405,562)

THIS IS THE END OF THE REMUNERATION REPORT

Officer's Indemnities and Insurance

During the year the Company paid an insurance premium to insure certain officers of the Company. The officers of the Company covered by the insurance policy include the Directors named in this report.

The Directors and Officers Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company.

Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

The Company has not provided any insurance for an auditor of the Company.

Corporate Governance

In recognising the need for high standards of corporate behaviour and accountability, the Directors of the Company support and have adhered to the principles of corporate governance to the extent they are applicable to the company given its size and scale of operations.

Auditors' Independence Declaration

A copy of the Auditors' Independence Declaration as required under Section 307C of the Corporations Act is set out on page 26 and forms part of the director's report for the financial year ended 30 June 2015.

This report is made in accordance with a resolution of the Directors.

DATED at Perth this 24th day of September 2015.

Andrew Viner
Executive Chairman

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Alloy Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2015 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

David Sinclair
Partner

Perth

24 September 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the financial year ended 30 June 2015

	Note	**30 June 2015 $**	30 June 2014 $
Other income	4	**100,000**	75,000
Non-executive Directors Fees		**(56,071)**	(68,443)
Depreciation and amortisation	5	**(889)**	(1,018)
Occupancy expenses	5	**(28,199)**	(29,444)
Accounting and administrative expenses		**(154,763)**	(189,221)
Employee expenses		**(69,976)**	(118,566)
Insurance expenses		**(11,904)**	(14,609)
Share based payments	16	**(8,237)**	(65,909)
Other expenses		**(17,991)**	(30,087)
Exploration costs impaired	11	**(2,580,774)**	(61,199)
Results from operating activities		**(2,828,804)**	(503,496)
Finance and other income	4	**5,836**	14,888
Loss before income tax		**(2,822,968)**	(488,608)
Income tax expense	6	**-**	-
Loss for the period		**(2,822,968)**	(488,608)
Other comprehensive income for the year		**-**	-
Total comprehensive loss for the year		**(2,822,968)**	(488,608)
Earnings/(loss) per share (cents):			
Basic earnings/(loss) per share (cents)	27	**(0.60)**	(0.12)
Diluted earnings/(loss) per share (cents)	27	**(0.60)**	(0.12)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
As At 30 June 2015

	Note	30 June 2015 $	30 June 2014 $
Current assets			
Cash and cash equivalents	7	**261,282**	433,157
Trade and other receivables	8	**1,705**	1,494
Other current assets	9	**7,347**	10,442
Total current assets		**270,334**	445,093
Non- current assets			
Property, plant and equipment	10	**-**	889
Capitalised mineral exploration and evaluation expenditure	11	**2,142,720**	4,395,725
Total non-current assets		**2,142,720**	4,396,614
Total assets		**2,413,054**	4,841,707
Current liabilities			
Trade and other payables	12	**126,670**	80,431
Provisions	13	**27,829**	37,106
Total current liabilities		**154,499**	117,537
Total liabilities		**154,499**	117,537
Net assets		**2,258,555**	4,724,170
Equity			
Issued capital	15	**14,402,291**	14,011,896
Accumulated losses		**(12,255,138)**	(9,432,170)
Reserves		**111,402**	144,444
Total equity		**2,258,555**	4,724,170

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
For the financial year ended 30 June 2015

	Share Capital	Accumulated losses	Equity Remuneration Reserve	Total
	$	$	$	$
Balance as at 1 July 2014	**14,011,896**	**(9,432,170)**	**144,444**	**4,724,170**
Loss for the period	**-**	**(2,822,968)**	**-**	**(2,822,968)**
Other comprehensive loss for the period	**-**	**-**	**-**	**-**
Total comprehensive loss for the period	**-**	**(2,822,968)**	**-**	**(2,822,968)**
Transactions with equity holders in their capacity as equity holders:				
Issue of shares for cash	**317,000**	**-**	**-**	**317,000**
Shares issued for service	**50,000**	**-**		**50,000**
Transaction costs of shares issued	**(11,605)**	**-**	**-**	**(11,605)**
Movement in equity remuneration reserve	**-**	**-**	**1,958**	**1,958**
Exercise of rights	**35,000**	**-**	**(35,000)**	**-**
Balance at 30 June 2015	**14,402,291**	**(12,255,138)**	**111,402**	**2,258,555**

	Share Capital $	Accumulated losses $	Equity Remuneration Reserve $	Total $
Balance as at 1 July 2013	12,853,611	(8,943,562)	107,258	4,017,307
Loss for the period	-	(488,608)	-	(488,608)
Other comprehensive loss for the period	-	-	-	-
Total comprehensive loss for the period	-	(488,608)	-	(488,608)
Transactions with equity holders in their capacity as equity holders:				
Issue of shares for cash	1,144,142	-	-	1,144,142
Shares issued for service	50,000	-	-	50,000
Transaction costs of shares issued	(70,857)	-	-	(70,857)
Movement in equity remuneration reserve	-	-	72,186	72,186
Exercise of rights	35,000	-	(35,000)	-
Balance at 30 June 2014	14,011,896	(9,432,170)	144,444	4,724,170

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
For the financial year ended 30 June 2015

	Note	**2015** **$**	2014 $
Cash flows from operating activities			
Interest received		**5,836**	14,888
Payments to suppliers and employees		**(321,029)**	(417,775)
Net cash (used in) operating activities	26	**(315,193)**	(402,887)
Cash flows from investing activities			
Payments for exploration expenditure		**(358,851)**	(753,223)
Proceeds on sale of tenement		**100,000**	75,000
Re-imbursement of farm-in expenditure		**103,053**	100,000
Bonds returned		**-**	10,000
Net cash (used in) investing activities		**(155,798)**	(568,223)
Cash flows from financing activities			
Proceeds from issue of shares		**317,000**	1,144,142
Payments for transaction costs on issue of shares		**(17,884)**	(64,580)
Net cash from financing activities		**299,116**	1,079,562
Net (decrease) in cash held		**(171,875)**	108,451
Cash and cash equivalents at 1 July		**433,157**	324,706
Cash and cash equivalents at 30 June	7(a)	**261,282**	433,157

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Note 1 Summary of significant accounting policies

Alloy Resources Ltd is domiciled in Australia. The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Consolidated Financial Statements of the Company as at and for the year ended 30 June 2015 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The financial report was authorised for issue by the directors on 24th September 2015.

(a) Basis of preparation

Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial report of the Group complies with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

Going Concern

The directors have prepared the financial statements on a going concern basis which contemplates the realisation of assets and the payment of liabilities in the normal course of business. The Group has no debt obligations. The Group has a working capital surplus of $115,835 as at 30 June 2015 and incurred net cash outflows of $171,875 for the financial year (including net proceeds from share issues of $299,116). The Group incurred a loss for the year of $2,822,968, which included non-cash impairment of exploration costs of $2,580,774.

On 23 May 2014 the Company announced that it had entered into a $4 million farm-in agreement with Doray Minerals Limited for the Horse Well Gold Project. Under the terms of the Farm-in agreement Doray can spend up to $2 million within 2 years to earn a 60% interest in the project with a minimum $900,000 non-withdrawal commitment. Doray Minerals Limited will meet all the Department of Mineral's expenditure commitments during this time.

Doray Minerals Limited, having met the minimum non-withdrawal expenditure commitment, entered the second stage of the farm-in agreement and committed to a further $1 million in expenditure prior to May 2016. A 4,000 meter RC drill hole program is underway at the Dusk til Dawn prospect, designed to define the extent of high grade supergene and deeper primary gold mineralisation. Doray is planning reconnaissance air-core drilling over other targets at the Horse Well JV. Drilling is expected to commence pending the receipt of heritage approval.

The directors have reviewed the Group's financial position and forecast cash flows and have assessed that the Group will be required to raise additional funds by way of issuing equity. The directors reasonably expect that the Group will be able to raise additional funds as required to meet future costs associated with its operating and exploration activities for at least the next 12 months. The directors are therefore of the opinion that the use of the going concern basis is appropriate in the circumstances.

Should the Group not be successful in obtaining adequate funding or cash inflows are not as planned, there is material uncertainty as to the ability of the Group to continue as a going concern and to realise its assets and extinguish its liabilities in the ordinary course of business.

(a) Basis of preparation (continued)

Historical cost convention
These Consolidated Financial Statements have been prepared under the historical cost convention.

Functional and presentation currency
These Consolidated Financial Statements are presented in Australian dollars, which is the Company's functional currency and the functional currency of the Group.

Critical accounting estimates
The preparation of Consolidated Financial Statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Consolidated Financial Statements are disclosed in note 2.

(b) Principles of consolidation

(i) *Business combinations*

All business combinations are accounted for by applying the acquisition method.

For every business combination, the Group identifies the acquirer, which is the combining entity that obtains control of the other combining entities or businesses. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Measuring goodwill
The Group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination (see below). If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

(b) Principles of consolidation (continued)

(i) *Business combinations (continued)*

Share-based payment awards
When share-based payment awards exchanged (replacement awards) for awards held by the acquiree's employees (acquiree's awards) relate to past services, then a part of the market-based measure of the awards replaced is included in the consideration transferred. If they require future services, then the difference between the amount included in consideration transferred and the market-based measure of the replacement awards is treated as post-combination compensation cost.

Contingent liabilities
A contingent liability of the acquiree is recognised in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Non-controlling interest
The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs
Transaction costs that the Group incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees, are expensed as incurred.

(ii) *Subsidiary companies*

The Consolidated Financial Statements of the subsidiary companies are included in the Consolidated Financial Statements from the date control commences until the date control ceases.

Outside interests in the equity and results of the entities that are controlled by the Company are shown as a separate item in the Consolidated Financial Statements.

(iii) Transactions Eliminated on Consolidation

Inter-entity balances resulting from transactions with or between controlled entities are eliminated in full on consolidation.

(c) Segment reporting

The Group determines and presents operating segments based on the information that internally is provided to the Board of directors ("the Board"), who is the Group's chief operating decision maker.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's Board to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Board include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

(c) Segment reporting (continued)

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and exploration and evaluation assets.

The Group operates in one segment, identifying, evaluating and exploring for resources.

(d) Revenue recognition and receivables

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, allowances and amounts collectable on behalf of third parties.

Interest income
Interest income is recognised on a time proportion basis and is recognised as it accrues.

Farm-in income
Farm-in income is measured based on consideration received. Income is recognised when the performance obligations have been satisfied under the agreement.

(e) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary timing differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantially enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to those timing differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity or other comprehensive income are also recognised directly in equity or other comprehensive income.

(f) Impairment of tangible and intangible assets other than goodwill

The Group assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability or facts and circumstances suggest the carrying amount exceeds the recoverable amount.

The fair value assessment is based on generally accepted industry market practice for estimating value for exploration assets.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimate used to determine the assets recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in previous years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such reversal the depreciation charge is adjusted in future periods to allocate the assets revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(g) Impairment of financial assets

The Group assesses at each balance date whether a financial asset or Group of financial assets is impaired.

Financial assets carried at amortised cost
If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in profit or loss.

(g) Impairment of financial assets (continued)

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a Group of financial assets with similar credit risk characteristics and that Group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset. Such impairment loss shall not be reversed in subsequent periods.

(h) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the consolidated statement of financial position.

(i) Fair value estimation

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

(j) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Consolidated Statement of comprehensive income during the financial period in which they are incurred.

(j) Property, plant and equipment (continued)

Depreciation of property, plant and equipment is calculated using the straight line and written down value methods to allocate their cost, net of residual values, over their estimated useful lives, as follows:

Office equipment and fittings	12.5 – 33% written down value
Motor vehicles	25% written down value
Site equipment	25% written down value

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)).

(k) Mineral exploration and evaluation expenditure

Mineral exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- such costs are expected to be recouped through the successful development and exploitation of the area of interest, or alternatively by its sale; or
- exploration and/or evaluation activities in the area have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active or significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment when:

- sufficient data exists to determine technical feasibility and commercial viability; and
- facts and circumstances suggests that the carrying amount exceeds the recoverable amount.

For the purpose of impairment testing, exploration and evaluation assets are allocated to cash-generated units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off in the year in which that assessment is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Farm-in expenditure

Any exploration expenditure met by the Farmee under a Farm-in agreement are not recorded by the Company. The Company does not recognise a gain or loss on the basis of the partial disposal of any exploration expenditure that has already been capitalised. Any proceeds received that are not attributable to future expenditure are credited against the carrying amount of any existing exploration asset. To the extent that the proceeds received from the Farmee exceed the carrying amount of any exploration asset that has already been capitalised, the excess is recognised as a gain in profit or loss.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and usually paid within 30 days of recognition.

(m) Employee benefits

Wages, salaries and annual leave
Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Share based payments
Share based compensation payments are made available to directors and employees pursuant to the Company's Incentive Option Scheme and Performance Rights Plan.

The fair value of these equity settled transactions is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the award.

At each subsequent reporting date until vesting, the cumulative charge to the statement of comprehensive income is the product of:

i. The grant date fair value of the award;
ii. The current best estimate of the number of options or rights that will vest, taking into account such factors as the likelihood of market vesting conditions during the vesting period and the likelihood of non-market performance conditions being met; and
iii. The expired portion of the vesting period.

The charge to the statement of comprehensive income for the period is cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to equity.

The fair value at grant date is independently determined using a Black and Scholes option pricing model that takes into account the exercise price, the term of the option or rights, the share price at grant date, expected price volatility of the underlying share and the risk free rate for the term of the option or rights.

The fair value of the award granted is adjusted to reflect market vesting conditions. Non-market vesting conditions are included in assumptions about the number of awards that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of awards that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Defined contribution plans
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as a personnel expense in profit or loss when they are due.

(n) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(o) Earnings per share

(i) Basic earnings per share
Basic earnings per share is calculated by dividing the earnings attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share
Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for shares held by the Company's sponsored employee share plan trust, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(p) Goods and service tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as a part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Consolidated Statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flow.

(q) Trade and other receivables

Trade and other receivables are recognised and carried at original invoice amount less any allowance for any uncollectible amounts. An allowance for a doubtful debt is made when there is objective evidence that the Company will not be able to collect the debt. Bad debts are written off when identified.

(r) Jointly controlled operations and assets

The interest of the Group in unincorporated joint ventures and jointly controlled assets are brought to account by recognising in its Consolidated Financial Statements the assets it controls, the liabilities that it incurs, the expenses it incurs and its share of income that it earns from the sale of goods or services by the joint venture.

(s) New Accounting Standards for Application in Future Periods

In the year ended 30 June 2015, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the group's operations and effective for the current annual reporting period.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change is necessary to Group accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2015. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no changes are necessary to Group accounting policies.

Note 2 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Recoverability of mineral exploration and evaluation expenditure
The Group's accounting policy is stated at 1(k). The ultimate recoupment of the value of exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale, of the underlying mineral exploration properties.

The Group undertakes at least on an annual basis, a comprehensive review for indicators of impairment of these assets. Should an indicator of impairment exist, there is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

The key areas of estimation and judgement that are considered in this review include: (i) recent drilling results and reserves and resource estimates (ii) environmental estimates that may impact the underlying tenements (iii) the estimated market value of assets at the review date (iv) independent valuations of underlying assets that may be available (v) fundamental economic factors such as commodity prices, exchange rates, discount rates, and current and anticipated operating costs in the industry (vi) the Group's market capitalisation compared to its net assets.

Refer Note 11 for details of carrying amounts, estimates and assumptions used.

Measurement of share-based payments
The Group's accounting policy is stated at 1(m). The fair value of options granted is measured using a valuation model taking into account the share price at the grant date, exercise price, expected option life and the expected volatility of the share price traded on the ASX.

Refer Note 16 for details of carrying amounts, estimates and assumptions used.

Note 3 Segment information

The Group has identified its operating segments based on the internal reports that are reviewed by the Board in assessing performance and determining the appropriate allocation of the Group's resources. The Group also has had regard to the qualitative thresholds for the determination of operating segments.

For management purposes the Group is organised into one operating segment, which involves mineral exploration and development in Australia and New Zealand. The Group's principle activities are interrelated and the Group has no revenue from operations.

All significant operating decisions are based upon analysis of the Company as one segment. The financial results of this segment are equivalent to the financial statements of the Company as a whole.

The accounting policies applied for internal reporting purposes are consistent with those applied in preparation of the financial statements.

Note 4 Finance and other income

	2015 $	2014 $
Finance income		
Interest received	**5,836**	14,888
Other income		
Proceeds from sale of Barrytown	**100,000**	75,000
	100,000	75,000

On 4 December 2014 the Company announced that it had completed the first stage of the sale of an 80% interest in the Barrytown Mineral Sands Project to farm-in partner Pacific Mineral Resources Limited for $100,000. Not later than 12 months after the granting of the tenement extension, a final payment is due for the remaining 20% interest being either $200,000 cash or $300,000 worth of shares in a listed entity which owns (directly or indirectly) the mining permit. If the payment of Alloy's final 20% interest is not completed then Alloy will be free-carried until completion of a pre-feasibility study in relation to the mining permit.

Note 5 Loss for the year

	2015 $	2014 $
Loss before income tax includes the following specific expenses:		
Depreciation:		
Office Equipment	**889**	1,018
Total depreciation	**889**	1,018
Occupancy expenses	**28,199**	29,444
Contributions to defined contribution superannuation funds	**4,500**	8,352

Note 6 Income tax

	2015 $	2014 $
(a) Reconciliation of income tax expense/(benefit) to prima facie tax payable		
Loss from continuing operations before income tax expense/(benefit)	**(2,822,968)**	(488,608)
Tax at the Australian rate of 30% (2014 – 30%)	**(846,890)**	(146,582)
Tax effect of permanent differences:		
Non-deductible share based payment	**2,471**	19,773
Exploration costs impaired	**675,901**	(29,303)
Capital raising costs	**(10,243)**	(12,156)
Other	**4,961**	17,904
Deferred tax assets not brought to account	**173,800**	150,364
Income tax expense	**-**	-

Note 6 Income tax (continued)

		2015 $	2014 $
(b) Deferred tax – Consolidated Statement of Financial Position			
Deferred Tax Liabilities			
Prepayments		**(2,204)**	(3,132)
Capitalised Exploration and Evaluation expenditure		**(642,816)**	(1,318,717)
		(645,020)	(1,321,850)
Less: Deferred Tax Assets			
Accrued expenses		**20,062**	7,770
Employees entitlement		**8,349**	11,132
Deductible equity raising costs		**30,444**	34,867
Tax losses available to offset against future taxable income	(a)	**586,165**	1,268,081
		645,020	1,321,850
Net Deferred Tax Balance		**-**	-

(a) Tax losses
The balance of potential deferred tax assets of $4,420,209 (2014: $4,247,210) attributable to tax losses carried forward in respect of the Group has not been brought to account because the directors do not believe it is appropriate to regard realisation of the future tax benefit as probable. Tax loss availability is dependent on the company deriving future assessable income of a nature and amount sufficient to enable the benefit from the tax losses to be realised; the Company continuing to comply with the conditions for deductibility imposed by tax legislation and no changes in tax legislation adversely affecting the Company.

All unused tax losses were incurred by Australian entities.

Note 7 Current assets - Cash and cash equivalents

	2015 $	2014 $
Cash at bank and in hand	**261,282**	433,157
	261,282	433,157

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the cash flow statement as follows:

Balances as above and per Cash flow statement	**261,282**	433,157

(b) Cash at bank

Cash balances earn interest at 1.00% p.a. (2014: 1.14% p.a.).

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 17.

Note 8 Trade and other receivables

	2015 $	2014 $
Current		
GST recoverable	**1,705**	1,494

Note 9 Other current assets

	2015 $	2014 $
Prepayments	**7,347**	10,442

Note 10 Property, plant and equipment

Computer software		
At cost	**33,652**	33,652
Accumulated depreciation	**(33,652)**	(33,652)
	-	-
Office equipment and fittings		
At cost	**20,178**	**20,178**
Accumulated depreciation	**(20,178)**	**(19,289)**
	-	**889**
Motor vehicles		
At cost	**54,274**	**54,274**
Accumulated depreciation	**(54,274)**	**(54,274)**
	-	**-**
Site equipment		
At cost	**1,442**	**1,442**
Accumulated depreciation	**(1,442)**	**(1,442)**
	-	**-**
	-	**889**

Reconciliation

Office equipment and fittings		
Net book value at 1 July 2014	**889**	**1,907**
Additions	**-**	**-**
Depreciation	**(889)**	**(1,018)**
Net book value at 30 June 2015	**-**	**889**

No items of property, plant and equipment have been pledged as security by the Group.

Note 11 Capitalised mineral exploration and evaluation expenditure

	2015	2014
In the exploration and evaluation phase	**$**	$
Cost brought forward	**4,395,725**	3,737,186
Exploration expenditure incurred during the year	**430,822**	819,738
Proceeds from farm-in agreements	**(103,053)**	(100,000)
Exploration expenditure impaired during the year	**(2,580,774)**	(61,199)
Cost carried forward	**2,142,720**	4,395,725

Expenditure written off during the year amounted to $2,580,774 (2014:$61,199). In reviewing capitalised exploration expenditure carried forward and the appropriateness of continuing to carry forward costs in relation to the Horse Well and Martin's Well projects, the Company has taken into consideration current market conditions particularly for junior mining exploration companies, and the company's market capitalisation. With respect to the Horse Well project, the Company has utilised a market valuation approach that involves multiplying an estimated realisable value per ounce by the current gold resource. The Company has also cross checked this valuation against its market capitalisation. As a result of this review, the company has made an impairment charge of $2,580,774 in the current year.

The recoverability of the carrying amount of the capitalised exploration and evaluation assets is dependent upon the successful development and commercial exploitation or alternatively sale of the respective areas of interest.

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Note 12 Trade and other payables

	2015	2014
	$	$
Trade payables and accruals	**126,670**	80,431
	126,670	80,431

a) Interest rate risk exposure
Details of the Group's exposure to interest rate risk on liabilities are set out in note 17.

b) Fair value disclosures
Details of the fair value of liabilities for the Group are set out in note 17.

c) Security
There are no secured liabilities as at 30 June 2015.

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 17.

Note 13 Provisions

Current provisions	2015 $	2014 $
Employee provisions	**27,829**	37,106
	27,829	37,106

Note 14 Parent Entity Disclosures

As at, and throughout, the financial year ending 30 June 2015 the parent company of the Group was Alloy Resources Limited.

	2015 $	2014 $
Result of the parent entity		
(Loss) for the year	**(2,823,487)**	(488,608)
Other comprehensive income	**-**	-
Total comprehensive loss for the year	**(2,823,487)**	(488,608)
Financial position of the parent entity at year end		
Total current assets	**270,324**	445,083
Investment (ii)	**350,000**	350,000
Trade and other receivables (i)	**1,513,449**	3,853,755
Property, plant and equipment	**-**	889
Capitalised mineral exploration and evaluation expenditure (iii)	**279,281**	192,498
Total non-current assets	**2,142,730**	4,397,142
Total assets	**2,413,053**	4,842,225
Current liabilities	**154,498**	117,536
Total liabilities	**154,498**	117,536
Total equity of the parent entity comprising of:		
Issued capital	**14,402,291**	14,011,896
Accumulated losses	**(12,255,138)**	(9,431,651)
Reserves	**111,402**	144,444
Total Equity	**2,258,555**	4,724,688

(i) Loan to Eskay Resources Pty Ltd (a controlled entity) is interest free, unsecured and is repayable on demand. Whilst the loan is at call there is no expectation at reporting date that it will be called in the next 12 months and has accordingly been classified as non-current. The loan is in respect of exploration expenditure incurred by the subsidiary company on the Group’s mining tenements. The ultimate recoupment is dependent on successful development and commercial exploitation or alternatively, sale of the underlying mineral exploration properties.

Note 14 Parent Entity Disclosures (continued)

(ii) The ultimate recoupment of the investment in Eskay Resources Pty Ltd is dependent on successful development and commercial exploitation or alternatively, sale of the underlying mineral exploration properties.

(iii) The recoverability of the carrying amount of the capitalised exploration and evaluation assets is dependent upon the successful development and commercial exploitation or alternatively sale of the respective areas of interest.

Note 15 Contributed equity

a) Share Capital

		2015 No.	2014 No.	**2015 $**	2014 $
Issued share capital		**492,707,646**	440,005,338	**14,402,291**	14,011,896
Share movements during the year	*Issue price*				
At the beginning of the year		**440,005,338**	273,670,937	**14,011,896**	12,853,611
Shares issued pursuant to option agreement	$0.008	**3,125,000**	-	**25,000**	-
Exercise of performance share rights	nil	**1,166,666**	-	**35,000**	-
Entitlement issue	$0.007	**45,285,642**	-	**317,000**	-
Martins Well JV	$0.008	**3,125,000**	-	**25,000**	-
Exercise of performance share rights	nil	**-**	1,166,667	**-**	35,000
Share Purchase Plan	$0.005	**-**	32,400,000	**-**	162,000
Placement	$0.005	**-**	10,000,000	**-**	50,000
Placement	$0.008	**-**	35,000,000	**-**	280,000
Entitlement issue	$0.008	**-**	87,767,734	**-**	702,142
Capital raising costs		**-**	-	**(11,605)**	(70,857)
At the end of the year		**492,707,646**	440,005,338	**14,402,291**	14,011,896

b) Ordinary shares

The Company is a public company limited by shares. The Company was incorporated in Perth, Western Australia on 2 June 2004. The Company's shares are limited whereby the liability of its members is limited to the amount (if any) unpaid on the shares respectively held by them. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

c) Options

Information relating to options issued by Alloy Resources Limited is set out in note 16.

d) Equity Remuneration Reserve

The equity remuneration reserve comprises of the share based payment expense recognised at the fair value of options granted to employees and directors.

Note 16 Share-based payments

Details of the Company's share right and option plans, under which share rights and options are issuable to employees, directors and consultants are summarised below. Details of share rights and options issued to Directors are set out in Note 16.

a) Incentive Option Plan

The Company has a formal option plan for the issue of options to employees, directors and consultants, which was approved by shareholders at the Company's Annual General Meeting on 28 November 2013. Options are granted free of charge and are exercisable at a fixed price in accordance with the terms of the grant. Options over unissued shares are issued under the terms of the Plan at the discretion of the Board.

b) Performance Rights Plan

The Company has a formal plan for the issue of performance share rights to employees, which was approved by shareholders at the Company's Annual General Meeting on 28 November 2013. Share rights are granted free of charge and are exercisable into ordinary fully paid shares in accordance with the terms of the grant. Share rights are issued to employees under the terms of the Plan at the discretion of the Board.

(c) Terms and conditions of the grants

The terms and conditions of the grants are set out in Note 16(d). All options and performance rights are to be settled by physical delivery of shares.

(d) Options and Performance Rights issued during the year

During financial year ended 30 June 2015, the following options were granted.

Directors' Options

Grant date	Number	Exercise Price	Vesting conditions	Expiry date
4 December 2014	2,000,000	1.6 cents	At grant	30 November 2017

Unlisted options per non-renounceable rights issue

Grant date	Number	Exercise Price	Vesting conditions	Expiry date
22 December 2014	22,642,821	1.5 cents	At grant	31 December 2015

Note 16 Share-based payments (continued)

(e) Number and weighted average exercise prices of share options

	2015	2015	2014	2014
	Weighted average exercise price (cents)	Number of options	Weighted average exercise price (cents)	Number of options
Outstanding at 1 July	2.23	12,500,000	4.5	3,500,000
Expired during the period	2.23	(2,000,000)	2.23	(2,000,000)
Granted	1.06	24,642,821	1.35	11,000,000
Outstanding at 30 June	1.80	35,142,821	2.23	12,500,000
Exercisable at 30 June		35,142,821		12,500,000

(f) Number and weighted average exercise prices of performance rights

	2015	2015	2014	2014
	Weighted average exercise price (cents)	Number of rights	Weighted average exercise price (cents)	Number of rights
Outstanding at 1 July	-	1,166,666	-	2,333,333
Exercised during the period	-	(1,166,666)	-	(1,166,667)
Outstanding at 30 June		-	-	1,166,666
Exercisable at 30 June		-		-

(g) Options on issue at the balance date

The number of options outstanding over unissued ordinary shares at 30 June 2015 is 35,142,821 (2014:12,500,000). The terms of these options are as follows:

Number of Options Outstanding	*Exercise Price*	*Expiry Date*
3,500,000 Unlisted	4.5 cents	30 August 2015
7,000,000 Unlisted	1.5 cents	30 November 2016
2,000,000 unlisted	1.6 cents	30 November 2017
22,642,821 unlisted	1.5 cents	31 December 2015

Note 16 Share-based payments (continued)

(h) Weighted average remaining contractual life

The weighted average remaining contractual life for the share options outstanding as at 30 June 2015 is 0.76 years (2014: 1.44 years).

(i) Weighted average fair value

The fair value of share options granted were measured using a Black-Scholes model with the following inputs:

	Options	
Fair value of share options and assumptions	**2015**	**2014**
Fair value at grant date	\$0.0030	\$0.0052
Share price	\$0.0070	\$0.0070
Exercise price	\$0.0160	\$0.0135
Expected volatility (weighted average volatility)	125.00%	170.15%
Option life (expected weighted average life)	3 years	1.9 years
Expected dividends	0	0
Risk-free interest rate (based on government bonds)	2.54%	2.90%

Note 17 Financial instruments

Financial risk management

The Group has exposure to a variety of risks arising from its use of financial instruments. This note presents information about the Group's exposure to the specific risks, and the policies and processes for measuring and managing those risks and the management of capital. Further quantitative disclosures are included throughout this financial report. The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Group does not use any form of derivatives as it is not at a level of exposure that requires the use of derivatives to hedge its exposure. The Group has exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

(a) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance resources to finance the Group's current and future operations, and consideration is given to the liquid assets available to the Company before commitment is made to future expenditure or investment.

Note 17 Financial instruments (continued)

(b) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising any return.

(c) Capital management

The Board's policy is to maintain a sound capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors capital expenditure and cash flows as mentioned in 17 (a).

The Group's objectives when managing capital is to safeguard the Group's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Group may return capital to shareholders issue new shares or sell assets to reduce debt. The Group's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Note 18 Dividends

No dividends were paid or proposed during the financial year.
The company has no franking credits available as at 30 June 2015.

Note 19 Key management personnel disclosures

(a) Details of Key Management Personnel

Directors

Andrew Viner	Executive Chairman
Kevin Hart	Non-executive Director and Company Secretary
Andre Marschke	Non-executive Director

(b) Compensation for key management personnel

	Carrying amount	
	2015	2014
	$	$
Short-term employee benefits	**255,464**	270,278
Post-employee benefits	**21,608**	19,821
Share-based payment	**8,237**	65,909
Total compensation	**285,309**	356,808

Note 19 Key management personnel disclosures (continued)

(c) Other key management personnel

There were no other persons having the authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year.

Note 20 Remuneration of auditors

	2015 **$**	2014 $
Audit and review of the Group's Consolidated Financial Statements	**27,000**	30,704
	27,000	30,704

Note 21 Contingencies

(i) Contingent liabilities
There were no material contingent liabilities not provided for in the Consolidated Financial Statements of the Company or Group as at 30 June 2015 or 30 June 2014, other than:

Native Title and Aboriginal Heritage
Native title claims have been made with respect to areas which include tenements in which the Company has an interest. The Company is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Company or its projects. Agreement is being or has been reached with various native title claimants in relation to Aboriginal Heritage issues regarding certain areas in which the Company has an interest.

(ii) Contingent assets
There were no material contingent assets as at 30 June 2015 or 30 June 2014.

Note 22 Commitments

(a) Exploration

The Group has certain obligations to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the Group's exploration programmes and priorities. As at balance date, total exploration expenditure commitments on tenements held by the Group have not been provided for in the Consolidated Financial Statements and which cover the following twelve month period amount to $587,540 (2014: $431,337). The majority of these obligations are currently being met by farm-out arrangements with Doray Minerals Limited.

(b) Contractual Commitment
There are no contracted commitments other than those disclosed above.

Note 23 Controlled entities

Alloy Resources Limited owns 100% of the share capital of Eskay Resources Pty Ltd. Eskay Resources Pty Ltd is incorporated in the state of Western Australia.

Note 24 Interests in joint ventures

Horse Well Farm-in Agreement
On 23 May 2014 the Company announced that it had entered into a $4 million farm-in agreement with Doray Minerals Limited for the Horse Well Gold Project.

Doray Minerals Limited having met the minimum non-withdrawal expenditure commitment entered the second stage of the farm-in agreement and committed to a further $1 million in expenditure prior to May 2016.

A 4,000 meter RC drill hole program is underway at the Dusk til Dawn prospect, designed to define the extent of high grade supergene and deeper primary gold mineralisation.

Doray Minerals Limited is planning reconnaissance air-core drilling over other targets at the Horse Well JV. Drilling is expected to commence pending the receipt of heritage approval

The key terms are of the farm-in agreement are;

- $100,000 cash payment to Alloy Resources Limited at Commencement which has been received.

- Doray Minerals Limited to spend $2 million within 2 years to earn 60%
    - $900,000 non-withdrawal expenditure within the first 12 months after Commencement which has been met by Doray Minerals Limited during the year

- The joint venture to spend a further $2 million within 3 years of Commencement.
    - Alloy at this time can elect to contribute pro rata (at 40%) to this $2 million or dilute to 20% and be free carried through to completion of a Pre-Feasibility Study (PFS).

- Alloy to contribute from PFS and beyond (i.e. Decision To Mine (DTM) and operational JV) or reduce to a 1% Net Smelter Royalty (NSR) using an industry standard dilution formula.

Note 25 Events occurring after the reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Note 26 Reconciliation of loss after tax to net cash outflow from operating activities

	2015 **$**	2014 $
Loss after income tax	**(2,822,968)**	(488,608)
Depreciation	**889**	1,019
Exploration expenditure impaired	**2,580,774**	61,199
Share based payments	**8,237**	65,909
Proceeds from sale of project	**(100,000)**	(75,000)
Change in operating assets and liabilities:		
Decrease in receivables/prepayments	**2,941**	6,391
Increase/(decrease) in payables	**25,390**	(13,595)
Increase/(decrease) in employee provisions	**(10,456)**	39,798
Net cash outflow from operating activities	**(315,193)**	(402,887)

Note 27 Earnings per share

	2015 **Cents**	2014 Cents
a) Basic earnings per share		
Loss attributable to ordinary equity holders of the company	**(0.60)**	(0.12)
b) Diluted earnings per share		
Loss attributable to ordinary equity holders of the company	**(0.60)**	(0.12)
c) Loss used in calculation of basic and diluted loss per share		
Loss after tax from continuing operations	**(2,822,968)**	(488,608)

	2015 **No.**	2014 No.
Weighted average number of shares used	**467,974,883**	407,526,692

Potential ordinary shares are not considered dilutive as their conversion does not show an inferior view of the earnings performance of the company. Accordingly, diluted earnings per share are the same as the basic earnings per share. Number of options so excluded from the calculation is set out in Note 16.

Directors' Declaration

In the opinion of the Directors of Alloy Resources Limited ("the Company")

1 (a) the Consolidated Financial Statements and notes set out on pages 27 to 53 and the remuneration disclosures that are contained in the Remuneration Report in the Directors' report, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance, for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(a);

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2 The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the managing director and company secretary for the financial year ended 30 June 2015.

Signed at Perth this 24th day of September 2015.

Andrew Viner
Executive Chairman

Independent auditor's report to the members of Alloy Resources Limited

Report on the financial report

We have audited the accompanying financial report of Alloy Resources Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2015, and consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 27 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 1, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of the Group is in accordance with the *Corporations Act 2001,* including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1.

Material uncertainty regarding continuation as a going concern

Without modifying our opinion, we draw attention to note 1(a) of the financial report. The matters set forth in note 1(a) indicate the existence of material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business and as at the amounts stated in the financial report.

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Alloy Resources Limited for the year ended 30 June 2015, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

David Sinclair
Partner

Perth

24 September 2015

ASX Additional Information

Pursuant to the Listing Requirements of the Australian Securities Exchange, the shareholder information set out below was applicable as at 13 October 2015.

A. Distribution of Equity Securities

Distribution	Number of Shareholders
1 – 1,000	19
1,001 – 5,000	20
5,001 – 10,000	79
10,001- 100,000	280
More than 100,000	337
Total	**735**
Holding less than a marketable parcel	344

B. Voting Rights

In accordance with the Company's Constitution, voting rights in respect of ordinary shares are on a show of hands whereby each member present in person or by proxy shall have one vote and upon a poll, each share will have one vote.

C. Twenty Largest Shareholders

The names of the twenty largest holders of quoted shares are listed below:

		Listed Ordinary Shares	
	Shareholder Name	Number	Percentage
1	Manafield Holdings Pty Ltd	29,138,888	5.91%
2	Slade Technologies Pty Ltd	22,687,500	4.60%
3	S Walter & M A Wilson	22,208,141	4.51%
4	Nakuru Resources Pty Ltd	21,988,653	4.46%
5	Scintilla Strategic Investments Limited	19,695,000	4.00%
6	Western Discovery Pty Ltd	19,570,966	3.97%
7	R Clayton and N C Lyndon	11,550,000	2.34%
8	Raul Used	10,101,666	2.05%
9	Gary Johnson Super Mgt Pty Ltd	9,587,525	1.95%
10	Leslie A & FJ Painting	8,750,000	1.78%
11	M B Clayworth & J Goller	8,000,000	1.62%
12	Tre Pty Ltd	8,000,000	1.62%
13	Drivecheck Aust 2000 Pty Ltd	7,425,000	1.51%
14	Billericay Investments Pty Ltd	6,802,857	1.38%
15	Custodial Services Ltd	6,238,333	1.27%
16	Clayworth Pty Ltd	5,500,000	1.12%
17	Rivian Investments Pty Ltd	4,900,000	0.99%
18	Austanco Pty Ltd	4,840,000	0.98%
19	Kevin Ronald Hart	4,583,333	0.93%
20	Stateline Investments Pty Ltd	4,563,187	0.93%
		236,131,049	47.92%

D. Substantial Shareholders

The names of the substantial shareholders listed in the holding Company's register as at 13 October 2015 are:

Shareholder	**Number**	**% of issued capital**
Manafield Holdings Pty Ltd	29,138,888	5.91%