

ABN 20 109 361 195

ASX Release

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Executive Chairman:
Andy Viner

Non-Exec Director
Andre Marschke

Non-Exec Director/Co Sec:
Kevin Hart

Issued Capital

Shares:
592,707,646

Unlisted Options:
9,000,000

ASX Symbol: AYR

HORSE WELL GOLD PROJECT

– Major Exploration Program Commences

SUMMARY

Alloy Resources Limited (ASX: **AYR**, **Alloy** or the **Company**) wishes to advise the market that managing Joint Venture partner Doray Minerals Limited (ASX:DRM, Doray) has commenced the 2016 drilling campaign at the Horse Well Gold Project. Doray have recently earned a 60% interest in the project and Alloy is funding its 40% interest.

KEY POINTS;

- During 2014-2015 Doray tested new targets and made two exciting gold discoveries (*refer to ASX releases 29 January 2016 and 28 October 2015*);

Dusk til Dawn prospect with RC drill hits of:

65m @2.6 g/t Au from 44 mdh

16m @ 7.2g/t Au from 109 mdh

Django prospect where regional air-core drilling has defined two cohesive +100ppb gold anomalies of 1.5 km and 3 km strike length. Best discovery hole returned;

22 metres @ 1.4 g/t Au from 36mdh, including

8 metres @ 4.2 g/t from 48mdh

First pass regional air-core drilling has defined a number of other emerging mineralised trends in this unexplored northern part of the project (see Figure 1 below).

- The 1,000km² Horse Well Gold Project is located only 50km north of Northern Star's flagship 240koz p.a Jundee Gold Mine (Figure 2).

PLANNED WORK;

The Joint Venture has commenced an aggressive exploration programme of at least \$2 million in 2016 at the Project, including initially;

- Infill air-core drilling of the Django anomalies (approximately 5,300 metres), and
- Air-core drilling of prospective areas of the Celia Shear zone south of Warmblood prospect (approximately 9,000 metres).
- RC drill testing of identified priority air-core anomalies in the June Quarter (up to 4,500 metres).

Executive Chairman Andy Viner commented “The Horse Well project is one of the few well-funded emerging gold exploration projects in Australia. New discoveries have been made with each drill program completed so far and we are confident that this will continue with the planned programs.”

“This current program has started with 200 metre by 50 metre infill air-core drilling at the exciting Django discovery, with the aim to define the best RC drill targets here for further testing in the early part of the June quarter. We are very pleased that these strong geochemical anomalies at Django will be tested in this phase of drilling” he said.

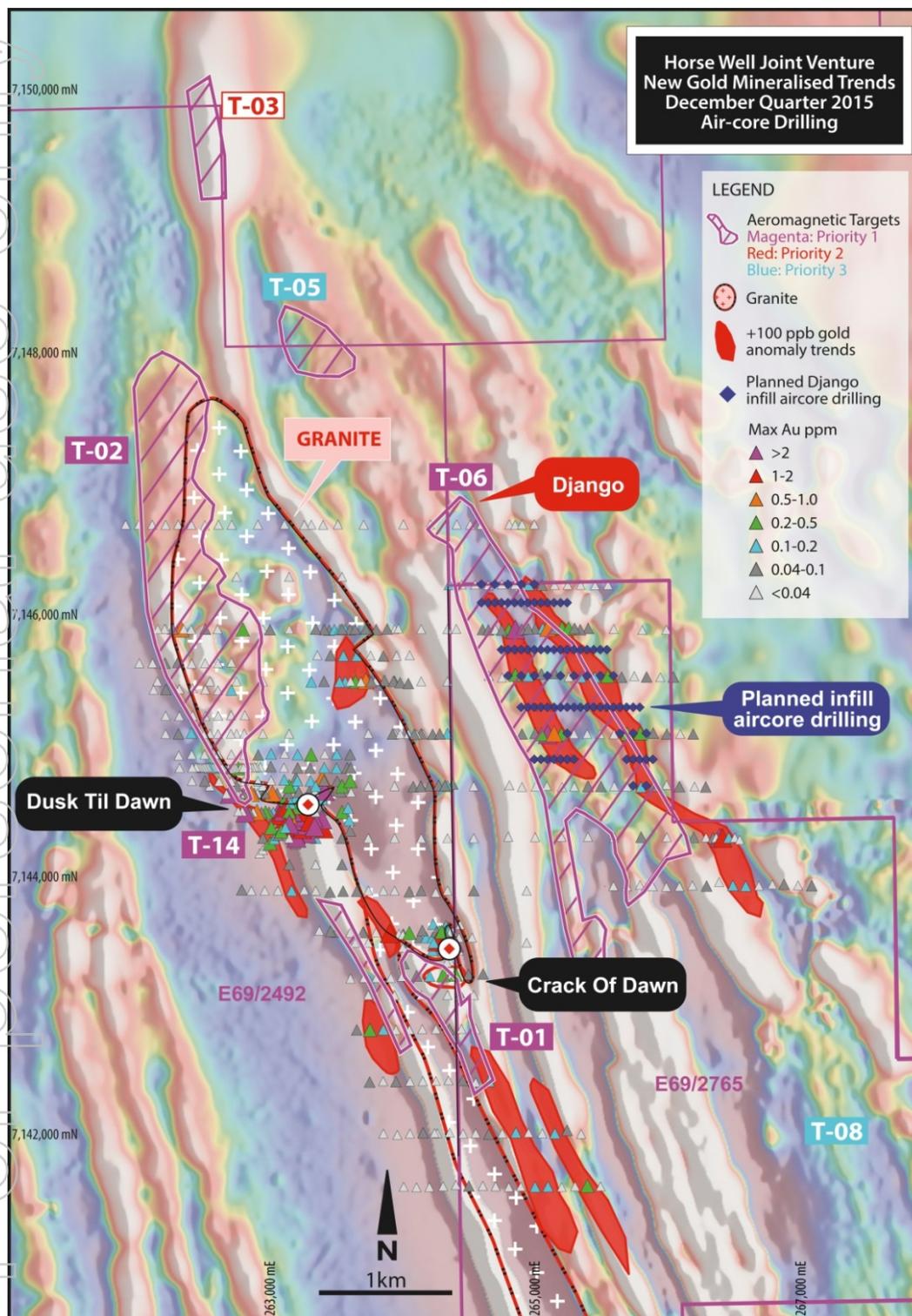


Figure 1 Regional +100ppb Au anomalous trends from December quarter 2015 air-core drilling

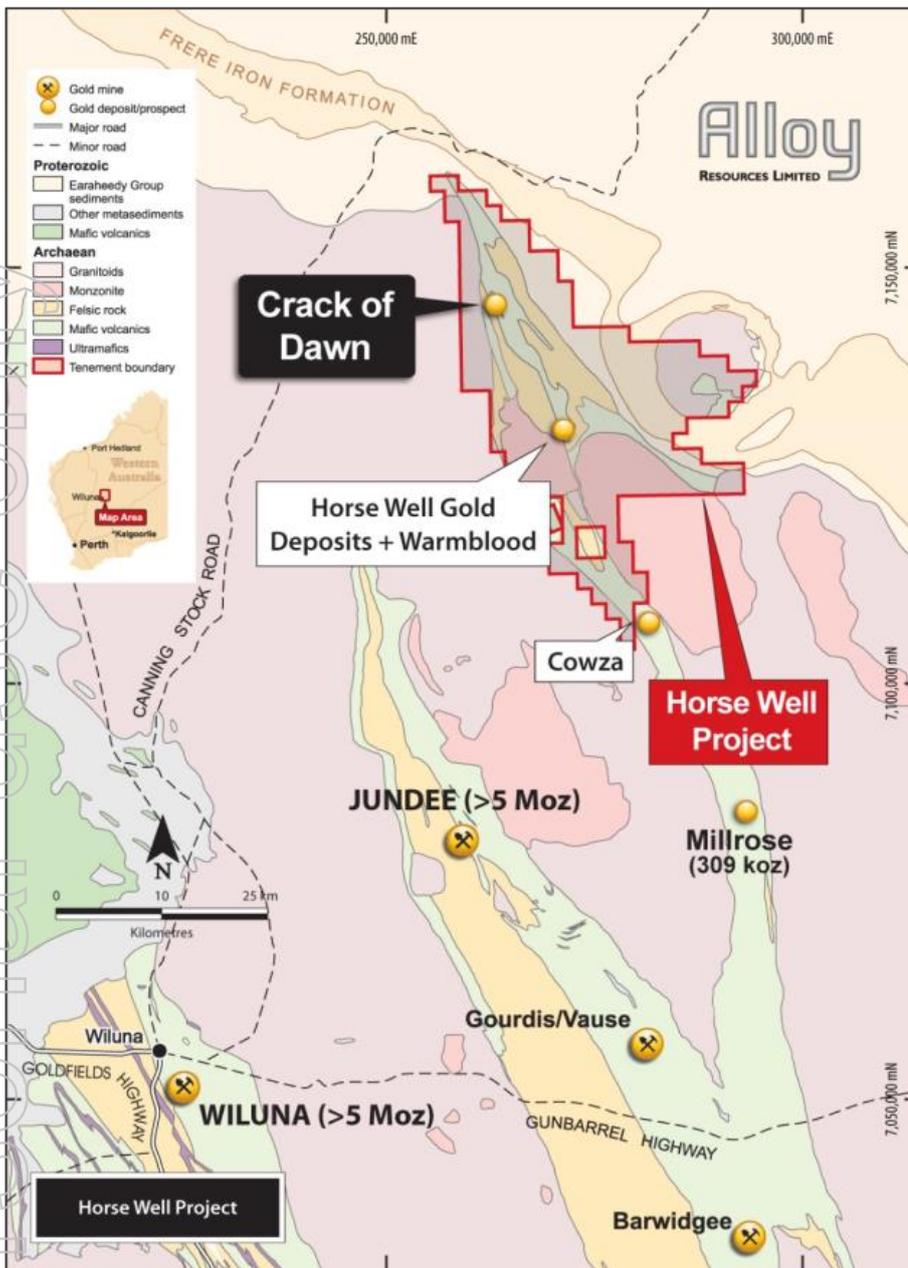


Figure 2 Horse Well location on regional geology

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Exploration Results

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 included in the original market announcements. The Company confirms that the form and context in which the Competent Persons' findings are presented have not materially changed from the original market announcement.