

For personal use only

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

12 December 2007

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

Dear Sir/Madam

Appendix 3B

Please find attached Appendix 3B in respect of the issue of 4,000,000 unlisted options to Directors pursuant to shareholder approval received at the company's recent Annual General Meeting.

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 | Unlisted options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 4,000,000 options issued to Directors |
| 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) | Unlisted options exercisable by payment of 25 cents each on or before 30 November 2012, subject to a 12 month vesting period from date of issue. |

+ See chapter 19 for defined terms.

For personal use only

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>N/A</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>Options issued pursuant to shareholder approval at the AGM held on 27 November 2007</p>						
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>12 December 2007</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>61,021,580</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	61,021,580	Fully paid ordinary shares (“AYR”)	35,000,000 options	Exercisable at 20 cents each by 06/04/09 (“AYRO”)
Number	+Class						
61,021,580	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.

For personal use only

	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: 50%; padding: 5px;">12,675,000 shares</td> <td style="width: 50%; padding: 5px;">Restricted securities until 6 April 2008</td> </tr> <tr> <td style="padding: 5px;">200,000 options</td> <td style="padding: 5px;">Unlisted employee options exercisable by payment of 30 cents each before 30 June 2009.</td> </tr> <tr> <td style="padding: 5px;">250,000 options</td> <td style="padding: 5px;">Unlisted employee options exercisable by payment of 20 cents each before 25 July 2011.</td> </tr> <tr> <td style="padding: 5px;">4,000,000 options</td> <td style="padding: 5px;">Unlisted director options exercisable by payment of 25 cents each before 30 November 2012</td> </tr> </table>	12,675,000 shares	Restricted securities until 6 April 2008	200,000 options	Unlisted employee options exercisable by payment of 30 cents each before 30 June 2009.	250,000 options	Unlisted employee options exercisable by payment of 20 cents each before 25 July 2011.	4,000,000 options	Unlisted director options exercisable by payment of 25 cents each before 30 November 2012
12,675,000 shares	Restricted securities until 6 April 2008									
200,000 options	Unlisted employee options exercisable by payment of 30 cents each before 30 June 2009.									
250,000 options	Unlisted employee options exercisable by payment of 20 cents each before 25 July 2011.									
4,000,000 options	Unlisted director options exercisable by payment of 25 cents each before 30 November 2012									

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

Part 2 - Bonus issue or pro rata issue

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

+ See chapter 19 for defined terms.

For personal use only

Appendix 3B
New issue announcement

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.	Not applicable
19	Closing date for receipt of acceptances or renunciations	Not applicable
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

+ See chapter 19 for defined terms.

For personal use only

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

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

39 Class of +securities for which
 quotation is sought

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

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)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)	<input type="text"/>	<input type="text"/>

+ See chapter 19 for defined terms.

For personal use only

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: ... Date **12 December 2007**
Company Secretary

Print name: **Kevin Ronald Hart**
=====

+ See chapter 19 for defined terms.

For personal use only