



Horse Well JV

Gold Target Drilling Commences

Highlights

- **3,500 metre RC drill program has commenced**
- **Targeting Brownfields prospects identified for discovery and Mineral Resource growth.**
- **High-grade shoot targets under Warmblood structure. Mineralisation open beneath such intercepts as:**
 - **7m @ 7.79 g/t and 12.6m @ 6.75 g/t***
- **Palomino high-grade shoot at depth, beneath best intercepts of:**
 - **4m @ 10.85 g/t, 4m @ 12.49 g/t Au***
- **Bronco prospect - 400 metre strike historically drilled in wrong direction. Rare true width intersections encouraging;**
 - **10 metres @ 3.48 g/t, 10 metres @ 21.4 g/t, 19m @ 1.77 g/t Au***

Summary

Australian Gold explorer **Alloy Resources Limited (ASX:AYR) (Alloy or the Company)** provides the following update in regards to exploration activities at the Horse Well Gold Project Joint Venture ("**Horse Well**") (Alloy 51%; Silver Lake Resources Limited 49%). The Company is currently sole funding exploration to earn up to 60% in the Project.

Following completion of revised geological models and Mineral Resource estimates for the larger advanced prospects at Horse Well, the Company has identified a program of drilling designed to define extensions to, and/or repetitions of gold mineralisation within the project.

At the Horse prospects area orebodies are found to be relatively narrow ribbon-like structures with high-grade shoot development. The potential for underground exploitable style mineralisation below known deposits is regarded as very high, considering the limited historical exploration below the fresh rock interface (Figure 1). The planned drilling to test such targets will see;

- 9 holes at Palomino for a total of 1,200 metres
- 6 holes at Warmblood for a total of around 480 metres

The sub-vertical nature and high-grade shoot style of mineralisation was not adequately understood during the historical 1990's exploration. A number of prospects were ineffectively drilled by vertical or inclined north-south directed drilling which would not have been able to adequately test mineralisation within these structures. Drilling at Bronco to test this model will involve approximately;

- 16 holes at Bronco for a total of 1,800 metres

Drilling is expected to take three weeks and assays to be received in batches beginning from the end of the November through December.

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* Refer ASX release 3 September 2019

ASX Release

4 November 2019

Capital Structure

Alloy Resources Limited
ABN 20 109 361 195

ASX Code
AYR

Issued Shares
1,958,277,613

Unlisted Options
29,000,000

Corporate Directory

Executive Chairman
Mr Andy Viner

Non-Exec Director
Mr Gary Powell

Non-Exec Director/Co Sec
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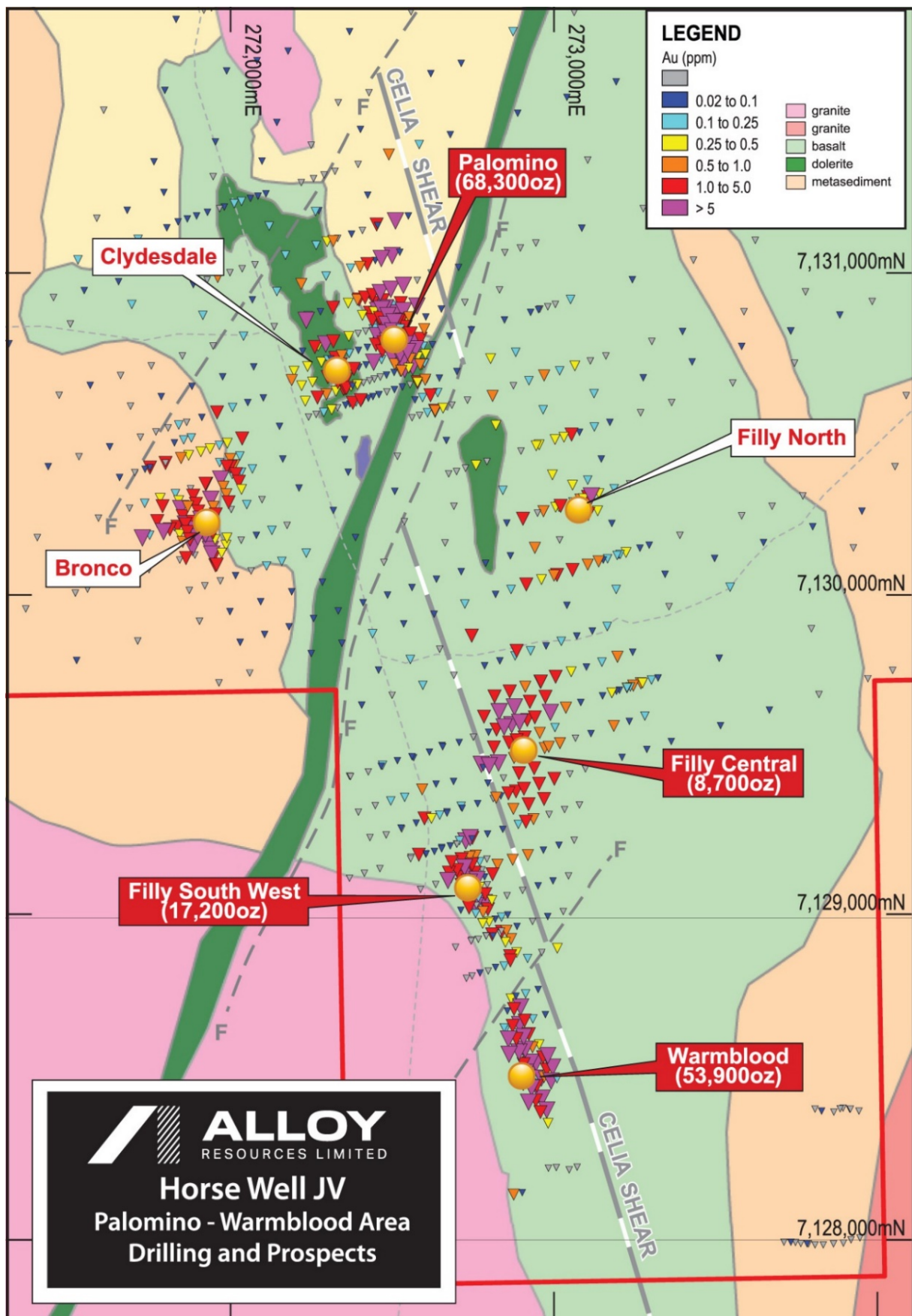


Figure 1 Palomino, Warmblood and Bronco prospect locations, with drill holes on geology

Table 1: Horse Well Inferred Resources – refer ASX release dated 22 August 2019.

Year	Area	Category	Tonnes	Grade (g/t)	Ounces
2015	Filly	Inferred	206,000	1.3	8,700
2019	Warmblood	Inferred	788,000	2.1	53,900
	Palomino	Inferred	930,400	2.3	68,300
	Filly SW	Inferred	302,400	1.8	17,200
	Dusk til Dawn	Inferred	3,495,600	1.0	108,900
COMBINED TOTAL		Inferred	5,722,400	1.4	257,000

Notes:

- All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.
- The cut-off grades for 2015 Resources are 0.50 g/t for Oxide, 0.75 g/t for Transition and 1.00 g/t for Fresh weathering classifications.
- The cut-off grades for 2019 Resources is 0.50 g/t for all weathering classifications except for Palomino which has a 2g/t cut-off below 100m.

The Inferred Resource has been estimated using appropriate high-grade cuts, minimum mining widths and dilutions.

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 all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not materially changed from the original market announcement.