

For personal use only

30 April 2008

Manager Announcements
Companies Announcements Office
Australian Securities Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Via: www.asxonline.com

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

Dear Sir/Madam

THIRD QUARTER ACTIVITIES AND CASH FLOW REPORT

We attach the above announcement.

Yours faithfully,



Dr. JAYSON MEYERS
Managing Director

ABOUT ALLOY

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

- commence exploration at Nam Thong Project in Laos
- explore and increase gold resources at the Horse Well Project in Western Australia
- 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
www.alloyres.com

MARCH QUARTER HIGHLIGHTS

- Application for mineral exploration concession area in the Lao PDR (Laos) remains under consideration in the Lao Government. The Company has established a representative office and is carrying out prospecting in the concession application area and reviewing other projects in Laos.
- A reconnaissance drilling program is to commence at the Horse Well gold project to test high priority gold targets that sit under regolith cover. Horse Well is located at the top end of the Yandal-Millrose greenstone belt in WA, where the Company currently has a gold resource base of 78,000 ounces (JORC inferred category).
- The Comet – Webb’s Patch and Kurrajong projects near Cue in WA have been sold to Silver Lake Resources Limited for \$1.575 million in cash, comprised of a deposit of \$150,000 and the balance to be paid on settlement in early July 2008.
- Alloy has withdrawn from the Joint Venture earn in on the 88 Creek project in the North Kimberley region of WA.

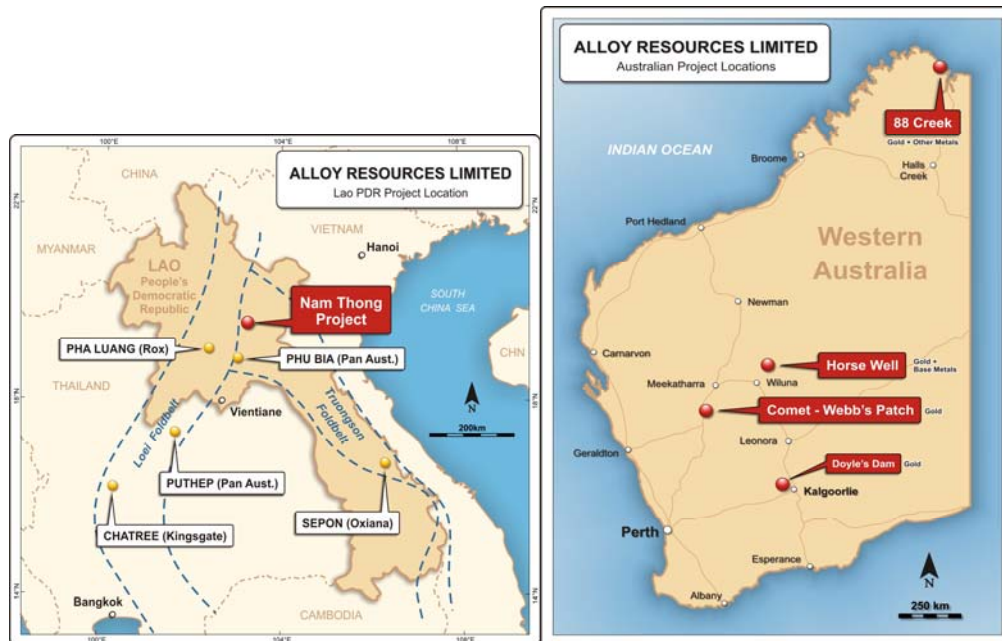


FIGURE 1

ALLOY PROJECT AREAS in LAOS AND WESTERN AUSTRALIA

LAOS PROJECT

In September 2007 a joint venture agreement was signed with a Lao company, Nilandon Mining Development Limited ("Nilandon"), where Alloy can obtain majority interest in a mineral exploration concession under application in Laos. The concession application area covers 700 sq km in the Xiang Khouang province and is adjacent to Pan Australian Resources Limited's Phu Bia concession area. It has excellent potential for hosting large-scale base metal and gold deposits, with one advanced prospect, Nam Thong, ready for drilling. Several base metal and gold prospects have already been identified within the concession area.

A Lao representative office has been established to manage reconnaissance exploration in the Xiang Khouang concession application area, and for review of other resource projects and new exploration areas in Laos. An office has been established in the Lao Capitol, Vientiane, and local staff have been hired to assist with the Company's business activities.

Reconnaissance prospecting for copper-gold mineralisation is being carried out in the concession application area while the application is under review. Company geologists and local workers have been carrying out low impact exploration by soil sampling, pitting and trenching in the eastern part of the concession application area. The Company will commence full scale exploration activities as soon as government approval is obtained for the concession application. The Company has been advised that the concession application is at an advanced stage in the Lao Government review process..

WESTERN AUSTRALIA PROJECTS

Gold resources from the Company's WA projects are currently 78,000 ounces.

HORSE WELL PROJECT

Horse Well is located at the northern end of the Yandal-Millrose Greenstone belt in Western Australia. The Yandal belt hosts the multi-million ounce Darlot-Centenary, Bronzewing and Jundee gold mines, and Horse Well sits 50 kms to the north of the Jundee Gold Mine. The Company owns 100% of the tenement through its subsidiary Eskay Resources Pty Ltd. It is exploring for additional gold and base metal resources, and is studying the viability of open cut gold mining at Palomino and adjacent prospects.

The Horse Well greenstone belt has only been explored in detail along the southern part of the belt, where the Company and previous explorers have identified 78,000 ounces of JORC indicated gold resources in near surface, oxide deposits where weathered rocks are exposed at surface. A GIS study of all open file exploration data, combined with an aeromagnetic interpretation carried out by the Company and a geophysical consulting group, has identified several high priority structural targets in the northern and eastern parts of the greenstone belt (see attached map). These targets have high potential for hosting gold mineralisation, and occur along flexures of major shear zones associated with gold anomalies and major N-NE trending cross faults.

The target areas at Horse Well sit under transported regolith cover and will be tested by a systematic drilling program using rotary air blast or air core drilling as soon as a rig becomes available; anticipated to be in May 2008.

Table 1. Horse Well gold resources.

| PROJECT | PROSPECT | JORC CATGORY | TONNES | GRADE (g/t Au) | OUNCES Au |
|------------|----------|-----------------|---------|-------------------|-----------|
| Horse Well | Palomino | indicated | 607,000 | 2.6 | 53,000 |
| | Bronco | indicated | 22,078 | 2.72 | 1,930 |
| | Filly | indicated | 151,199 | 1.86 | 9,043 |
| | Filly SW | indicated | 62,487 | 7.07 | 14,205 |

total: 78,178

COMET – WEBB’S PATCH AND KURRAJONG PROJECTS, CUE WA

By letter agreement dated 21 March 2008, Alloy has agreed to sell its Comet Gold Project and Kurrajong 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.

The Company also withdrew from the joint venture earn in on tenement E21/115 which sits to the east of the Comet gold mine and is held by Anglo Australian Resources NL.

88 CREEK PROJECT

The Company has withdrawn from the joint venture earn in on the 88 Creek project. The Company has reassessed its participation in the project and decided to withdraw due to logistical and increasing cost issues associated with exploration in this remote location.

DOYLES DAM PROJECT

No field work was carried out on the project during the Quarter.

THAILAND

THAILAND PROJECT GENERATION

The Special Prospecting Licence (SPL) application of 16 sq km in the Tha Tako district of Thailand, in the Company’s joint venture company Nam Thong Mining Co. (Thailand), is under review by the Thai government. The SPL application sits 80 kms to the south of the Chatree Gold Mine, and is in the same volcanic belt. Low order gold anomalies have previously been identified in soils with the SPL application area.

Cash Balance

At 31 March 2008 the Company had cash reserves of \$1,159,000.

For and on behalf of the Board,



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.

For personal use only

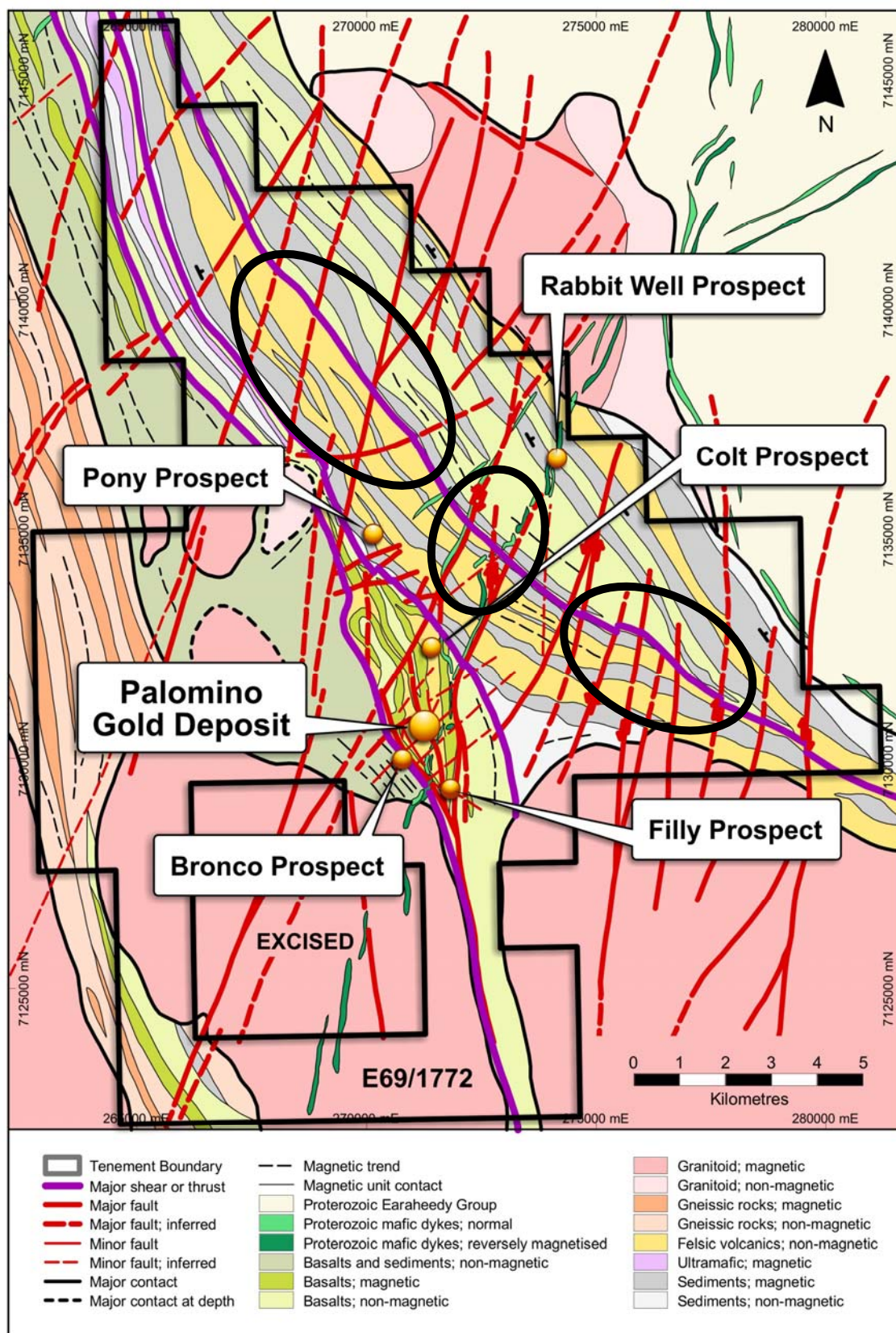


FIGURE 2

GEOPHYSICAL INTERPRETATION OF BEDROCK GEOLOGY AND GOLD TARGET AREAS (BLACK CIRCLES) AT THE HORSE WELL PROJECT IN WA

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

ALLOY RESOURCES LIMITED

ABN

20 109 361 195

Quarter ended ("current quarter")

31 March 08

Consolidated statement of cash flows

| Cash flows related to operating activities | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|-----------------------------------------------------------------|----------------------------|---------------------------------------|
| 1.1 Receipts from product sales and related debtors | - | - |
| 1.2 Payments for (a) exploration and evaluation | (197) | (744) |
| (b) development | - | - |
| (c) production | - | - |
| (d) administration | (74) | (402) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 22 | 91 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Other (provide details if material) | - | - |
| Net Operating Cash Flows | (248) | (1,055) |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: (a)prospects | - | (368) |
| (b)equity investments | - | - |
| (c) other fixed assets | (4) | (4) |
| 1.9 Proceeds from sale of: (a)prospects | 150 | 150 |
| (b)equity investments | - | - |
| (c)other fixed assets | - | - |
| 1.10 Loans to other entities | - | - |
| 1.11 Loans repaid by other entities | - | - |
| 1.12 Other (provide details if material) | - | - |
| Net investing cash flows | 146 | (222) |
| 1.13 Total operating and investing cash flows (carried forward) | (102) | (1,277) |

+ See chapter 19 for defined terms.

For personal use only

Appendix 5B
Mining exploration entity quarterly report

| | | | |
|---------------------------------------------------|------------------------------------------------------------|--------------|--------------|
| 1.13 | Total operating and investing cash flows (brought forward) | (102) | (1,277) |
| Cash flows related to financing activities | | | |
| 1.14 | Proceeds from issues of shares, options, etc. | - | - |
| 1.15 | Proceeds from sale of forfeited shares | - | - |
| 1.16 | Proceeds from borrowings | - | - |
| 1.17 | Repayment of borrowings | - | - |
| 1.18 | Dividends paid | - | - |
| 1.19 | Other (provide details if material) | - | - |
| | Net financing cash flows | - | - |
| | Net increase (decrease) in cash held | (102) | (1,277) |
| 1.20 | Cash at beginning of quarter/year to date | 1,261 | 2,436 |
| 1.21 | Exchange rate adjustments to item 1.20 | - | - |
| 1.22 | Cash at end of quarter | 1,159 | 1,159 |

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

| | | Current quarter \$A'000 |
|------|------------------------------------------------------------------|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 181 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | - |

1.25 Explanation necessary for an understanding of the transactions

- i) Directors Fees - \$32,500
- ii) Directors consulting fees- \$104,917
- iii) Consulting and Occupancy costs paid to Resource Potentials Pty Ltd an entity related to Dr Jayson Meyers - \$35,100
- iv) Accounting and company secretarial fees paid to Endeavour Corporate an entity related to Mr Kevin Hart - \$ 8,790

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

| |
|--|
| |
|--|

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

| |
|-----|
| NIL |
|-----|

Financing facilities available

Add notes as necessary for an understanding of the position.

+ See chapter 19 for defined terms.

For personal use only

Appendix 5B
Mining exploration entity quarterly report

| | Amount available \$A'000 | Amount used \$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities | | |
| 3.2 Credit standby arrangements | | |

Estimated cash outflows for next quarter

| | \$A'000 |
|--------------------------------|------------|
| 4.1 Exploration and evaluation | 300 |
| 4.2 Development | - |
| Total | 300 |

Reconciliation of cash

| Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | Current quarter \$A'000 | Previous quarter \$A'000 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank | 176 | 63 |
| 5.2 Deposits at call | 983 | 1,213 |
| 5.3 Bank overdraft | - | - |
| 5.4 Other (provide details) | - | - |
| Total: cash at end of quarter (item 1.22) | 1,159 | 1,276 |

Changes in interests in mining tenements

| | Tenement reference | Nature of interest (note (2)) | Interest at beginning of quarter | Interest at end of quarter |
|-----|-----------------------|----------------------------------|----------------------------------------|----------------------------------|
| 6.1 | - | - | - | - |
| 6.2 | - | - | - | - |

+ See chapter 19 for defined terms.

For personal use only

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

| | Total number | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|--------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|---------------------------|-------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| 7.1 Preference securities <i>(description)</i> | | | | |
| 7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions | | | | |
| 7.3 +Ordinary securities | 73,696,580 | 61,021,580 | | Fully paid |
| 7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs | | | | |
| 7.5 +Convertible debt securities <i>(description)</i> | | | | |
| 7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted | | | | |
| 7.7 Options <i>(description and conversion factor)</i> | 200,000 35,000,000 250,000 4,000,000 | - 35,000,000 - - | <i>Exercise price</i> 30 cents each 20 cents each 30 cents each 25 cents each | <i>Expiry date</i> 30 June 2009 6 April 2009 25 July 2011 30 November 2012 |
| 7.8 Issued during quarter | - | - | | |
| 7.9 Exercised during quarter | | | | |
| 7.10 Expired during quarter | | | | |
| 7.11 Debentures <i>(totals only)</i> | | | | |
| 7.12 Unsecured notes <i>(totals only)</i> | | | | |


+ See chapter 19 for defined terms.

For personal use only

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:


(Director/Company secretary)

Date: 30 April 2008

Print name: **Kevin Hart**

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==

+ See chapter 19 for defined terms.

For personal use only