

ABN 20 109 361 195

## ASX Release

31 October 2016

## Alloy Resources Ltd

Suite 6, 7 The Esplanade  
Mount Pleasant WA 6153

**Tel:** +61 8 9316 9100

**Fax:** +61 8 9315 5475

## Email:

info@alloyres.com

## Website:

www.alloyres.com

## Directors

Executive Chairman:

*Andy Viner*

Non-Exec Director

*Andre Marschke*

Non-Executive Director/Co Sec:

*Kevin Hart*

## Issued Capital

Shares:

712,707,646

Unlisted Options:

9,000,000

**ASX Symbol:** AYR

## September 2016

## Quarterly Activities Report

### HIGHLIGHTS

#### *HORSE WELL GOLD PROJECT – W.A (40% Contributing)*

- Joint Venture Manager, Doray Minerals Limited, completed an Air-core drill program of approximately 28,000 metres post the end of the quarter.
- Alloy reported on the first phase of this program of approximately 72 holes that infill drilled to 200/100m x 100m around existing +100ppb gold anomalies at the Crack of Dawn South and Big Kahuna areas.
- The Big Kahuna drilling confirmed a broad 1.5 km x 0.5 km north-east trending area of strong supergene mineralisation through the Crack of Dawn granite.
- The second phase of the drilling saw a large number of holes allocated to 800 metre x 160 metre regional first pass drilling of an untested 7.5 kilometre section of the greenstone belt south of the Django prospect.
- A large number of assays are still pending from the second phase drilling and are expected to be received in November.

#### *OPHARA COBALT-GOLD PROJECT*

- Large recently granted tenement of 256 km<sup>2</sup> adjacent to the South Australian border located 50 kilometres west of Broken Hill.
- Outcropping cobalt-gold mineralisation over 1.5 kilometre strike at the Great Goulburn Prospect, with maximum historical rock chip values of 2.3 g/t Gold and 0.9% Cobalt.
- Only six drill holes into mineralisation, with four effectively testing the mineralisation. Results included;
  - 23 metres @ 0.14% Co, 0.4 g/t Au from 41 metres
  - 16 metres @ 0.12% Co, 0.3 g/t Au from 52 metres
- Landowner Access Agreements signed and field work commencing this week.

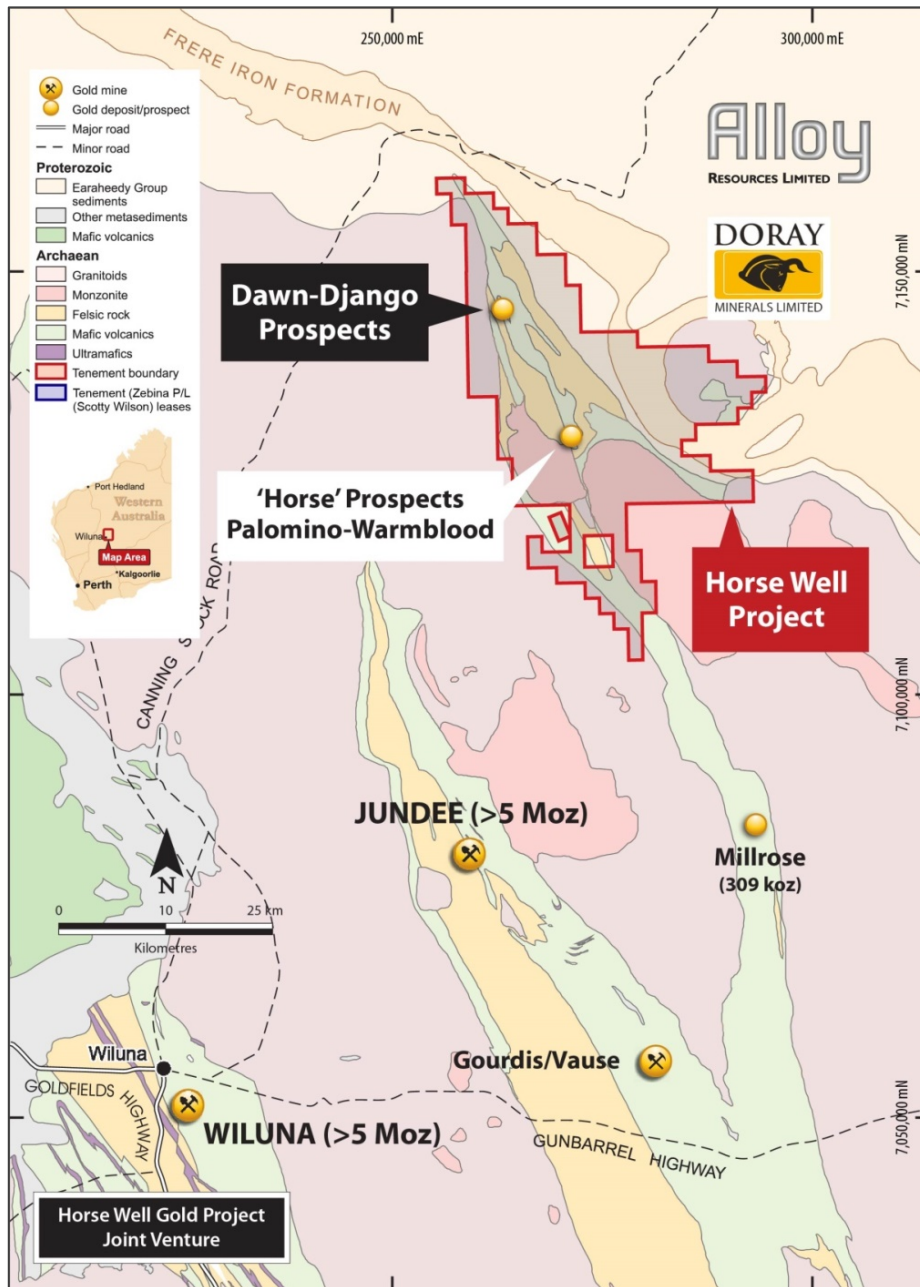
#### *CORPORATE*

- At the end of the June Quarter the Company had cash of \$0.79 million.
- Ongoing cost minimisation policy in place.

## HORSE WELL GOLD PROJECT JOINT VENTURE (ALLOY 40% CONTRIBUTING)

Joint Venture partner and manager Doray Minerals Limited ('Doray') continued to explore the 1,000 square kilometre Horse Well Project during the quarter with an extensive 28,000 metre Air-Core drill program focussed on first and second pass geochemical drilling to define new gold anomalies beneath the sand covered northern 'Dawn' prospects area.

The Joint Venture is completing a minimum of \$2 million in exploration expenditure during the 2016 calendar year as part of the final Stage three minimum Joint Venture commitment.

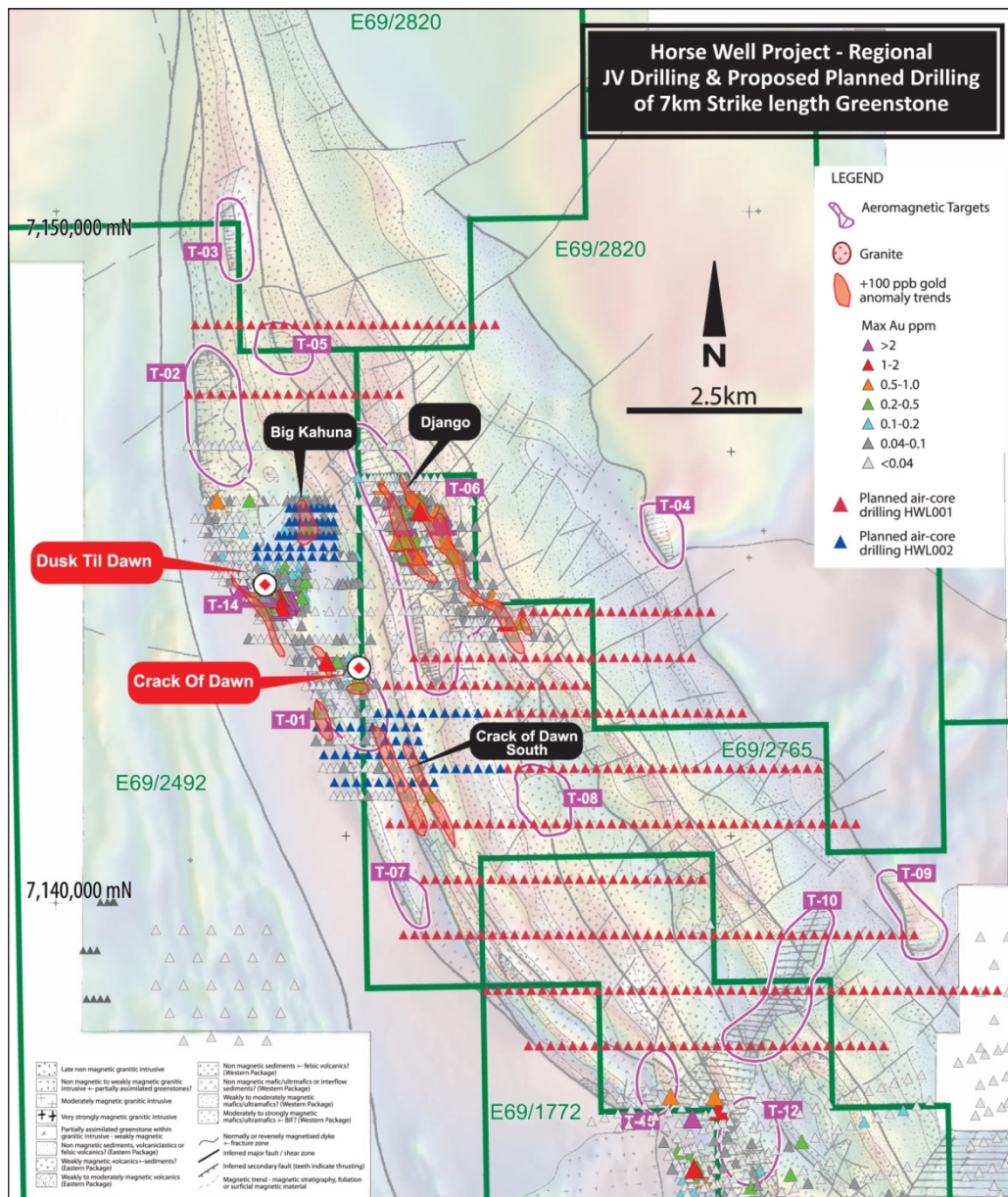


**Figure 1** *Horse Well location on regional geology*

## COMPLETED EXPLORATION

The planned geochemical drilling which has been completed is shown in Figure 2 below. Phase 1 infill holes are shown in blue and Phase 2 first pass holes area shown in red.





**Figure 2** September quarter planned air-core drilling on aeromagnetics.

### Phase 1 results

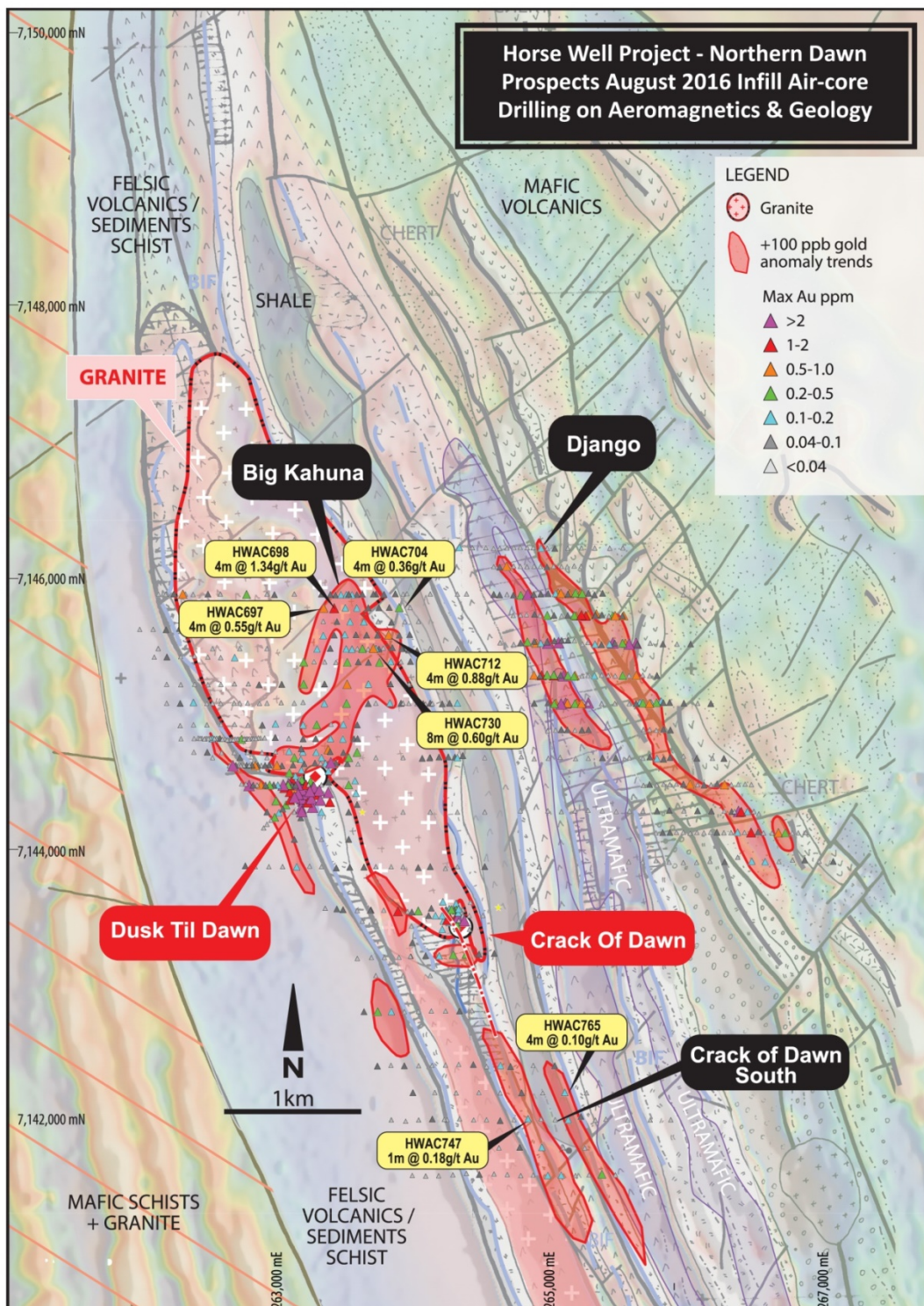
A zoom in to see results of the phase 1 infill drilling is shown on Figure 3 below. Whilst the Crack of Dawn South +100 ppb anomaly has not been enhanced through infill drilling to 200m x 100m spacing, the Big Kahuna shows a quite strong and broad trend through the granite from what is still quite wide drill spacing at 100 to 200m line spacing x 100 to 50 m hole spacing.

This Big Kahuna trend had been evidenced from earlier drilling by Alloy and thereafter by the Joint Venture. A number of holes in granite within the trend north of Dusk til Dawn had gold mineralisation associated with sericite and pyrite alteration at the base of air-core holes which indicated a probable bedrock structure. This potential is now being enhanced by the emerging supergene mineralised trend.

A further observation would be that the early Dusk til Dawn supergene air-core anomaly was very similar in tenor to these more recent results, and this fact gives added weight to the likelihood that a primary source potentially exists within the trend. Big Kahuna now becomes a target for future infill air-core and eventual RC drilling.

Significant results are shown in Table 1 below.





**Figure 3** *Infill drilling and anomalous trends at Big Kahuna and Crack of Dawn South on geology*

#### Phase 2 results

The Manager of the Joint Venture has indicated that reporting of results for the larger phase 2 first pass drilling will occur once all results have been received and compiled and interpreted. This drilling has been completed on 800 metre line spacing and holes 160 metres apart which effectively tests a 7.5 kilometre strike of greenstone belt between the northern 'Dawn' prospects and the southern 'Horse' prospect areas.

This area has no previous drilling and is covered by a thin layer of transported sands. The principal target is the central Celia Shear which separates western felsic and sedimentary rocks from eastern Mafic units.

## PLANNED EXPLORATION

The Joint Venture has now completed the required \$2 million in Joint Venture expenditure during the 2016 calendar year. No further field activities are planned for the December quarter.

The Joint Venture will design programs and budgets for the March and June 2017 quarters following assessment of the phase 2 air-core drilling.

**Table 1** *Significant intersections (>0.1 g/t Au) from Phase 1 infill air-core drilling*

| Prospect            | Hole_ID | mE     | mN      | mFrom | mTo | mIntersect | Au_ppm |
|---------------------|---------|--------|---------|-------|-----|------------|--------|
| Big Kahuna          | HWAC697 | 263354 | 7145758 | 0     | 4   | 4          | 0.132  |
|                     | HWAC697 |        |         | 36    | 40  | 4          | 0.545  |
|                     | HWAC698 | 263431 | 7145757 | 16    | 20  | 4          | 1.339  |
|                     | HWAC698 |        |         | 40    | 44  | 4          | 0.162  |
|                     | HWAC699 | 263513 | 7145760 | 12    | 16  | 4          | 0.183  |
|                     | HWAC699 |        |         | 44    | 46  | 2          | 0.189  |
|                     | HWAC700 | 263597 | 7145759 | 56    | 57  | 1          | 0.117  |
|                     | HWAC704 | 263908 | 7145761 | 20    | 24  | 4          | 0.358  |
|                     | HWAC706 | 263351 | 7145556 | 48    | 49  | 1          | 0.166  |
|                     | HWAC708 | 263509 | 7145563 | 28    | 32  | 4          | 0.123  |
|                     | HWAC712 | 263831 | 7145561 | 36    | 40  | 4          | 0.880  |
|                     | HWAC715 | 263207 | 7145361 | 48    | 49  | 1          | 0.229  |
|                     | HWAC719 | 263527 | 7145360 | 48    | 56  | 8          | 0.162  |
|                     | HWAC719 |        |         | 60    | 62  | 2          | 0.239  |
|                     | HWAC722 | 263763 | 7145359 | 20    | 24  | 4          | 0.210  |
|                     | HWAC728 | 263205 | 7145200 | 16    | 20  | 4          | 0.311  |
|                     | HWAC730 | 263525 | 7145199 | 48    | 56  | 8          | 0.602  |
|                     | HWAC731 | 263682 | 7145200 | 56    | 62  | 6          | 0.102  |
|                     | HWAC737 | 263359 | 7145058 | 56    | 57  | 1          | 0.105  |
|                     | HWAC738 | 263522 | 7145058 | 56    | 60  | 4          | 0.257  |
|                     | HWAC740 | 263840 | 7145061 | 48    | 52  | 4          | 0.193  |
| Crack of Dawn South | HWAC747 | 264957 | 7141800 | 62    | 63  | 1          | 0.180  |
|                     | HWAC765 | 265126 | 7142203 | 76    | 80  | 4          | 0.101  |

**Note:**

- All coordinates are MGA (GDA94 Zone 51). Azimuth for all holes is 270 Magnetic Degrees and 60 degree Dip.
- Intervals reported at 0.1g/t cut-off.
- Sampling by scoop from surface piles. Composited to 4 metres except at end of hole where 1 or 2 metres.
- All assays are aqua-regia digest followed by ICP-MS at 1-4m intervals for Au and multi-element assays. Assays performed by Minanalytical Laboratories of Perth WA.

## PROJECT GENERATION

Alloy Resources Limited project generation activities have been successful in delivering new projects at a low-cost through astute application for prospective vacant ground over the last six to twelve months (Figure 1). This activity has been undertaken in parallel with the Company's investment in the advanced Horse Well Gold Project where Joint Venture partner Doray Minerals is managing an aggressive grass roots exploration campaign.

The Company is particularly pleased that the selected ground is all highly prospective both from historical exploration results and also being located very close to major new mineral discoveries. Two of these new projects have recently had Exploration Licences granted allowing field exploration to commence.



**Figure 1**      *Location of Alloy's Australian Mineral Projects*



## OPHARA COBALT-GOLD PROJECT – Broken Hill West

Project Generation activities have defined a strong Gold-Cobalt-(Copper) target within the Ophara Project located some 50 kilometres west of Broken Hill in New South Wales (Figure 1). The Company believes that historical exploration has outlined a sizeable area of gold-cobalt mineralisation at the Great Goulburn Prospect that warrants renewed exploration at a time when both Cobalt and Gold are at high levels of demand.



Figure 1 Ophara Project location

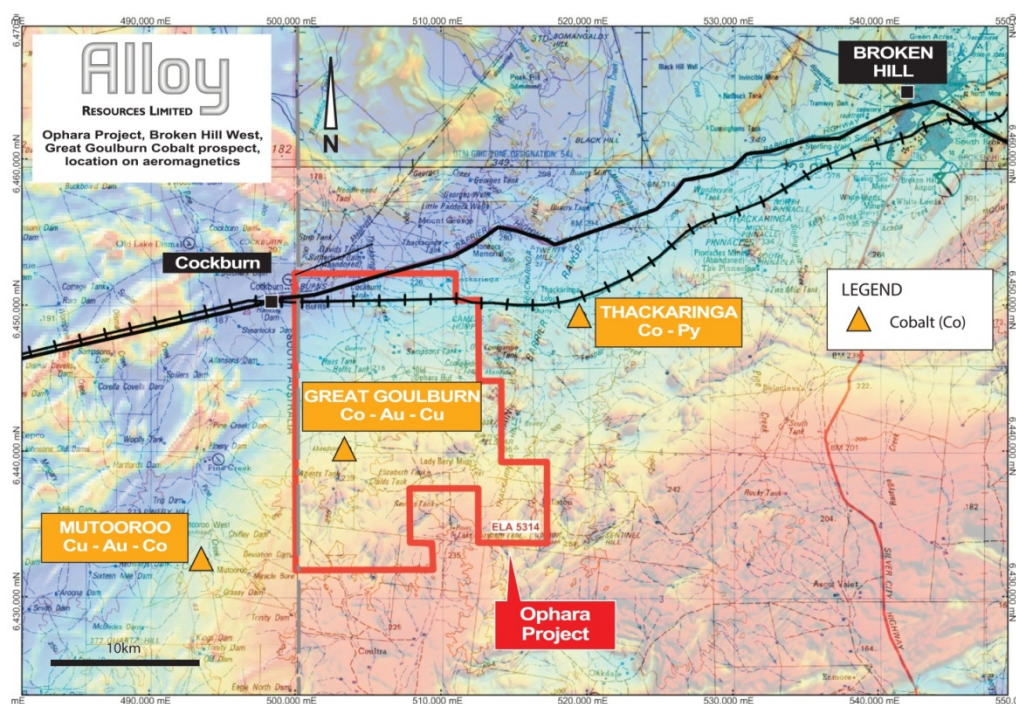


Figure 2 Ophara EL 5314 Location on aeromagnetics showing Cobalt deposits

## Project Location and Regional Geology

The project area lies adjacent to the South Australian border west of Broken Hill in New South Wales (Figure 2).

The Project occurs in an area which is known to have significant Cobalt mineralisation in the southern Curnamona Craton, with large resources defined at the Mutooroo and Thackaringa deposits (Figure 2). Within the Ophara project there is an advanced prospect which has been defined called the Great Goulburn prospect. This prospect has similarities to both of these Cobalt occurrences however it is unique in having low-copper and high-gold mineralisation associated with the Cobalt.

## Exploration within the Exploration Licence

Due to extensive soil cover in the area, there has been little effective exploration work until PlatSearch and Inco Limited completed exploration in 2001 to 2004. The area is also structurally complex with silicified shears and quartz veins with potential for shear-associated gold deposits. Preliminary reconnaissance gossan sampling carried out in 2002 resulted in 14 prospects being defined for further work (Corbett, 2002). Further follow-up sampling plus compilation of old auger/RAB data from earlier explorers by PlatSearch in 2003 defined a total of 20 prospects.

### Great Goulburn Prospect

The most advanced prospect and the focus of planned activities is the historic Great Goulburn prospect where two minor shafts were excavated back in the 1890's. Prospectors were attracted to an outcropping gossanous quartz-hematite rock unit which had some associated gold mineralisation.

Modern testing of the prospect occurred in 1981 when Australian Anglo American completed two diamond drill holes DDH OT1 and DDH OT2. Using a 1000ppm Co cut-off the following grades were returned;

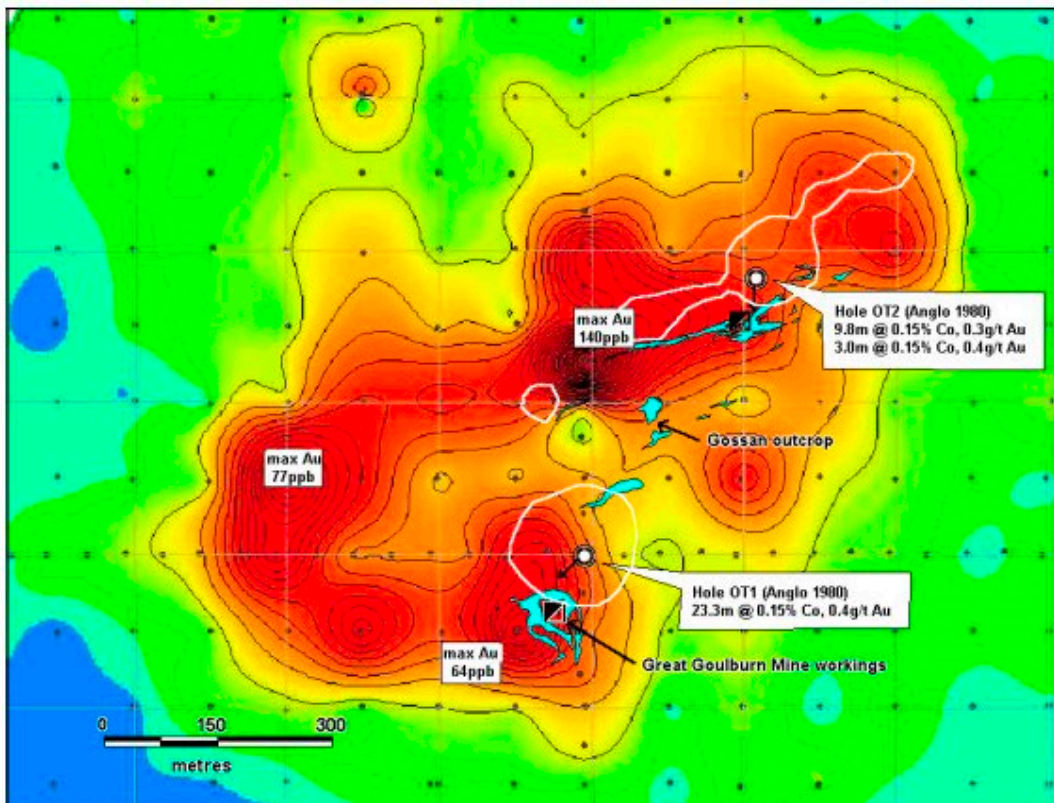
DDH OT1, -45 degrees towards 215 degrees

40.7m to 64.0m, 23.3 metres @ 0.138% Co; 581 ppm Cu, 0.393g/t Au

DDH OT2, -85 degrees towards 162 degrees

31.6m to 41.4m, 9.8 metres @ 0.145% Co; 694 ppm Cu, 0.307g/t Au

47.4m to 50.4m, 3.0 metres @ 0.153% Co; 247 ppm Cu, 0.359g/t Au



**Figure 3** Great Goulburn Prospect outcrop and Anglo DDH on Calcrete Gold contours



Platsearch in J.V with Inco commenced the most in-depth exploration program at the Great Goulburn prospect between 2001 and 2004. Their activities included;

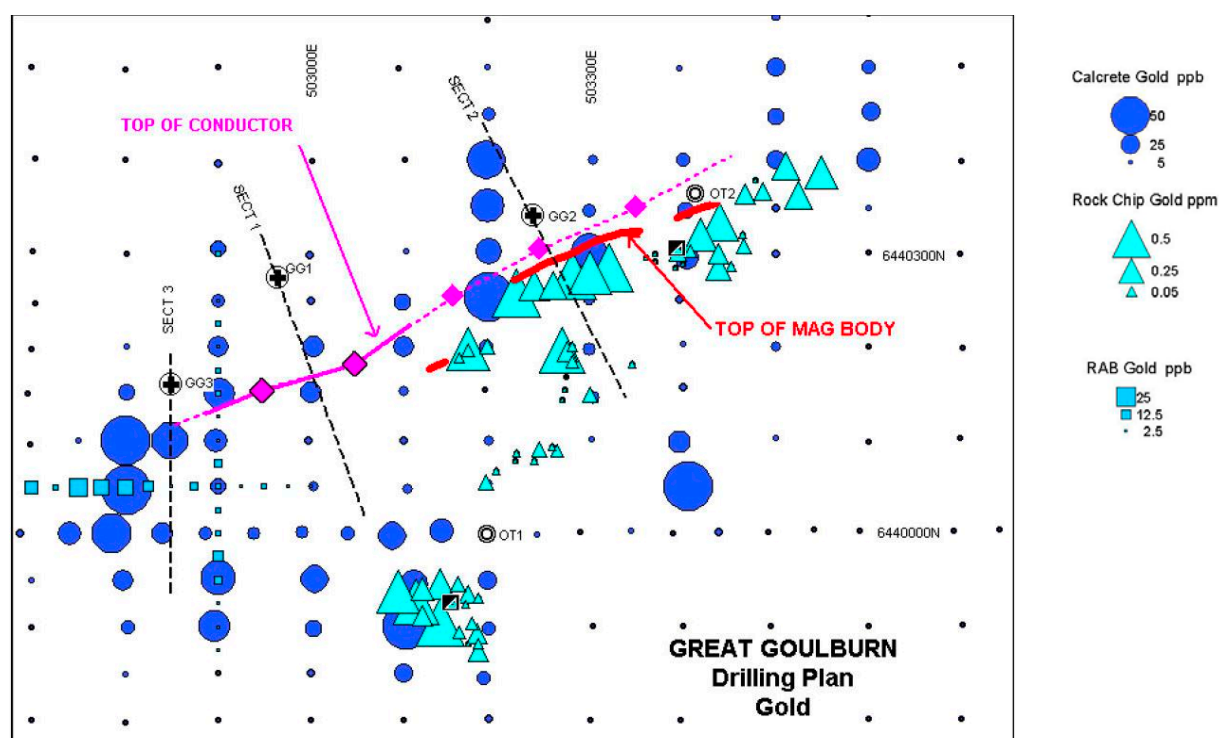
- Ground magnetics
- Rock chip sampling
- Geological mapping
- Multi-element calcrete sampling
- Moving Loop ground TEM
- RC drilling of 3 holes for 450 metres

The Platsearch/Inco work clearly showed that the quartz-magnetite host rock extended much further than the outcropping areas with Calcrete gold in particular (and Copper) indicating a synformal fold of the unit and about 1.5km strike (Figure 3). It remains uncertain how far the unit extends to the north-east under transported cover where calcrete sampling may have been ineffective.

In 2002 PlatSearch/Inco completed three RC drill holes with variable results. This work was important in refining the geometry of the quartz-magnetite unit which until then had uncertain sub-surface geometry. Holes GG1 and GG3 both are interpreted to have been drilled underneath the 'keel' of a synformal shaped quartz-magnetite unit.

Figure 4 below shows the location of this drilling on geochemical and geophysical anomaly location at Great Goulburn.

Hole GG2 intersected the quartz-magnetite unit at 48 to 56 metres and returned 0.266 g/t Au, and 0.103% Co.



**Figure 4** *PlatSearch/Inco 2002 RC drilling location.*

In 2008 PlatSearch brought Minotaur Operations Pty Ltd in as a farm-in partner and operator. Minotaur completed one RC hole at Great Goulburn targeting a modelled deeper magnetic body below Anglo DDH OT1.

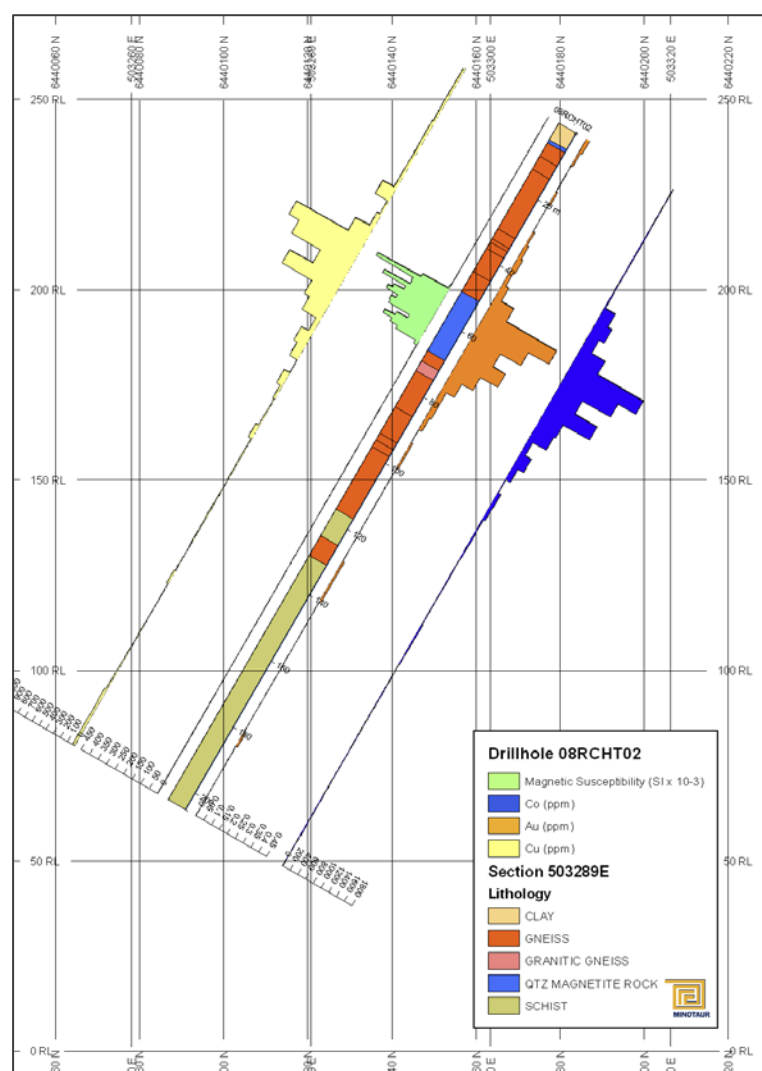
Drillhole 08RCHT02 intersected quartz-feldspar-biotite-muscovite gneiss with varying amounts of sillimanite-chlorite from 0 to 51m. An 18m-thick zone of quartz-magnetite-pyrite rock was intersected from 51 to 69m. This unit is interpreted as the main mineralised horizon and contains anomalous Au, Ag, Cu, Co, Mo and S (Table 1). The anomalous results extend above and below the quartz-magnetite rock i.e. from 48 to 76m. Results are comparable to previous drilling by Australian Anglo-American.

**Table 1:** Anomalous results from drillhole 08RCHT02.

| Hole-ID  | From | To | Au_ppm | Ag_ppm | Co_ppm | Cu_ppm | Mo_ppm | S_%   |
|----------|------|----|--------|--------|--------|--------|--------|-------|
| 08RCHT02 | 48   | 52 | 0.12   | 0.6    | 610    | 256    | 8      | 4.59  |
|          | 52   | 56 | 0.44   | 1      | 1800   | 981    | 40     | 12.7  |
|          | 56   | 60 | 0.31   | 0.9    | 1340   | 837    | 46     | 10.75 |
|          | 60   | 64 | 0.18   | 0.7    | 617    | 430    | 16     | 6.52  |
|          | 64   | 68 | 0.26   | 0.9    | 1190   | 756    | 27     | 10.1  |
|          | 68   | 72 | 0.15   | 0.6    | 509    | 334    | 7      | 3.92  |
|          | 72   | 76 | 0.08   | 0.5    | 464    | 261    | 2      | 3.2   |

Significant results include 8m @ 0.16% Co, 0.091% Cu, 0.38 g/t Au and 0.95 g/t Ag or 16m @ 0.12% Co, 0.075% Cu, 0.3 g/t Au and 0.88 g/t Ag.

The quartz-magnetite unit recorded high magnetic susceptibility values with the highest reading of  $407 \times 10^{-3}$  SI units at 53 – 54m. Cu, Co, Au and magnetic susceptibility are displayed in Figure 5 relative to downhole lithology.



**Figure 5** Minotaur 2008 RC drill section

## Planned Activities

The Company believes that the Great Goulburn prospect and the general Exploration Licence area shows very good promise for the definition of a significant Cobalt –Gold mineralised area. The Cobalt grades returned from past drilling are significantly higher than the Thackaringa deposits, are not part of a large low-priority Copper-Gold Resource such as at Mutooroo which may continue to restrict development, and hence may become highly valuable with further definition through exploration at a time of renewed interest in both Cobalt and Gold.

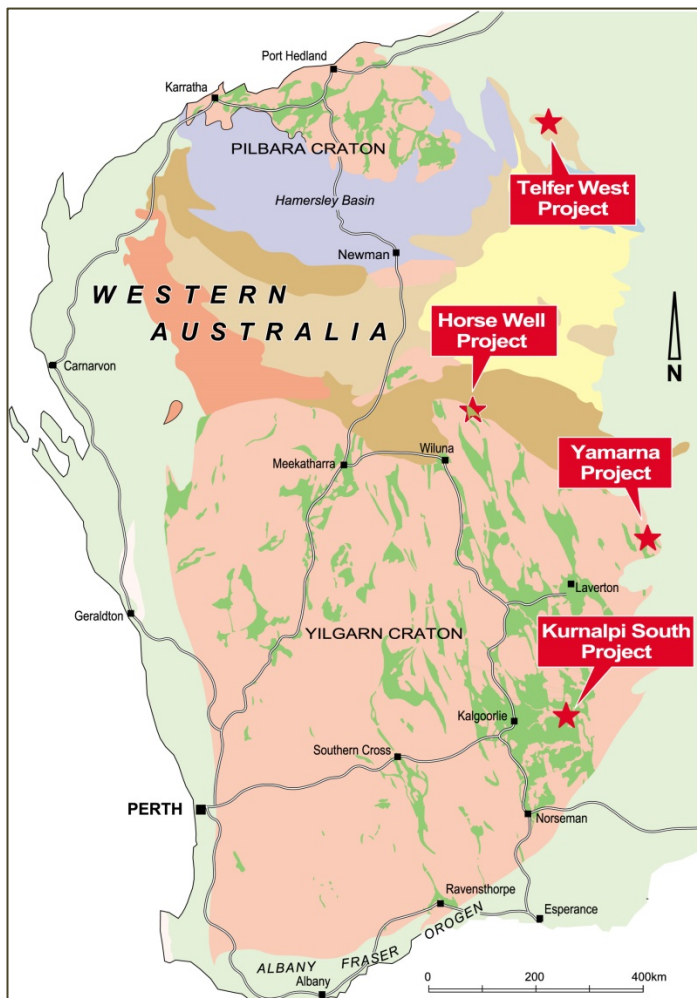
The Company has largely compiled historic data, however further work is required to create a 3D model of the defined Great Goulburn stratigraphy and mineralisation.

In the short term the Company intends to;

1. Complete field checking of the Great Goulburn mineralised outcrop
2. Field check known regional quartz-magnetite gossans and other anomalous areas.
3. Plan an initial drill program that can assist with defining the extent of shallower Great Goulburn mineralisation.
4. Submit drill plans for approval by Landowners and government.
5. Complete data compilation

## WESTERN AUSTRALIAN PROJECTS

The Company has secured three large landholdings in highly prospective areas of Western Australia as shown on Figure 6 below. The Kurnalpi South project has recently been granted and the Yamarna and Telfer West projects are both in the application stage.



**Figure 6** Location of Alloy Resources mineral projects on W.A Geology

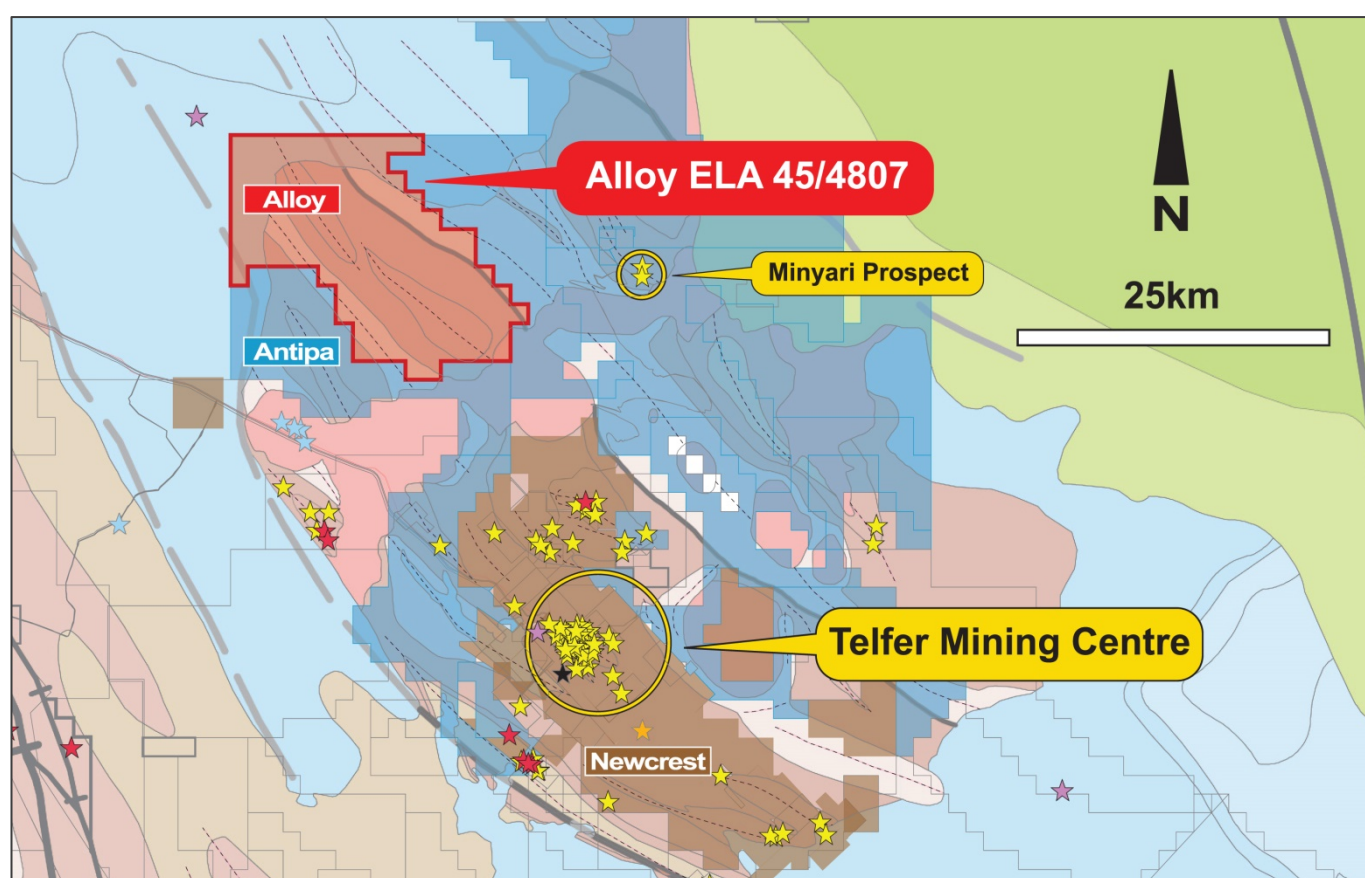


## TELFER WEST– Gold/copper

The Company has been extremely fortunate to have been able to secure a very large and prospective land holding in the northern Paterson Province where the giant 30 Moz Telfer Gold Mine is located. This project is 386 square kilometres in size and is only 30 kilometres north-west of Telfer (Figure 9).

Regional geological mapping shows shallow 'Telfer Formation' stratigraphy in domal anticlines which is similar to Telfer. Historical exploration reports indicate that regional and then first pass drilling in the 1990's has located anomalous copper and gold in aircore drilling along a 5 kilometre trend associated with a dolerite rock unit. This style of mineralisation is very similar to the Magnum prospect of the Rio-Antipa Joint Venture some 60 kilometres north, and also similar to that being defined at Sipa's Obelisk prospect near Magnum and also Antipa's Minyari prospect located only 15 kilometres east of the Alloy ground.

Aircore drilling traverses were completed by BHP in the mid 1990's and Gindalbie Gold in 1999. Results were very encouraging with peak values of 0.26% Copper and 0.23 g/t Gold and the most significant intersection being 45 metres @ 0.11% copper from 68 metres depth associated with the dolerite unit (*refer WAMEX report number A61274*).



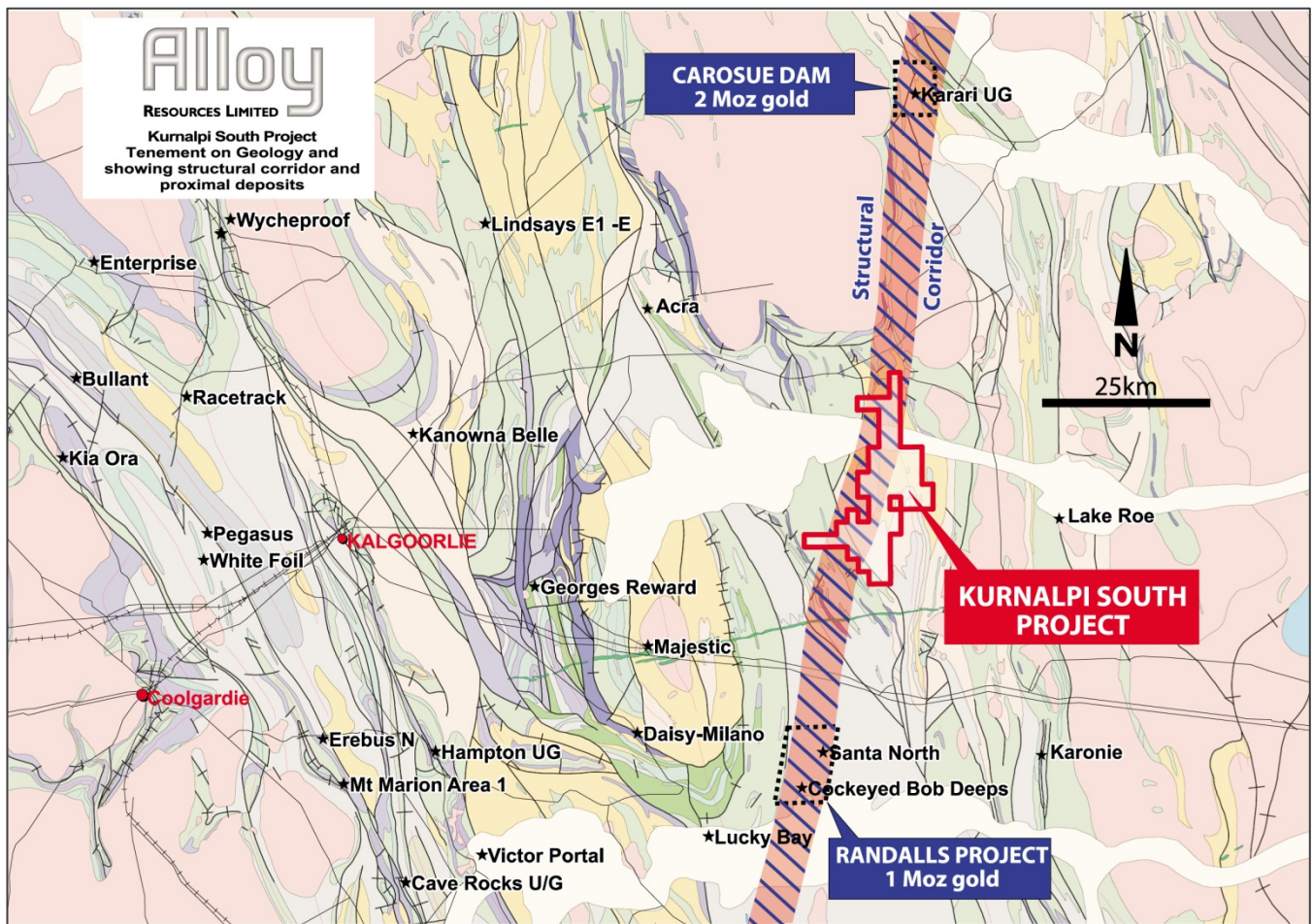
**Figure 9** Telfer West ELA location on geology and showing Newcrest and Antipa tenements

## KURNALPI SOUTH GOLD PROJECT

The Kurnalpi South Project is located some 60 kilometres east of Kalgoorlie with the rich goldfields of that area. Approximately 190 kilometres of land has been granted to the Company as an Exploration Licence in early October.

The location, as shown on Figure 7 below, is central to a number of major Mines and new discoveries such as Silver Lake Resources Daisy-Milano, Randalls and Karonie Mines, Saracen Minerals Carosue Dam Operations, Breaker Resources Lake Roe project and the recently announced Northern Star farm-in with Pioneer Resources at the Acra project.

Geologically this area appears to on interpreted major structures that may control gold mineralisation 25 kilometres to the south at the Randalls Project (1Moz) and 50 kilometres to the north at Carosue Dam (2 Moz).



**Figure 8** Kurnalpi South project location on regional geology showing projects and prospects

## Planned Exploration

The Company has compiled all historical data and defined a number of areas that have anomalous gold in either soil sampling or limited air-core and RAB drilling. There are large areas that have not had first pass soil sampling and completed work has issues with transported cover associated with Lake Yindarlgooda which traverses the area.

The majority of exploration completed on the project was for Nickel.

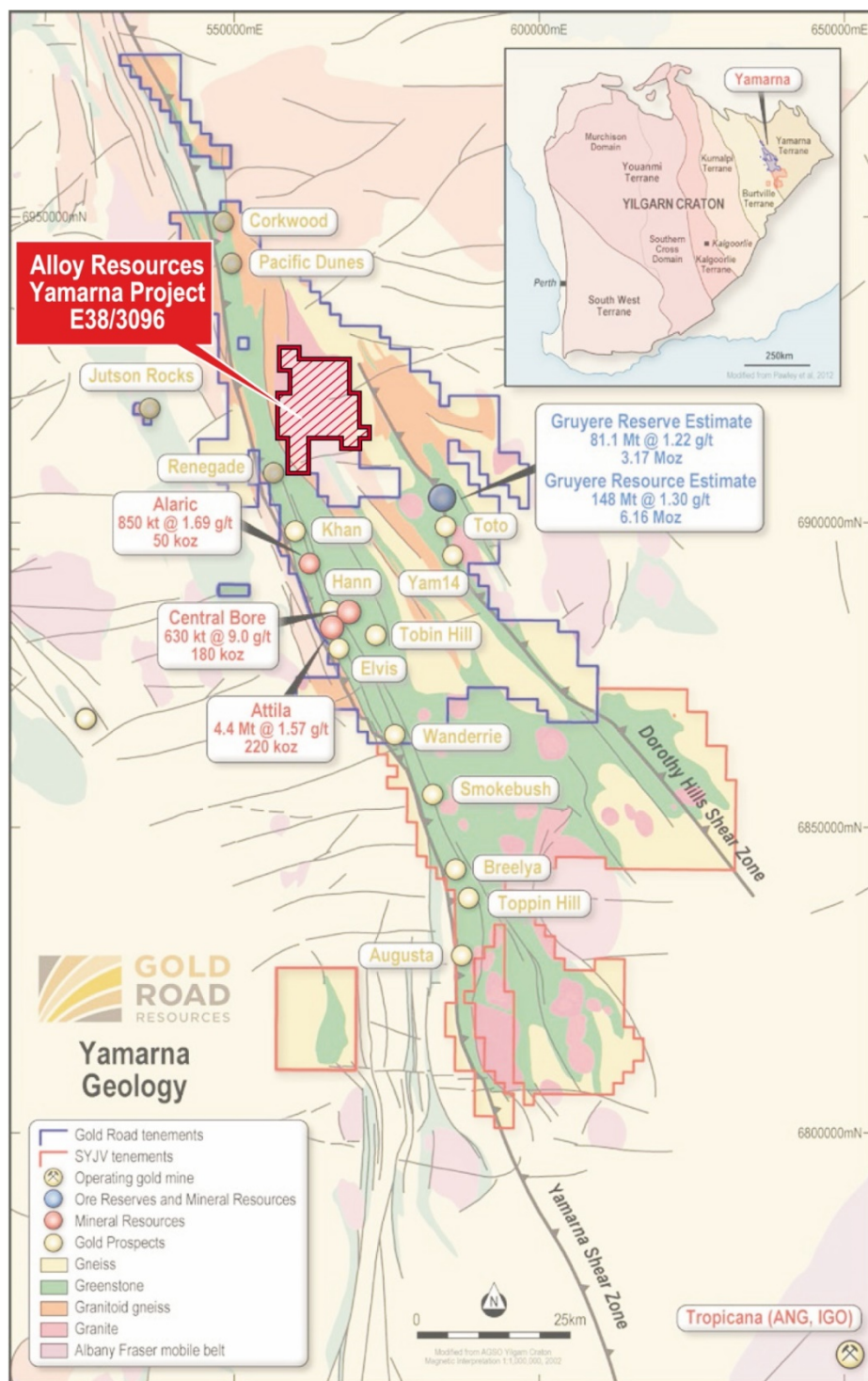
The Company will complete all data acquisition and then undertake field checking of anomalous areas before planning future work.



## YAMARNA PROJECT

The Company has secured an Exploration Licence Application of 198 square kilometres in the central Yamarna greenstone belt, and is the largest area within the belt not controlled by Gold Road Resources. The ELA is located only 20 kilometres west of the 6 Moz Gruyere Gold Deposit and has minimal exploration completed historically.

Geologically it appears to mostly be underlain by granitoids, however the margins of these can be interpreted as being structurally interesting as potential pathways for gold mineralised fluids.



**Figure 10** Location of the Cowderoy Hill Yamarna ELA on a recent Gold Road published geology map



## CORPORATE

The Company has continued to maintain minimal operating cost expenditure.

Exploration expenditure is dominated by contribution to the 40% interest in the Horse Well Joint Venture. The Company continues with a policy of securing valuable mineral properties for minimal outlay via tenement application and options to purchase.

### ***For further information contact:***

#### **Andy Viner**

Executive Chairman.

Phone: +61 8 9316 9100

[www.alloyres.com](http://www.alloyres.com)

## COMPETENT PERSONS STATEMENT

For the Horse Well Gold Project

*The 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 and Mr Mark Cossom who is a full time employee of Doray Minerals Limited and is a Member of the Australasian Institute of Mining and Metallurgy. Mr Viner and Mr Cossom have 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 and Mr Cossom consent to the inclusion in the report of the matters based on this information in the form and context in which it appears.*

For all other Projects

*The 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 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 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 in the relevant ASX releases and the form and context of the announcement has not materially changed*

**TENEMENT INFORMATION AS REQUIRED BY LISTING RULE 5.3.3**

| Project   | Location | Tenement | Held at the beginning of the quarter | Held at the end of the quarter |
|---|----------|----------|--------------------------------------|--------------------------------|
| <b>Horse Well</b>   |          |          |                                      |                                |
| Eskay Resources Pty Ltd 100%  | WA       | E69/1772 | 40%                                  | 40% <sup>+</sup>               |
| Doray Minerals Limited - Granted  | WA       | E53/1466 | 40%                                  | 40% <sup>+</sup>               |
| Doray Minerals Limited - Granted  | WA       | E53/1471 | 40%                                  | 40% <sup>+</sup>               |
| Doray Minerals Limited - Granted  | WA       | P53/1524 | 40%                                  | 40% <sup>+</sup>               |
| Doray Minerals Limited - Granted  | WA       | P53/1525 | 40%                                  | 40% <sup>+</sup>               |
| Doray Minerals Limited - Granted  | WA       | P53/1526 | 40%                                  | 40% <sup>+</sup>               |
| Doray Minerals Limited - Granted  | WA       | E69/2765 | 40%                                  | 40% <sup>+</sup>               |
| Doray Minerals Limited - Granted  | WA       | E69/3069 | 40%                                  | 40% <sup>+</sup>               |
| Doray Minerals Limited - Granted  | WA       | E69/2492 | 40% <sup>^</sup>                     | 40% <sup>^*</sup>              |
| <sup>^</sup> Awaiting transfer of interest  |          |          |                                      |                                |
| Doray Minerals Limited - Granted  | WA       | E69/2820 | 32%                                  | 32% <sup>+</sup>               |
| <sup>+</sup> subject to Doray farmin Agreement – Doray have earned 60%            |          |          |                                      |                                |
| <sup>*</sup> Phosphate Australia retain 20% free- carried to BFS                  |          |          |                                      |                                |
| <sup>^</sup> Wayne Jones NSR  |          |          |                                      |                                |
| <b>Millrose</b>   |          |          |                                      |                                |
| Alloy Resources Limited - Granted   | WA       | E53/1873 | 100%                                 | 100%                           |
| <b>Telfer</b>   |          |          |                                      |                                |
| Alloy Resources Limited – Application   | WA       | E45/4807 | 0%                                   | 0%                             |
| <b>Barrytown Mineral Sands Project</b>  |          |          |                                      |                                |
| Alloy Resources Limited – Granted   | NZ       | EL 51803 | 20%                                  | 20% <sup>**</sup>              |
| <sup>**</sup> Subject to farm-out and Sale Agreement to Pacific Mineral Resources |          |          |                                      |                                |
| <b>Martins Well</b>   |          |          |                                      |                                |
| Alloy Resources Limited – Granted   | SA       | EL 5577  | 0%                                   | 0% <sup>#</sup>                |
| <sup>#</sup> Subject to 90% earn-in Agreement                                     |          |          |                                      |                                |
| <b>Kurnalpi South</b>   |          |          |                                      |                                |
| Alloy Resources Limited – Application   | WA       | E28/2599 | 0%                                   | 0%                             |
| <b>Mt Goddard - Kambalda</b>  |          |          |                                      |                                |
| Alloy Resources Limited – Granted   | WA       | E15/1506 | 0%                                   | 100%                           |
| <b>Madoonia Downs - Kambalda</b>  |          |          |                                      |                                |
| Alloy Resources Limited – Application   | WA       | E15/1544 | 0%                                   | 0%                             |
| Alloy Resources Limited – Application   | WA       | E15/1545 | 0%                                   | 0%                             |
| Alloy Resources Limited – Application   | WA       | E15/1546 | 0%                                   | 0%                             |
| <b>Yamarna</b>  |          |          |                                      |                                |
| Alloy Resources Limited - Application   | WA       | E38/3096 | 0%                                   | 0%                             |
| <b>Ophara – Broken Hill West</b>  |          |          |                                      |                                |
| Alloy Minerals Limited - Application  | NSW      | E5314    | 0%                                   | 0%                             |

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

ALLOY RESOURCES LIMITED

### ABN

20 109 361 195

### Quarter ended ("current quarter")

30 SEPTEMBER 2016

| Consolidated statement of cash flows                      | Current quarter<br>\$A'000 | Year to date<br>(3months)<br>\$A'000 |
|---|----------------------------|--------------------------------------|
| <b>1. Cash flows from operating activities</b>            |                            |                                      |
| 1.1 Receipts from customers                               |                            |                                      |
| 1.2 Payments for  |                            |                                      |
| (a) exploration & evaluation                              | (398)                      | (398)                                |
| (b) development   | -                          |                                      |
| (c) production  | -                          |                                      |
| (d) staff costs   | (12)                       | (12)                                 |
| (e) administration and corporate costs                    | (68)                       | (68)                                 |
| 1.3 Dividends received (see note 3)                       | -                          | -                                    |
| 1.4 Interest received                                     | 2                          | 2                                    |
| 1.5 Interest and other costs of finance paid              | -                          | -                                    |
| 1.6 Income taxes paid                                     | -                          | -                                    |
| 1.7 Research and development refunds                      | -                          | -                                    |
| 1.8 Other (provide details if material)                   | -                          | -                                    |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(476)</b>               | <b>(476)</b>                         |

|  |   |   |
|--|---|---|
| <b>2. Cash flows from investing activities</b> |   |   |
| 2.1 Payments to acquire:                       |   |   |
| (a) property, plant and equipment              | - | - |
| (b) tenements (see item 10)                    | - | - |
| (c) investments                                | - | - |
| (d) other non-current assets                   | - | - |



| Consolidated statement of cash flows |   | Current quarter<br>\$A'000 | Year to date<br>(3months)<br>\$A'000 |
|--------------------------------------|---|----------------------------|--------------------------------------|
| 2.2                                  | Proceeds from the disposal of:                        |                            |                                      |
|                                      | (a) property, plant and equipment                     | -                          | -                                    |
|                                      | (b) tenements (see item 10)                           | -                          | -                                    |
|                                      | (c) investments                                       | -                          | -                                    |
|                                      | (d) other non-current assets                          | -                          | -                                    |
| 2.3                                  | Cash flows from loans to other entities               | -                          | -                                    |
| 2.4                                  | Dividends received (see note 3)                       | -                          | -                                    |
| 2.5                                  | Other (provide details if material)                   | -                          | -                                    |
| <b>2.6</b>                           | <b>Net cash from / (used in) investing activities</b> | <b>-</b>                   | <b>-</b>                             |

|             |   |          |          |
|-------------|---|----------|----------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>                                 |          |          |
| 3.1         | Proceeds from issues of shares  | -        | -        |
| 3.2         | Proceeds from issue of convertible notes                                    | -        | -        |
| 3.3         | Proceeds from exercise of share options                                     | -        | -        |
| 3.4         | Transaction costs related to issues of shares, convertible notes or options | -        | -        |
| 3.5         | Proceeds from borrowings  | -        | -        |
| 3.6         | Repayment of borrowings   | -        | -        |
| 3.7         | Transaction costs related to loans and borrowings                           | -        | -        |
| 3.8         | Dividends paid  | -        | -        |
| 3.9         | Other (provide details if material)   | -        | -        |
| <b>3.10</b> | <b>Net cash from / (used in) financing activities</b>                       | <b>-</b> | <b>-</b> |

|            |  |            |            |
|------------|--|------------|------------|
| <b>4.</b>  | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |            |            |
| 4.1        | Cash and cash equivalents at beginning of period                             | 1,265      | 1,265      |
| 4.2        | Net cash from / (used in) operating activities (item 1.9 above)              | (476)      | (476)      |
| 4.3        | Net cash from / (used in) investing activities (item 2.6 above)              | -          | -          |
| 4.4        | Net cash from / (used in) financing activities (item 3.10 above)             | -          | -          |
| 4.5        | Effect of movement in exchange rates on cash held                            | -          | -          |
| <b>4.6</b> | <b>Cash and cash equivalents at end of period</b>                            | <b>789</b> | <b>789</b> |

| <b>5. Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | <b>Current quarter<br/>\$A'000</b> | <b>Previous quarter<br/>\$A'000</b> |
|--|------------------------------------|-------------------------------------|
| 5.1 Bank balances  | 18                                 | 27                                  |
| 5.2 Call deposits  | 771                                | 1-238                               |
| 5.3 Bank overdrafts  | -                                  | -                                   |
| 5.4 Other (provide details)  | -                                  | -                                   |
| <b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>   | <b>789</b>                         | <b>1,265</b>                        |

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

47

-

- (a) Directors Fees and Remuneration \$41,818 (includes payments of Director Fees and Superannuation for the period)
- (b) Accounting and Company Secretarial Fees paid to Endeavour Corporate, an entity related to Mr Kevin Hart \$5,163 for the period

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$A'000**

-

-

| <b>8. Financing facilities available</b><br><i>Add notes as necessary for an understanding of the position</i>   | <b>Total facility amount<br/>at quarter end<br/>\$A'000</b> | <b>Amount drawn at<br/>quarter end<br/>\$A'000</b> |
|--|---|--|
| 8.1 Loan facilities  | -   | -  |
| 8.2 Credit standby arrangements  | -   | -  |
| 8.3 Other (please specify)   | -   | -  |
| 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. |   |  |

|  |
|--|
|  |
|--|

| <b>9. Estimated cash outflows for next quarter</b> | <b>\$A'000</b> |
|--|----------------|
| 9.1 Exploration and evaluation                     | (400)          |
| 9.2 Development                                    | -              |
| 9.3 Production                                     | -              |
| 9.4 Staff costs                                    | (13)           |
| 9.5 Administration and corporate costs             | (33)           |
| 9.6 Other (provide details if material)            | -              |
| <b>9.7 Total estimated cash outflows</b>           | <b>(446)</b>   |

| <b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>                            | <b>Tenement reference and location</b> | <b>Nature of interest</b> | <b>Interest at beginning of quarter</b> | <b>Interest at end of quarter</b> |
|--|--|---------------------------|---|-----------------------------------|
| 10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced |  |                           |   |                                   |
| 10.2 Interests in mining tenements and petroleum tenements acquired or increased           | E45/4807                               | Application               | 0%                                      | 0%                                |
|  | E51/1744                               | Application               | 0%                                      | 0%                                |
|  | E51/1743                               | Application               | 0%                                      | 0%                                |
|  | E51/1742                               | Application               | 0%                                      | 0%                                |
|  | E53/1873                               | Application               | 0%                                      | 0%                                |
|  | EL5314                                 | Application               | 0%                                      | 0%                                |



**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: .....  
(Director/Company secretary)

Date: ....31.10.2016

Print name: ..KEVIN HART.....

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.