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Dear Sir/Madam,

SETTLEMENT ON COMET – WEBB'S PATCH PROJECT PURCHASE AND GEOPHYSICAL SURVEY RESULTS FOR COMET GOLD MINE

The directors of Alloy Resources Limited are pleased to announce that the Company has recently completed settlement on the 100% purchase of the Comet – Webb's Patch project from Big Bell Gold Operations Pty Ltd, a subsidiary of Harmony Gold Mining Company (Australia) Limited.

GEOPHYSICAL SURVEY RESULTS

The Comet underground resource sits within the project area and has a JORC compliant gold resource of: inferred 352,000 t @ 6.5 g/t and indicated 490,000 t @ 5.8 g/t, representing a total of 842,000 t @ 6.1 g/t for 165,000 ounces. A fixed loop electromagnetic (EM) survey was recently completed over the southern side of the Comet underground gold resource. This ground based EM survey confirms and better defines previous drill targets identified from an airborne survey using the Fugro TEMPEST airborne EM system.

The ground EM detected the conductive pyrrhotite and pyrite minerals associated with the known gold mineralisation at the Comet underground gold resource (see plan in Figure 1). This conductive zone corresponds to known gold mineralisation and it was found to extend to the south-west where there is no previous drilling. This high priority EM target trend sits within the Comet Fault that runs along the eastern side of the Comet anticline and hosts the gold mineralisation at Comet and Comet North. The EM surveying was continued to the south and has confirmed additional, untested TEMPEST EM targets that sit along the Comet Fault.

PLANNED DRILLING

Drilling of the EM target trend adjacent to the Comet underground resource will commence as soon as government approvals have been obtained. Infill drilling programs to upgrade resources and convert resources into minable reserves will also be carried out on the Comet underground resource and shallow gold prospects within the Comet project area that have the potential for open pit mining.

Yours Faithfully,
Alloy Resources Limited



Dr. Jayson Meyers
Managing Director

The information in this report which relates to Exploration Results is based on information compiled by Dr. Jayson Meyers, Managing Director of Alloy Resources Limited and who is a Member of the Australasian Institute of Geoscientists. Dr. Meyers 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 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Dr. Meyers consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

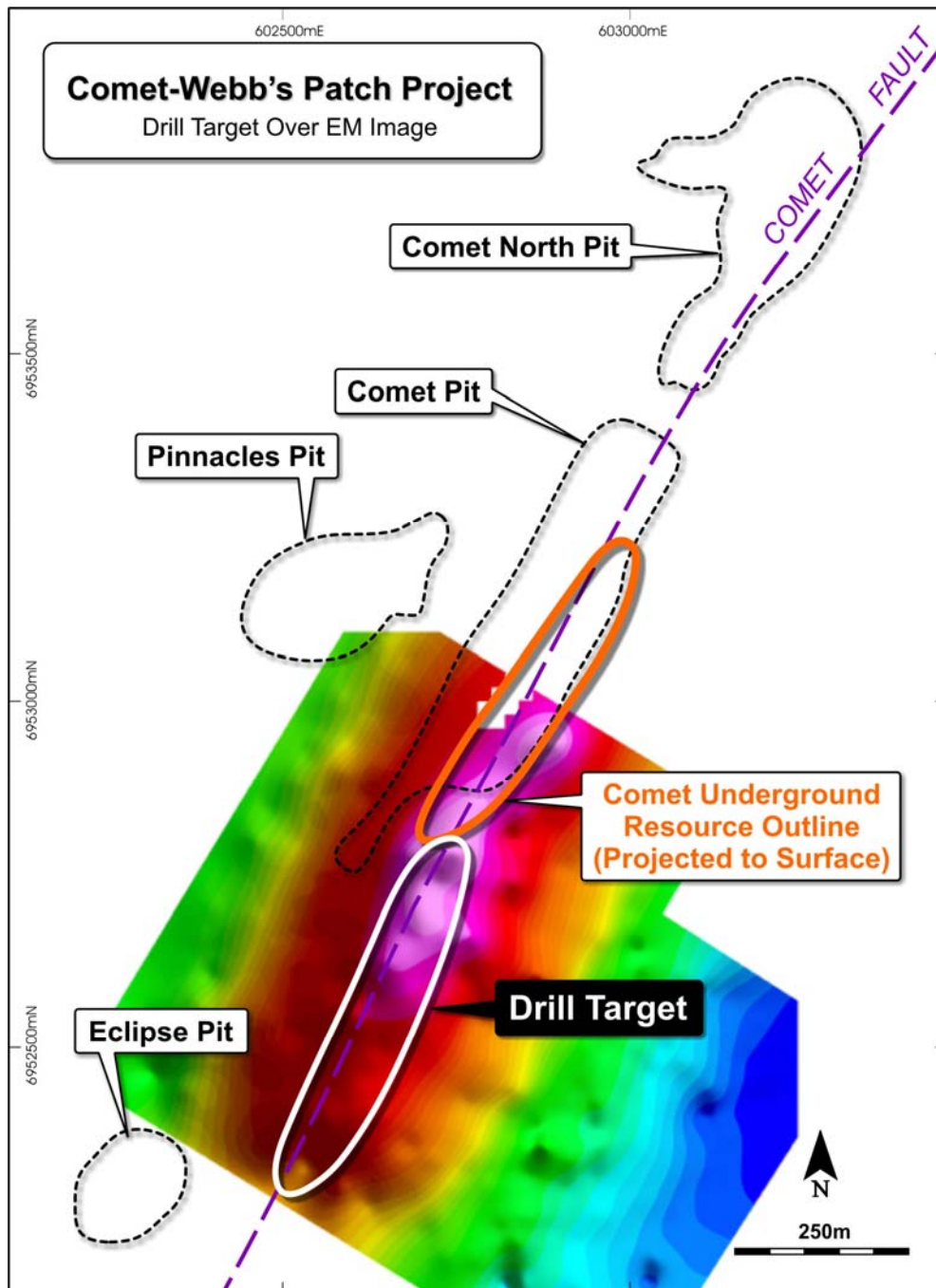


Figure 1. Fixed loop EM image of the B-field X component receiver at channel 25 (18 milliseconds).