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Manager Announcements  
Companies Announcements Office  
Australian Stock Exchange Limited  
Level 4, 20 Bridge St  
SYDNEY NSW 2000

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

Dear Sir/Madam

**Alloy**  
**RESOURCES LIMITED**

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## METALLURGICAL TESTING RESULTS FROM COMET UNDERGROUND SAMPLE

- Drill sample of Comet ore has gold recovery of 94%, comprised of 58% gravity recovery and the remaining 36% from leaching using an optimal residence time of 12 hours at a grind size of 75 microns
- Additional test work is being carried out using 150 micron grind
- These results and historical metallurgical results are being used to generate a process diagram for optimal plant design to treat Comet underground ore and softer oxide ore that can be mined from open cut adjacent to Comet
- Capital and operating costs are being calculated for this plant design

## PRELIMINARY RESULTS

Alloy Resources Limited (**ASX Codes: AYR & AYRO**) is pleased to announce that Metallurgical Project Consultants Pty Ltd (MPC)<sup>1</sup> have been contracted to carry out a metallurgical test work and scoping study to design an optimal treatment facility for the Comet underground ore.

A 50 kilogram, 4 metre composite sample obtained from a recent RC drilling campaign was used for metallurgical test work (hole CTRC012, 194-198 metres). The ore is a pyrrhotite-pyrite-magnetite-quartz altered sediment and basalt. Initial fire assaying of 1 metre intervals produced a composite gold grade of 17 g/t. The gold grade of the 50 kilogram composite was analysed by a metallurgical laboratory and returned 21 g/t Au.

Some of the composite sample was ground to 75 microns, and the 21 g/t Au head grade produced a 58% gravity gold recovery and a gravity tail of 8.8 g/t Au. The gravity tail showed an optimal leach residence time of 12 hours using bottle roll. The total gold recovery was 94.4%.

A second sample ground to 150 microns is being tested for gravity and leach recovery.

The results of this metallurgical testing is being used by MPC to generate a flow sheet for the design of an optimal treatment facility and to estimate operating and capital costs. This mill design will be able to treat the hard, sulphide ore from the Comet underground, as well as the softer, oxide ore from other resources in close proximity to Comet.

Final results from this study will be released to the market when they become available.

Yours faithfully,



**Dr JAYSON MEYERS**  
Managing Director

*Note 1: The metallurgical test work in this statement is based on work carried out by Peter Banovich Member AusIMM of Metallurgical Project Consultants Pty Ltd. Mr. Banovich has 15 years of 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 "Australian Code of reporting of Exploration results, Mineral resources and Ore reserves" and consents to the inclusion in this report of the information in the form and context in which it appears.*

*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:***

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