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

NEW MINERAL RESOURCE ESTIMATE FOR HORSE WELL, 26% INCREASE IN OUNCES

- The Horse Well mineral resource has increased by 26% from 78,000ozs to 98,550ozs

HORSE WELL PROJECT

Alloy Resources Limited (ASX: AYR) is pleased to announce that the gold mineral resource at Horse Well has increased to 1,005,100t @ 3.05g/t for **98,550ozs** (Table 1). This is a 26% increase on previous estimates and is attributed to the inclusion of data obtained from recent drilling programs undertaken by the Company in the project area.

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 and 90 kms to the north of Wiluna (Figure 1). The Company owns 100% of the project tenement through its subsidiary Eskay Resources Pty Ltd, and there are a number of tenements over ground surrounding the Horse Well tenement giving the Company a significant land position in the Yandal-Millrose Greenstone belt.

Prospect	JORC Category	Tonnes	Grade (g/t)	Ounces
Palomino	Indicated	607,000	2.60	53,000
	Inferred	105,000	3.71	12,525
Bronco	Indicated	41,400	1.59	2,117
Filly	Indicated	161,300	1.56	8,091
Filly SW	Indicated	90,400	7.85	22,817
Total		1,005,100	3.05	98,550

Table 1. Horse Well gold resources.

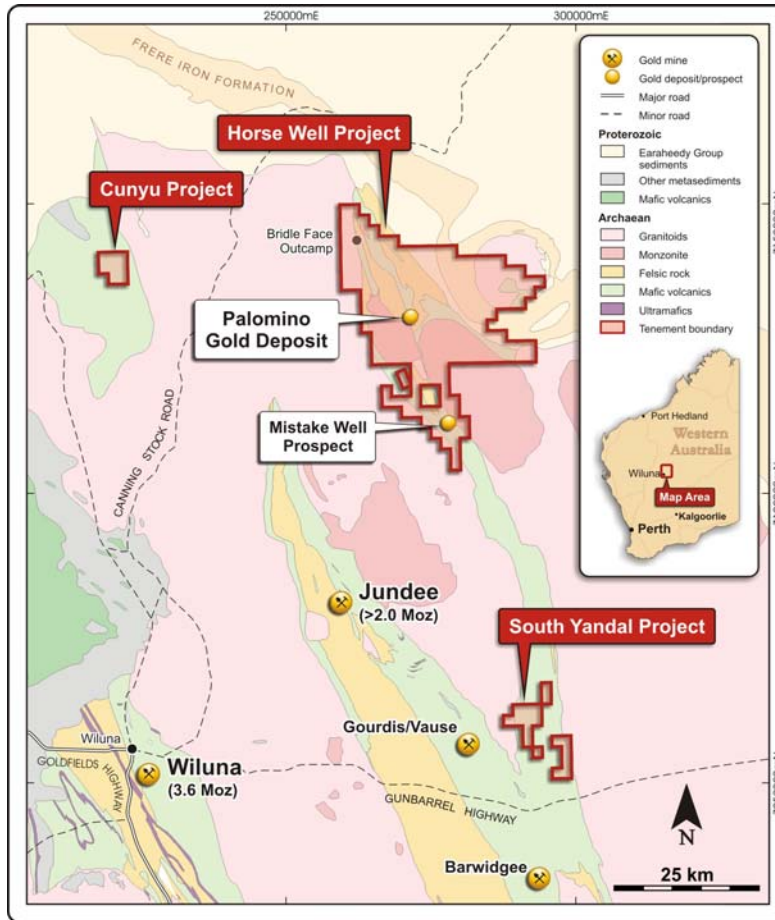


Figure 1. Alloy's tenements in the Yandal Greenstone Belt.

For further information contact:

Peter Hepburn-Brown
Managing Director
Alloy Resources Limited
Telephone 0407893339
www.alloyres.com

PARAMETERS USED FOR INTERSECTION SELECTION

PALOMINO AREA

Rock Type	Cut Off Grade	Minimum Mining Width	Edge Dilution	Bulk Density
OXIDE	0.5g/t	2m downhole	0.5m	1.8
TRANSITION	0.75g/t	4m downhole	1.0m	2.3
FRESH	1.0g/t	4m downhole	1.5m	2.8
INFERRED FRESH	2.0g/t	5m downhole	1.0m	2.8

BLOCK MODEL

INDICATED ABOVE 475m RL	All Blocks within Intersection Selection shapes
INDICATED BELOW 475m RL	All Blocks above 1.5g/t
INFERRED BELOW 475m RL	All Blocks above 2.0g/t

BRONCO, FILLY AND FILLY SW AREAS

Rock Type	Cut Off Grade	Minimum Mining Width	Edge Dilution	Bulk Density
OXIDE	0.2g/t	5m downhole	0.0m	1.8
TRANSITION	0.2g/t	5m downhole	0.0m	2.3
FRESH	0.2g/t	5m downhole	0.0m	2.8

BLOCK MODEL

All blocks above 0.54g/t inside an optimized pit using \$1,300 AUD gold price.
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The resources in this release are based on work carried out by Dr. S. Carras FAus/MM of Carras Mining Pty Ltd. Dr. Carras has 30 years of 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 "Australian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves" and consents to the inclusion in this report of the information in the form and context in which it appears.