

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

4 September 2006

Company Announcements Office
Australian Stock Exchange Limited
4th Floor
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Appendix 3B

Please find attached Appendix 3B in respect of 825,000 shares released from escrow

Yours faithfully

ALLOY RESOURCES LIMITED



Kevin Hart
Company Secretary

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

ALLOY RESOURCES LIMITED

ABN

20 109 361 195

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|-----------------------------------|
| 1 | +Class of +securities issued or to be issued | Ordinary fully paid shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 825,000 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Not Applicable |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>						
<p>5 Issue price or consideration</p>	<p>nil</p>						
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Released from Escrow</p>						
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>31 August 2006</p>						
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Number</th> <th style="text-align: left;">+Class</th> </tr> </thead> <tbody> <tr> <td>49,200,000</td> <td>Fully paid ordinary shares (“AYR”)</td> </tr> <tr> <td>35,000,000 options</td> <td>Exercisable at 20 cents each by 06/04/09 (“AYRO”)</td> </tr> </tbody> </table>	Number	+Class	49,200,000	Fully paid ordinary shares (“AYR”)	35,000,000 options	Exercisable at 20 cents each by 06/04/09 (“AYRO”)
Number	+Class						
49,200,000	Fully paid ordinary shares (“AYR”)						
35,000,000 options	Exercisable at 20 cents each by 06/04/09 (“AYRO”)						

+ See chapter 19 for defined terms.

	Number	+Class						
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">12,675,000 shares</td> <td style="width: 50%;">Restricted securities until 6 April 2008</td> </tr> <tr> <td>7,425,000 shares</td> <td>Restricted securities 12 months from issue date</td> </tr> <tr> <td>200,000 options</td> <td>Unlisted employee options</td> </tr> </table>	12,675,000 shares	Restricted securities until 6 April 2008	7,425,000 shares	Restricted securities 12 months from issue date	200,000 options	Unlisted employee options
12,675,000 shares	Restricted securities until 6 April 2008							
7,425,000 shares	Restricted securities 12 months from issue date							
200,000 options	Unlisted employee options							

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)
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No dividends declared or paid.

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?
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Not applicable

12	Is the issue renounceable or non-renounceable?
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Not applicable

13	Ratio in which the +securities will be offered
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Not applicable

14	+Class of +securities to which the offer relates
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Not applicable

15	+Record date to determine entitlements
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Not applicable

16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?
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Not applicable

17	Policy for deciding entitlements in relation to fractions
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Not applicable

18	Names of countries in which the entity has +security holders who will not be sent new issue documents
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Not applicable

Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.

19	Closing date for receipt of acceptances or renunciations
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Not applicable

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

20	Names of any underwriters	Not applicable
21	Amount of any underwriting fee or commission	Not applicable
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Not applicable
25	If the issue is contingent on +security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	Not applicable
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable

+ See chapter 19 for defined terms.

- 32 How do ⁺security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities
- Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Entities that have ticked box 34(b)

38 Number of securities for which
 +quotation is sought

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39 Class of +securities for which
 quotation is sought

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40 Do the +securities rank equally in all
 respects from the date of allotment
 with an existing +class of quoted
 +securities?

If the additional securities do not
 rank equally, please state:

- the date from which they do
- the extent to which they
 participate for the next dividend,
 (in the case of a trust,
 distribution) or interest payment
- the extent to which they do not
 rank equally, other than in
 relation to the next dividend,
 distribution or interest payment

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41 Reason for request for quotation
 now

Example: In the case of restricted securities, end of
 restriction period

(if issued upon conversion of
 another security, clearly identify that
 other security)

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	Number	+Class
42	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)	

+ See chapter 19 for defined terms.

