

12 February 2007

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

Via: 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

IDENTIFICATION OF ADDITIONAL PRIORITY NICKEL TARGETS

HIGHLIGHTS

- **Additional nickel targets identified near Comet gold deposit with anomalous geochemistry indicating high potential for hosting nickel sulphide mineralisation**

NEW PERIDOTITE HORIZON

On 24/01/07 the Company announced a new area that is prospective for nickel exploration at its Comet project near Cue, in Western Australia. Alloy recently identified an additional ultramafic peridotite horizon with an anomalous geochemical signature that indicates excellent potential for hosting komatiite style nickel sulphide mineralisation. These new Nickel targets were identified by detailed geological mapping and high resolution airborne magnetic surveying.

Recent geochemical results from outcropping fresh rocks sampled along the new peridotite horizon show magnesium-oxide (MgO) in the range of 30-35% and background nickel (Ni) of approximately 2,000 ppm or 0.2%. Furthermore, the north-east corner of a TEMPEST airborne electromagnetic survey has identified a strong conductor coincident to the southern end of the new peridotite horizon (Figure 1).

Elevated MgO and elevated background Ni is typical for ultramafic rocks in the vicinity of komatiite hosted nickel sulphide deposits, such as Cosmos, Silver Swan, Leinster, and other similar types of nickel deposits in the eastern goldfields of Western Australia.

The Company has booked an electromagnetic field crew to carry out survey lines to explore for conductors that could be caused by nickel sulphide mineralisation, and this survey is expected to start in two weeks. Detailed geological mapping and further rock chipping along the peridotite horizons is currently underway.

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

Duncan Gordon
 Investor Relations
 Telephone 08-8232-8800
 Mobile 0404-006-444

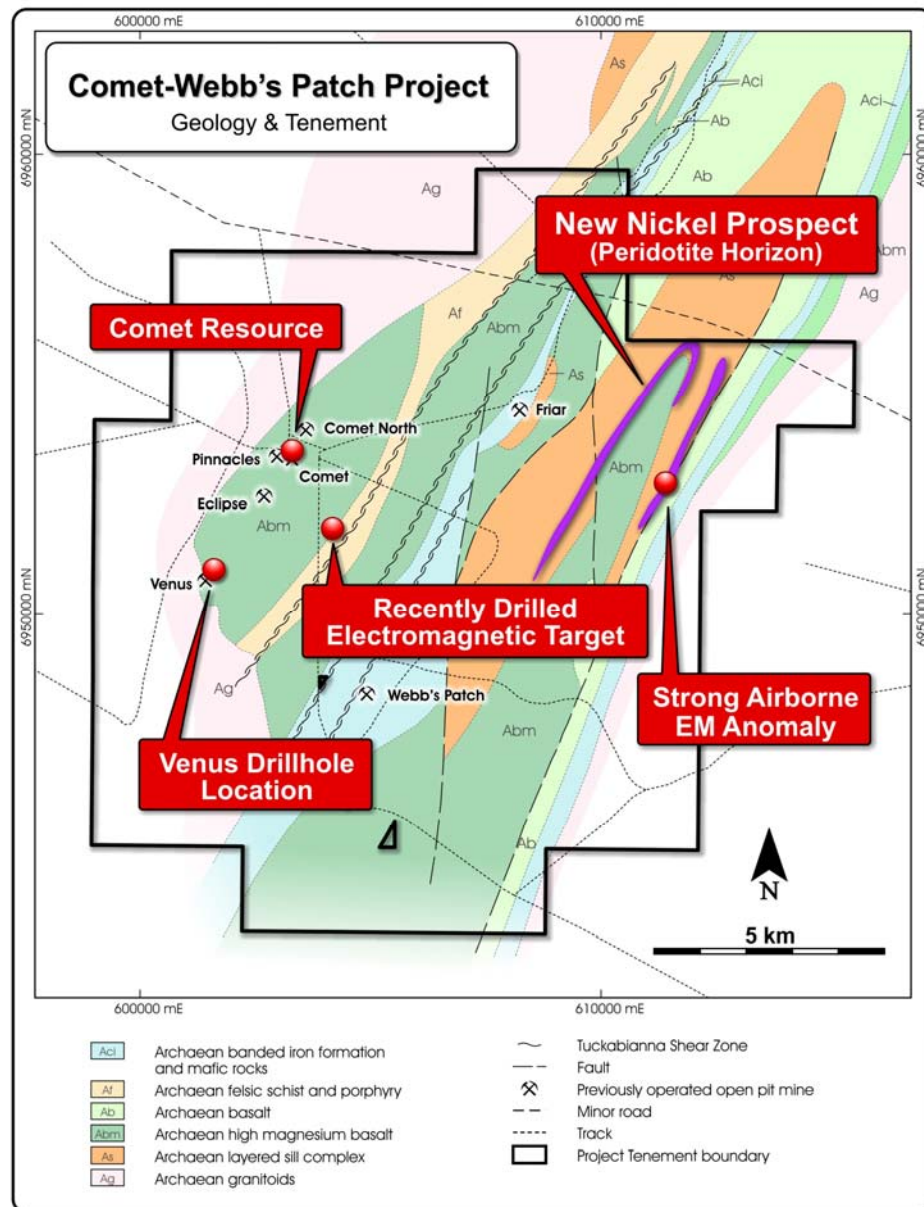


Figure 1. Location of new nickel exploration areas.