

ALLOY RESOURCES LIMITED**STATEMENT FOR USE OF ADDITIONAL FUNDS OF \$2,000,000 ACHIEVED BY OVERSUBSCRIPTION**

27-Mar-06

Funds raised through oversubscription are to be used to pay brokerage, to increase the exploration budgets at the Comet and Horse Well projects, and for additional working capital.

BROKERAGE: On the \$2,000,000 in oversubscriptions 6% brokerage of \$120,000 is to be paid to the Underwriter, leaving \$1,880,000 with the Company.

WORKING CAPITAL: \$400,000 will be preserved for working capital.

INCREASED EXPLORATION BUDGET: \$1,480,000 will be applied toward the exploration budget as listed below.

Project	Expense Type	Year 1	Year 2	Total
Comet	Resource drilling, assays, and survey	\$400,000	\$400,000	\$800,000
	Exploration drilling, assays, and survey	\$110,000	\$110,000	\$220,000
	Purchase of capital equipment and facilities	\$200,000	\$100,000	\$300,000
	Geological and resource consultants	\$200,000	\$200,000	\$400,000
	Geophysical surveying	\$60,000	\$30,000	\$90,000
	Geophysical consultants	\$35,000	\$15,000	\$50,000
	Field costs	\$100,000	\$120,000	\$220,000
	Metallurgical testing	\$0	\$30,000	\$30,000
	Tenement costs, native title, management	\$95,000	\$95,000	\$190,000
		sub-total:	\$1,200,000	\$1,100,000
Horse Well	Resource drilling, assays, and survey	\$200,000	\$200,000	\$400,000
	Exploration drilling, assays, and survey	\$150,000	\$150,000	\$300,000
	Geological and resource consultants	\$120,000	\$108,000	\$228,000
	Geophysical surveying	\$50,000	\$25,000	\$75,000
	Geophysical consultants	\$15,000	\$10,000	\$25,000
	Field costs	\$40,000	\$35,000	\$75,000
	Metallurgical testing	\$0	\$20,000	\$20,000
	Tenement costs, native title, management	\$20,000	\$20,000	\$40,000
		sub-total:	\$595,000	\$568,000
88 Creek	Exploration drilling, assays, and survey	\$0	\$356,000	\$356,000
	Geophysical surveying	\$90,000	\$20,000	\$110,000
	Geological and geophysical consultants	\$30,000	\$60,000	\$90,000
	Field costs	\$30,000	\$60,000	\$90,000
	Tenement costs, native title, management	\$22,000	\$32,000	\$54,000
		sub-total:	\$172,000	\$528,000
Doyle's Dam	Exploration drilling, assays, and survey	\$0	\$50,000	\$50,000
	Geological and resource consultants	\$4,000	\$14,000	\$18,000
	Field costs	\$0	\$11,000	\$11,000
	Tenement costs, native title, management	\$2,000	\$8,000	\$10,000
		sub-total:	\$6,000	\$83,000
	total:	\$1,973,000	\$2,279,000	\$4,252,000

previous totals on page 15 of the Prospectus: \$1,148,000 \$1,624,000 \$2,772,000
 additional funds allocated from oversubscription: \$825,000 \$655,000 \$1,480,000