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Manager Announcements  
Companies Announcements Office  
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Level 4, 20 Bridge St  
SYDNEY NSW 2000

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

Dear Sir/Madam

**Alloy**  
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## HIGHLIGHTS

- **Rock chip sampling identifies exciting new nickel prospect**
- **Drilling of high priority geophysical targets completed – awaiting assay results**
- **Diamond drilling program commencing shortly to test depth extensions of Comet gold resource**

## NEW NICKEL PROSPECT

Alloy recently completed geochemical analysis of rock chip samples collected from outcropping ultramafic peridotite rocks east of the Company's Comet Gold Project. These outcropping peridotite rocks occur 7 kilometres to the east of the Comet Gold Project in a tenement owned 100% by the Company (Figure 1), with one area in particular returning very encouraging geochemical results.

This peridotite horizon has a strike length of 8 kilometres and is 100 metres in width. It is comprised of fresh olivine peridotite at surface. The outcropping areas have been systematically sampled and analysed for MgO and Ni. A number of samples along the length of the outcropping peridotite have returned *MgO values of approximately 30% and Ni values of around 1,500 ppm* (see Figure 1). Elevated MgO and Ni values in fresh peridotite rocks such as these are typical of background values for ultramafic rocks sitting close to komatiite style nickel sulphide deposits.

Alloy believes that the geochemical results are a strong indication that the peridotite horizon has the potential to host nickel sulphide mineralisation. The prospective peridotite horizon will be followed up with exploration targeting using detailed geological mapping, aeromagnetic interpretation, electromagnetic surveying, and drilling.

## COMET GOLD PROJECT

The Company's focus remains gold exploration with an aim to recommence mining at its Comet Gold Project in Western Australia. Reverse Circulation (RC) drilling has just been completed at the Company's 100% owned Comet Gold Project, located 20 kilometres to the east of the town of Cue. Conductive sulphide minerals have been intersected at the precise depth position predicted by geophysical modelling in all holes drilled so far. Assay results from this RC drilling will be announced as soon as they are provided to the Company.

The drilling was completed on the following targets (see Figure 1):

1. **High Priority Drill Target** - Alloy reports that drilling of the high priority geophysical target 1.5 kilometres to the east of Comet (as announced on the 27<sup>th</sup> November 2006) has intersected the source of the anomaly, which is sulphide altered basalt. The project is subject to a farm in and joint venture agreement between Alloy Resources and Anglo Australian Resources NL. Under the terms of the farm in agreement, Alloy can earn a 60% interest in the project by the expenditure of \$150,000.

2. **Depth extension of Comet Gold Resource** – Two RC holes were drilled into the Comet gold resource, intersecting typical mine sequence rocks. A pre-collar RC hole for deep diamond drilling was also completed on the eastern side of the Comet waste dump.
3. **Geophysical anomaly extending to the north of the Venus gold deposit.** Venus sits at the southern end of the Comet-Pinnacles gold trend. It was previously mined using open cut methods. A geophysical anomaly extending 400 m north of the pit was drill tested and conductive sulphides were intersected at the target depth of 120 metres.

A 1,000 metre diamond drilling campaign will commence shortly with the aim of extending the Comet gold resource over and above the existing resource of 165,000 ounces. A diamond drilling rig has been sourced, and drilling is planned to start in early-February 2007.

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**

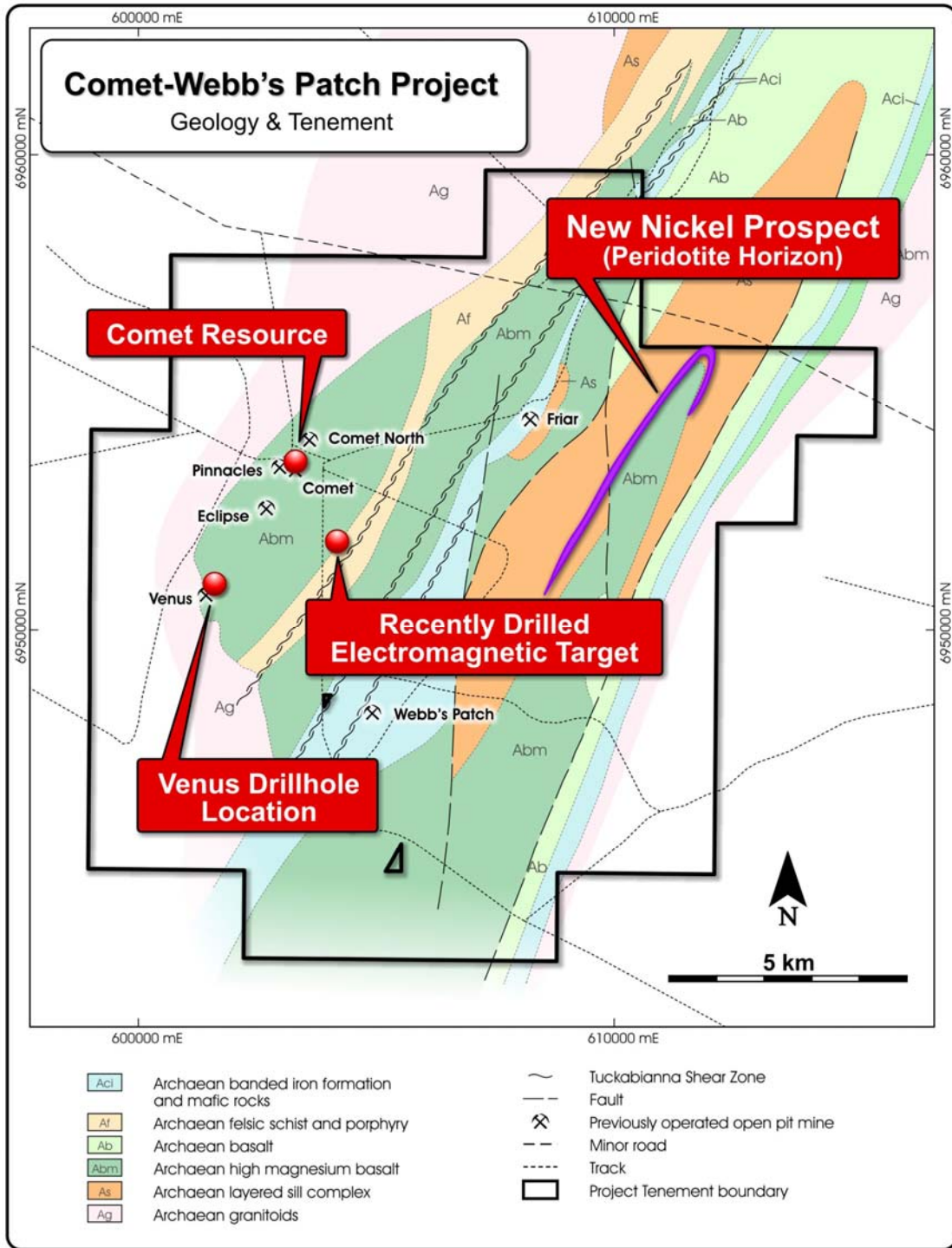
**Alloy is a gold exploration company whose current focus is gold in Western Australia. Alloy's short to medium term goals are to:**

- **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:***

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**Figure 1.** Location of peridotite horizon containing elevated MgO and Ni values and recent drilling targets.