

18 September 2007

Manager Announcements  
Companies Announcements Office  
Australian Securities Exchange  
Level 4, 20 Bridge St  
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  
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Email: [info@alloyres.com](mailto:info@alloyres.com)

### FRASERVIEW CONVERTIBLE NOTE

Alloy Resources Limited (ASX: AYR) is pleased to announce it has received notice from Frasersview Investments Ltd to convert the outstanding Convertible Notes and accrued interest thereon amounting to \$439,658 into 4,396,580 ordinary fully paid shares at an issue price of 10 cents each.

The Convertible Notes were issued to Frasersview prior to the Company's successful Initial Public Offering in April 2006 to provide for working capital during the pre-IPO period.

Alloy Managing Director, Dr Jayson Meyers, said, "We are particularly pleased that Frasersview, an existing shareholder, has shown their on going support for Alloy by converting their notes into equity in the Company. The Alloy team is continuing to develop the company's WA based gold resources and is securing exciting exploration prospects in Laos".

Please find attached Appendix 3B and Section 708 notice with respect to the conversion. The Company's total issued capital is now 73,696,580 fully paid shares.

Yours faithfully,



**Dr JAYSON MEYERS**  
Managing Director

#### ABOUT ALLOY

Alloy is an exploration company whose current focus is base metals in Laos and gold and nickel in Western Australia. Alloy's short to medium term goals are to:

- commence exploration at the Nam Thong Project to fast track resource definition;
- recommence mining operations at the Comet Gold Mine under favourable economic conditions;
- explore and increase gold resources at the Horse Well Project; and
- expand the Company's resource base through acquisitions and aggressive exploration at all its Projects.

*For further information contact:*

**Dr Jayson Meyers**  
Managing Director  
Alloy Resources Limited  
Telephone 08-9289-9116

**Duncan Gordon**  
Investor Relations  
Alloy Resources Limited  
Telephone 08-8232-8800

[www.alloyres.com](http://www.alloyres.com)

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

# 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   | <b>Ordinary fully paid shares</b> |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | <b>4,396,580</b>                  |
| 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) | <b>N/A</b>                        |

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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<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"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p><b>Yes</b></p>						
<p>5 Issue price or consideration</p>	<p><b>10 cents each</b></p>						
<p>6 Purpose of the issue          (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p><b>Conversion pursuant to a Convertible Note Agreement dated 15 September 2005.</b></p>						
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p><b>18 September 2007</b></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><b>61,021,580</b></td> <td><b>Fully paid ordinary shares (“AYR”)</b></td> </tr> <tr> <td><b>35,000,000 options</b></td> <td><b>Exercisable at 20 cents each by 06/04/09 (“AYRO”)</b></td> </tr> </tbody> </table>	Number	+Class	<b>61,021,580</b>	<b>Fully paid ordinary shares (“AYR”)</b>	<b>35,000,000 options</b>	<b>Exercisable at 20 cents each by 06/04/09 (“AYRO”)</b>
Number	+Class						
<b>61,021,580</b>	<b>Fully paid ordinary shares (“AYR”)</b>						
<b>35,000,000 options</b>	<b>Exercisable at 20 cents each by 06/04/09 (“AYRO”)</b>						

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+ 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%; border-collapse: collapse;"> <tr> <td style="width: 40%; padding: 5px;"><b>12,675,000 shares</b></td> <td style="padding: 5px;"><b>Restricted securities until 6 April 2008</b></td> </tr> <tr> <td style="padding: 5px;"><b>200,000 options</b></td> <td style="padding: 5px;"><b>Unlisted employee options exercisable by payment of 30 cents each before 30 June 2009.</b></td> </tr> <tr> <td style="padding: 5px;"><b>250,000 options</b></td> <td style="padding: 5px;"><b>Unlisted employee options exercisable by payment of 20 cents each before 25 July 2011.</b></td> </tr> </table>	<b>12,675,000 shares</b>	<b>Restricted securities until 6 April 2008</b>	<b>200,000 options</b>	<b>Unlisted employee options exercisable by payment of 30 cents each before 30 June 2009.</b>	<b>250,000 options</b>	<b>Unlisted employee options exercisable by payment of 20 cents each before 25 July 2011.</b>
<b>12,675,000 shares</b>	<b>Restricted securities until 6 April 2008</b>							
<b>200,000 options</b>	<b>Unlisted employee options exercisable by payment of 30 cents each before 30 June 2009.</b>							
<b>250,000 options</b>	<b>Unlisted employee options exercisable by payment of 20 cents each before 25 July 2011.</b>							

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	<b>No dividends declared or paid.</b>
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**Part 2 - Bonus issue or pro rata issue**

11	Is security holder approval required?	<b>Not applicable</b>
12	Is the issue renounceable or non-renounceable?	<b>Not applicable</b>
13	Ratio in which the +securities will be offered	<b>Not applicable</b>
14	+Class of +securities to which the offer relates	<b>Not applicable</b>
15	+Record date to determine entitlements	<b>Not applicable</b>
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	<b>Not applicable</b>
17	Policy for deciding entitlements in relation to fractions	<b>Not applicable</b>

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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18	Names of countries in which the entity has +security holders who will not be sent new issue documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	<b>Not applicable</b>
19	Closing date for receipt of acceptances or renunciations	<b>Not applicable</b>
20	Names of any underwriters	<b>Not applicable</b>
21	Amount of any underwriting fee or commission	<b>Not applicable</b>
22	Names of any brokers to the issue	<b>Not applicable</b>
23	Fee or commission payable to the broker to the issue	<b>Not applicable</b>
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	<b>Not applicable</b>
25	If the issue is contingent on +security holders' approval, the date of the meeting	<b>Not applicable</b>
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	<b>Not applicable</b>
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	<b>Not applicable</b>
28	Date rights trading will begin (if applicable)	<b>Not applicable</b>
29	Date rights trading will end (if applicable)	<b>Not applicable</b>

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+ See chapter 19 for defined terms.

30	How do +security holders sell their entitlements in full through a broker?	<b>Not applicable</b>
31	How do +security holders sell part of their entitlements through a broker and accept for the balance?	<b>Not applicable</b>
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	<b>Not applicable</b>
33	+Despatch date	<b>Not applicable</b>

### 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

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+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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**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 (including the securities in clause 38)		

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+ See chapter 19 for defined terms.



18 September 2007

Company Announcements Office  
Australian Securities Exchange  
20 Bridge Street  
Sydney NSW 2000

Dear Sir/Madam

### **Notice given under Section 708A(5) of the Corporations Act**

This notice is given by the Company under section 708A(5)(e) of the Corporations Act in relation to an issue of fully paid ordinary shares by the Company without disclosure to investors under Part 6D.2 of the Corporations Act.

As at the date of this notice, the Company has complied with:

- (a) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
- (b) section 674 of the Corporations Act.

The Company confirms that, as at the date of this notice, there is no information that:

- (a) has been excluded from a continuous disclosure notice given to ASX in accordance with the ASX Listing Rules; and
- (b) investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
  - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
  - (ii) the rights and liabilities attaching to fully paid ordinary shares,

to the extent to which it would be reasonable for investors and their professional advisers to expect to find such information in a disclosure document.

Yours sincerely

**Alloy Resources Limited**



**Kevin Hart**  
Company Secretary