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ASX Release

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Issued Capital

Shares:
712,707,646

Unlisted Options:
9,000,000

ASX Symbol: AYR

Broken Hill COBALT PROJECT Advances

“Ophara Project” Broken Hill Region, NSW

- Project licence now granted and access agreements signed.
- Over 1.5 kilometre strike length of outcropping cobalt+gold mineralisation at the Great Goulburn Prospect.
- Extensive historical surface rock-chip sampling confirms mineralisation with maximum values of 0.9% Cobalt and 2.3 g/t Gold.
- Unique Gold rich Cobalt mineralisation hosted in a quartz-magnetite rock unit; similarities to Havilah Resources Mutooroo deposit 10 km to the south-west.
- Walk up Cobalt-Gold drill target defined.
- More cobalt surface gossans to follow up

ACTIVITIES

- Field mapping and sampling to commence this week.
- Planning for early stage drilling underway.

Summary

Alloy Resources Limited (ASX: **AYR**, **Alloy** or the **Company**) is pleased to advise that the Company’s low-cost project generation activities have defined a strong Cobalt-Gold target within the Ophara Project located some 50 kilometres west of Broken Hill in New South Wales.

The Company believes that historical exploration has outlined a sizeable area of cobalt-gold mineralisation at the Great Goulburn Prospect. The size of the area defined and the presence of cobalt bearing gossans warrants a serious exploration effort at a time when both Cobalt and Gold are experiencing high levels of demand.

Cobalt is receiving particular attention as demand and price has increased given it is a key component in lithium batteries. As Cobalt is often produced as a by-product of copper production, supply is not easily expanded. Another compelling supply factor is a large amount of cobalt production (>40%) comes from the Democratic Republic of Congo which retains a high sovereign risk. Given this combination of increasing demand and an uncertain supply response, Alloy believes that exploration for Cobalt in a low risk jurisdiction is a sound strategy.

Executive Chairman Andy Viner commented, “We are fortunate to have timed the review and application for this area when markets are looking for new sources of Cobalt to meet Lithium Battery related demand. To also find that there is a significant gold association within the mineralisation makes this prospect quite compelling as we see some similarities to gold mineralisation elsewhere in the Curnamona Craton, particularly in South Australia”.

“Surface rock chip and soil sampling has defined a **1.5 kilometre long zone of Cobalt mineralisation** at the Great Goulburn prospect which has been tested by only 6 widely spaced drill holes, 4 of which confirmed consistent subsurface mineralisation. These results warrant a closer look”, he said.

“Looking at the historical work we are also seeing that past explorers were targeting more Broken Hill style base metal mineralisation or Cloncurry style iron formation hosted Copper-Gold, so Cobalt was not a focus and hence they have left some other interesting cobalt gossans similar to Great Goulburn for us to follow up” he commented.

Project Location and Regional Geology

The project area lies adjacent to the South Australian border west of Broken Hill in New South Wales (Figure 1).



Figure 1 Ophara Project location

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

Whilst all three have a strong association with pyrite mineralisation, the Great Goulburn appears to be more of a replacement style deposit associated with a quartz-magnetite (BIF) stratigraphic unit.

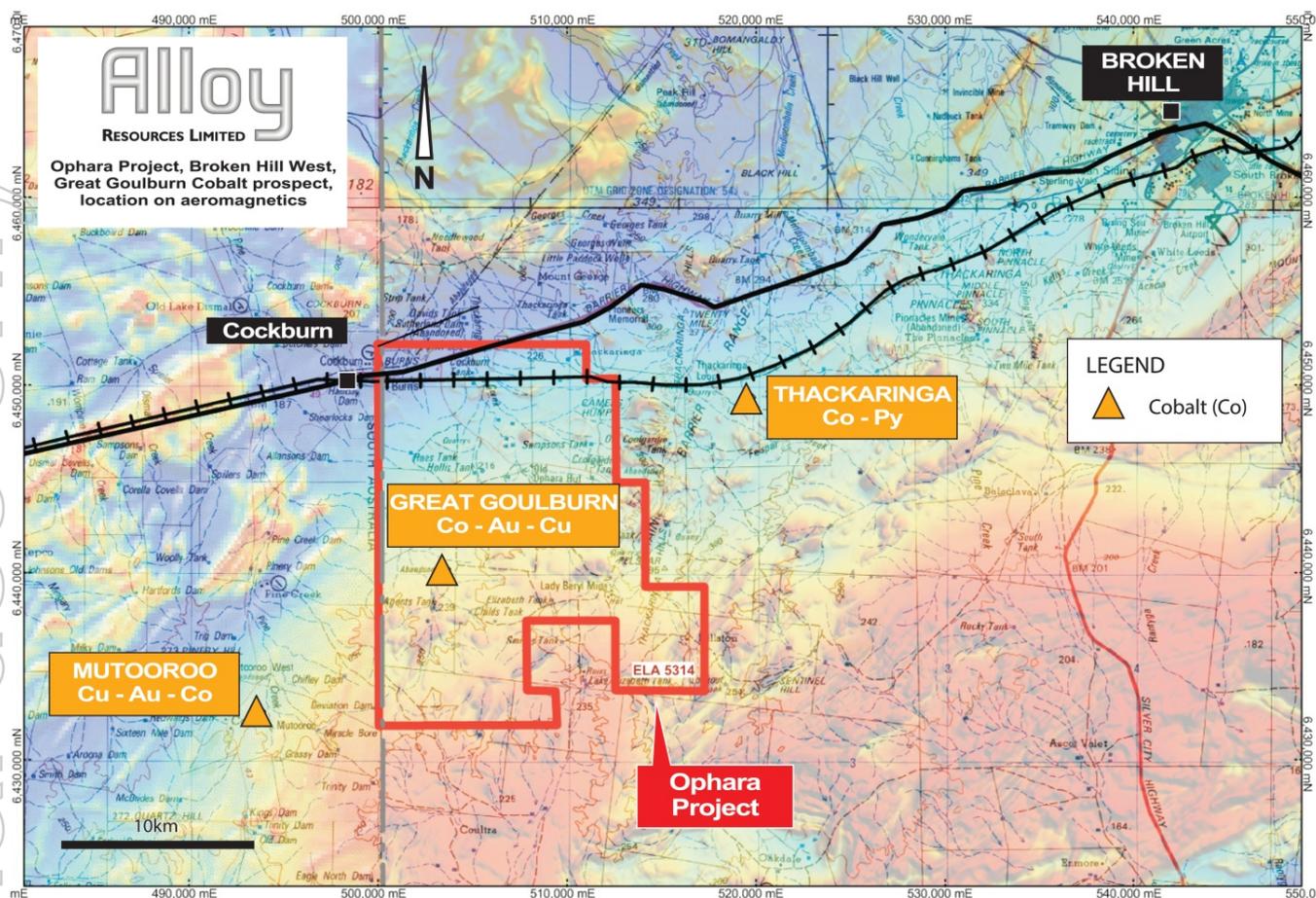


Figure 2 Ophara EL 5314 Location on aeromagnetics showing Cobalt deposits

Exploration within the Exploration Licence (see References section below for source of data)

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. Preliminary reconnaissance gossan sampling carried out in 2002 resulted in 14 base and precious metal 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, however very little follow-up work has been completed since this time.

Great Goulburn Prospect

The most advanced prospect and the focus of the Company's planned activities is the historic Great Goulburn prospect where two small 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 short 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

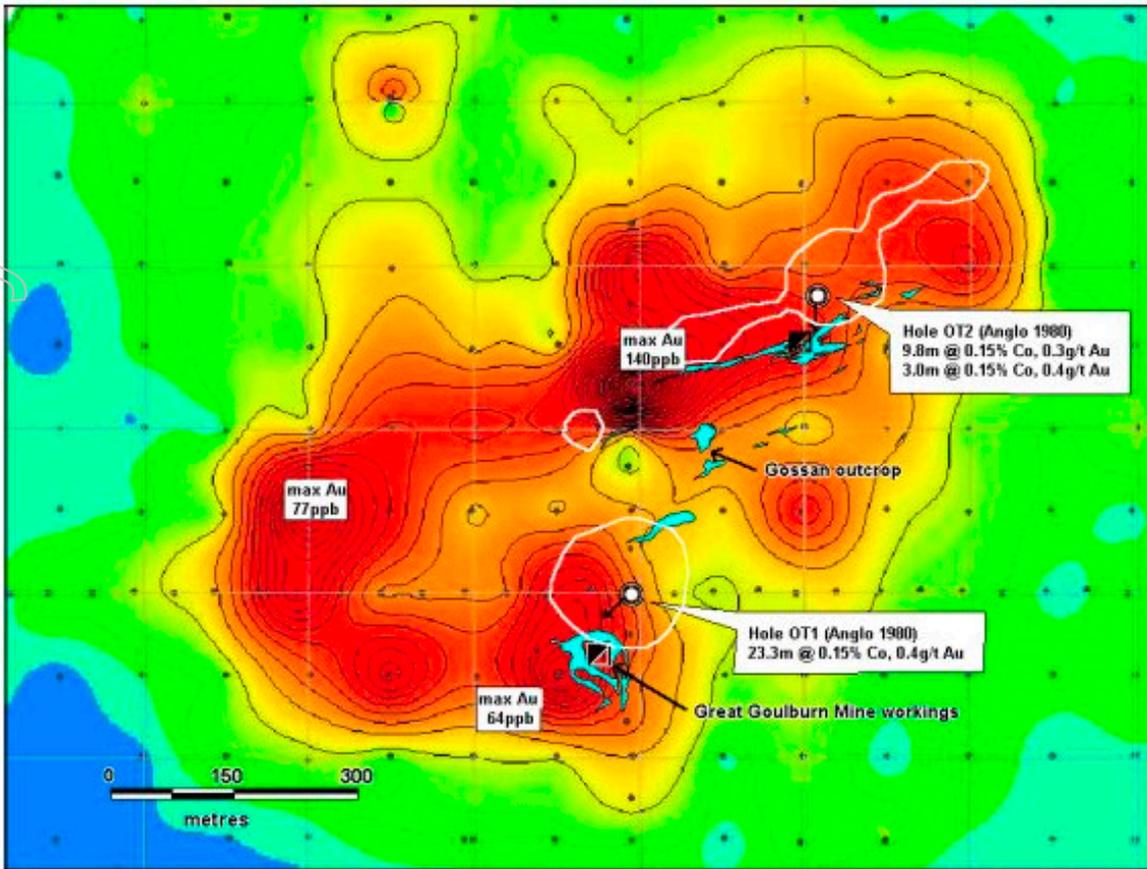


Figure 3 Great Goulburn Prospect outcrop and Anglo DDH on Calcrete Gold contours

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 are both 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 an average grade of 0.266 g/t Au, and 0.103% Co.

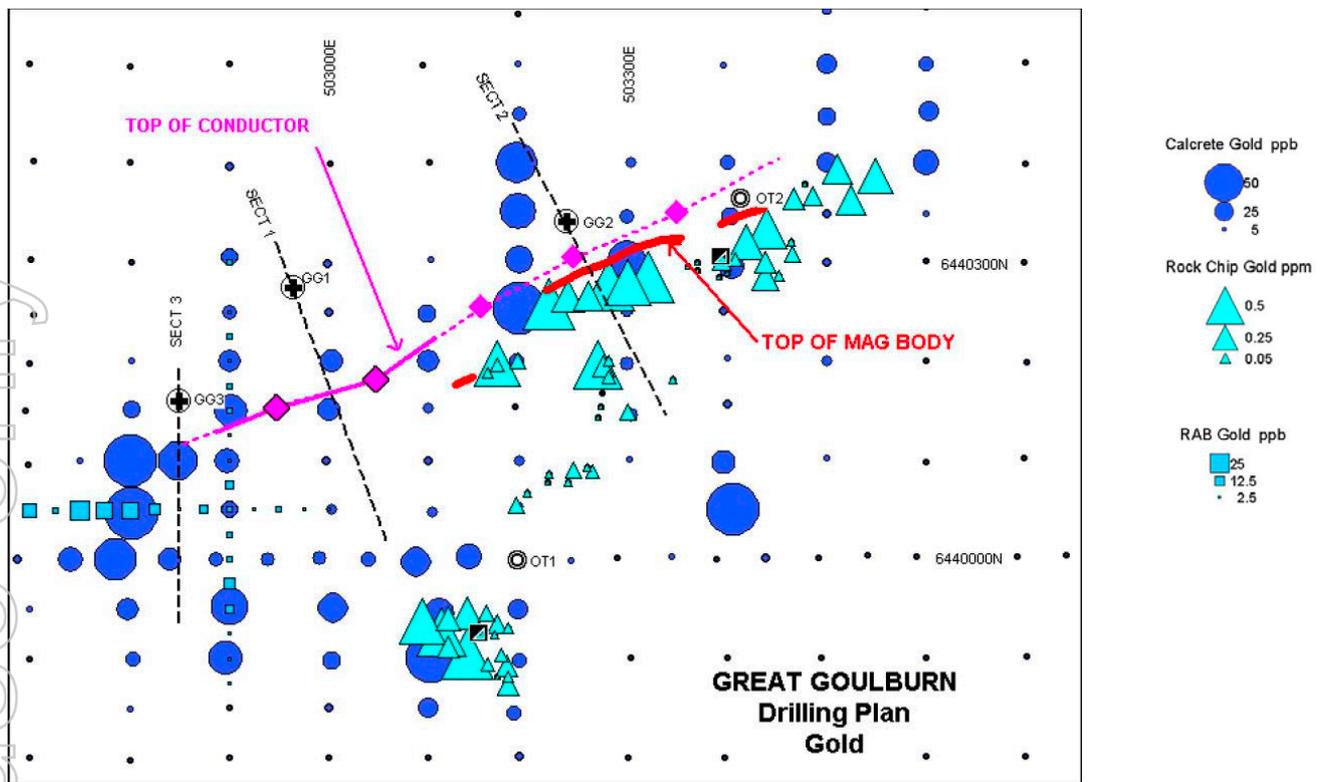


Figure 4 PlatSearch/Inco 2002 RC drilling location.

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 407×10^{-3} SI units at 53 – 54m. Cu, Co, Au and magnetic susceptibility are displayed in Figure 5 relative to downhole lithology.

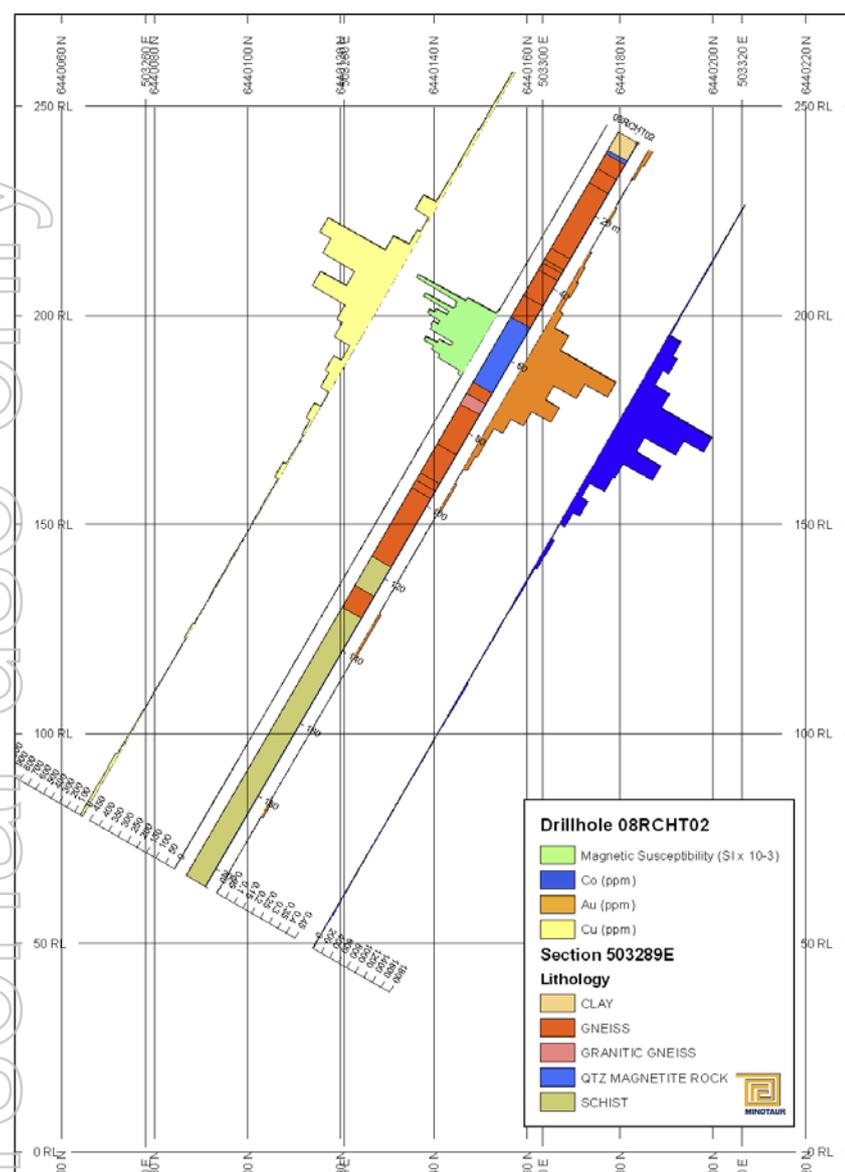


Figure 5 Minotaur 2008 RC drill section

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 the project 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 geology 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

References

A list of relevant Open File Exploration Reports which should be read in conjunction with this announcement and can be found in the NSW Department of Industry and Resources websites and listed by the GS numbers are;

| GS Number | Company | Licence/prospect |
|-------------|-------------------------------------|--|
| GS1952/067 | Aust Mining & Smelting Co. | Sentinel area |
| GS1962/120 | Broken Hill South | A to P's 2349,2355, 2635 -2638, 2747, 2356 |
| GS1967/290 | Broken Hill South | Wonga - Coultra anomaly |
| GS1967/312 | Broken Hill South | Coultra Copper Prospect |
| GS1970/502 | Broken Hill South | A to P 2635-2638, 2747 |
| GS1981/392 | Seltrust Mining Corporation Pty Ltd | EL 1582 Burta area |
| GS1981/512 | Jones Mining NL/Anglo American | EL 1621 Ophara Tank |
| GS1981/538 | Seltrust Mining Corporation Pty Ltd | EL 1595 Coultra |
| GS1982/520 | Jones Mining NL/Esso Australia Ltd | EL 1621 Ophara Tank |
| GS1983/359 | Seltrust Mining Corporation | EL 1582 Burta area |
| GS1983/386 | Seltrust Mining Corporation Pty Ltd | EL 1595 Coultra |
| GS1987/101 | CRA Exploration | EL 2713 Coultra |
| GS 1987/192 | CRA Exploration | EL 2757 Ophara Tank |
| GS1987/223 | CRA Exploration | EL 2779 Agents Tank |
| GS1995/043 | Aberfoyle Resources | partial relinquishment EL 4298 |
| GS 1996/405 | Aberfoyle Resources | EL 4298 |
| GS1999/340 | Minerals Corporation Ltd | First & final report MC 132 |
| GS2002/124 | PlatSearch NL | Annual Report EL5765 |
| GS2002/831 | PlatSearch NL | Annual Report EL5765 |
| GS2003/474 | PlatSearch NL | Annual Report EL5765 |
| GS2004/429 | PlatSearch NL | Annual Report EL5765 |
| GS2007/824 | PlatSearch NL | Annual Report EL5765 |
| GS2009/251 | PlatSearch NL | Annual Report EL5765 |
| GS2009/961 | PlatSearch NL | Annual Report EL5765 |
| GS2010/866 | PlatSearch NL | Annual Report EL5765 |

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Exploration Results

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.