

Alloy

RESOURCES LIMITED

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25 March 2008

Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam,

SALE OF COMET PROJECT TO RAISE \$1.575 MILLION in CASH

By letter agreement dated 21 March 2008, Alloy Resources Ltd ("Alloy" or "the Company") has agreed to sell its Comet Gold Project and Kurrjong nickel prospects to Silver Lake Resources Limited ("Silver Lake") together with all associated geological data and related project information and Alloy's rights and obligations in respect of the tenements, including the assumption of unconditional performance bonds amounting to \$141,000.

Consideration for the transaction is payable as follows:

- A deposit of \$150,000 (refundable in the event completion conditions are not met) has been paid to Alloy on reaching agreement; and
- A cash payment of \$1.425 million (in addition to the deposit) will be paid to Alloy at completion, which is set to occur on 1 July 2008.

The sale of the assets to Silver Lake is subject to and conditional upon the following:

- a. the receipt of all necessary approvals and consents as are legally required for the transfer of the Sale Assets (including, without limitation, approvals by the Minister of the State of Western Australia responsible for administering the *Mining Act 1978 (WA)*, as required under the Mining Act) as well as any other approvals by governmental authorities;
- b. Alloy obtaining all necessary approvals and consents which may be required from the third parties in respect of the Contractual Rights; and
- c. the receipt and execution of the deeds of assignment and assumption or deeds of novation by the third parties in respect of Contractual Rights

The proceeds from the Comet sale will be used to provide working capital and fund the Company's ongoing exploration programs in Laos and Western Australia.

Yours faithfully,
ALLOY RESOURCES LIMITED



KEVIN HART
COMPANY SECRETARY

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