

18 August 2006

Manager Announcements  
Companies Announcements Office  
Australian Stock Exchange Limited  
10<sup>th</sup> Floor, 20 Bond Street  
SYDNEY NSW 2000

Via: [www.asxonline.com](http://www.asxonline.com)

Dear Sir/Madam

**Alloy**  
**RESOURCES LIMITED**

ACN 109 361 195

Level 2, 668 Murray St West Perth  
WA 6005 Australia  
PO Box 1078 West Perth  
WA 6872 Australia

Tel: 618 9289 9116  
Fax: 618 9289 9189  
Email: [info@alloyres.com](mailto:info@alloyres.com)

### UPDATE ON ACTIVITIES AT THE COMET GOLD PROJECT

- First pass drilling program has been successful in achieving its objectives
- At one of the geophysical targets 500m south-west of the main Comet mineralisation, a new mineralised zone has been discovered
- RC drilling has confirmed gold mineralisation extends 30m below the current resources at Eclipse Open Pit
- Pre-collar RC holes drilled for extending holes into mineralised targets using diamond drilling

### NEW MINERALISED ZONE – PRELIMINARY RESULTS

Alloy Resources Limited (**ASX Codes: AYR & AYRO**) is pleased to announce preliminary results from the first phase of drilling at the Comet Gold Project in Western Australia. A reverse circulation (RC) drilling program has identified a new mineralised zone 500 metres to the south-west of the main Comet underground mineralisation. The Comet underground and the new zone to the south both sit along the east dipping Comet Fault structure. The best results from drilling so far are:

| Hole ID  | width    | Au grade                   | depth            |
|----------|----------|----------------------------|------------------|
| CTRC 012 | 4 metres | 17 g/t (incl. 1m @ 40 g/t) | 194 - 198 metres |
| CTRC 014 | 1 metre  | 18.19 g/t                  | 183 - 184 metres |
| CTRC 017 | 3 metres | 3.01 g/t                   | 252 – 255 metres |
| CTRC 023 | 2 metres | 4.64 g/t                   | 150 – 152 metres |
| CTRC 026 | 1 metre  | 8.27 g/t                   | 174 – 175 metres |

Work is continuing on downhole surveying of RC drillholes, geochemical processing of drilling samples and metallurgical testing. The results of this round of drilling will be used to target infill drilling at Comet to increase resources.

### ECLIPSE OPEN PIT - RESOURCES

A program of RC drilling beneath and to the south-east of the Eclipse Open Pit has confirmed the mineralized zone extends 30m below the current resource model. The best results from the drilling so far are:

| Hole ID  | width    | Au grade | depth          |
|----------|----------|----------|----------------|
| CTRC 09  | 4 metres | 1.31 g/t | 80 – 84 metres |
| CTRC 011 | 3 metres | 2.42 g/t | 91 – 94 metres |

The current inferred and indicated resource at Eclipse is 77,000t @3.8g/t.

### FOLLOW UP DRILLING AT COMET

Two pre-collar holes were drilled with RC above the mineralised target zone, and these holes are to be extended into the predicted mineralised zone with diamond drilling to get core samples for rock mechanics and metallurgical test work. This information will be used for an ongoing pre-feasibility study on commencing underground mining at Comet.

Yours faithfully,



**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 Australian 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.*

#### **ABOUT ALLOY**

**Alloy is a gold exploration company whose current focus is gold in Western Australia. Alloy's short to medium term goals are to:**

- **recommence mining operations at the Comet Gold Mine;**
- **commence mining at the Horse Well gold project; and**
- **expand its resource base through aggressive exploration at all its projects.**

***For further information contact:***

**Dr Jayson Meyers  
Managing Director  
Alloy Resources Limited  
Telephone 08-9289-9116  
[www.alloyres.com](http://www.alloyres.com)**