

# Alloy

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## **BARRYTOWN MINERAL SANDS PROJECT – APPLICATION FOR EXPLORATION PERMIT**

Alloy Resources Limited is pleased to announce that it has applied for an exploration permit over the Barrytown Mineral Sands deposit located on the South Island of New Zealand, 28 kms north of the port of Greymouth.

The Company is waiting for government approval of this permit and anticipates that this approval could be obtained during the coming quarter.

Barrytown was settled in the 1870's as an alluvial gold mining centre, but became the focus of mineral sands in the mid 1960's.

Extensive historical exploration undertaken by previous explorers has outlined a potentially significant mineral sands deposit at Barrytown.

### **BARRYTOWN PROJECT**

The exploration application area comprises a coastal lowland strip up to 1.5 km wide within a coastal embayment that stretches over 17 km from Razorback Point in the north to Seventeen Mile Bluff in the south (Figure 1). Most of the area lies below an elevation of 20 m above sea level and is backed to the east by steep slopes along an old sea cliff.

The Barrytown Flats contain a geologic sequence of Quaternary shorelines and local alluvial fan deposits that have, in places, been obscured by historic gold mining activity, particularly in the south.

The flats contain marine placer mineral concentrations of ilmenite, gold and other associated heavy minerals in minor amounts. The ilmenite bearing sands are concentrated into a series of strand lines developed along the beachfront, and along sediment barriers from longshore drift and local stream deposits that have become stranded as the coastline prograded seaward; with lagoonal deposits formed on the eastern side. This has had the effect of elongate higher-grade zones on the former strand lines being surrounded by lower grade finer sands.

Ilmenite and associated minerals, such as zircon, titanomagnetite, garnet, cassiterite, and traces of monazite, rutile, and gold, also occur in the marine placers. These minerals are considered to have been derived mainly from the schist terrane to the east of the Alpine Fault.

## BARRYTOWN PROJECT (CONTINUED)

A trace amount of alluvial gold is also present as a fine-grained component of the ilmenite bearing sands at Barrytown. Historical gold mining produced over 62,000 oz from terrace gravels and beaches. The gold is typical of the West Coast beach deposits that are essentially reworked detrital gold, being continuously washed downstream by rivers and reconcentrated in the active surf zone with other heavy minerals, such as ilmenite, in lenticular “blacksand leads.”

The company plans to engage an independent expert to undertake a review of the historical exploration data with a view to developing an exploration target and or a JORC Code compliant resource statement for the project.

## PROPOSED EXPLORATION PROGRAMS ON GRANT

- ❖ Review historical exploration and mining feasibility data to focus and develop an exploration target/resource statement.
- ❖ Review historical metallurgical test work on ilmenite and the recoveries of the zircon, rutile and gold.
- ❖ Review application of new technologies to upgrade  $TiO_2$  from ilmenite and recover gold and other minerals during production of ilmenite concentrate.
- ❖ Design a sampling and metallurgical testing program based on the outcome of the above.

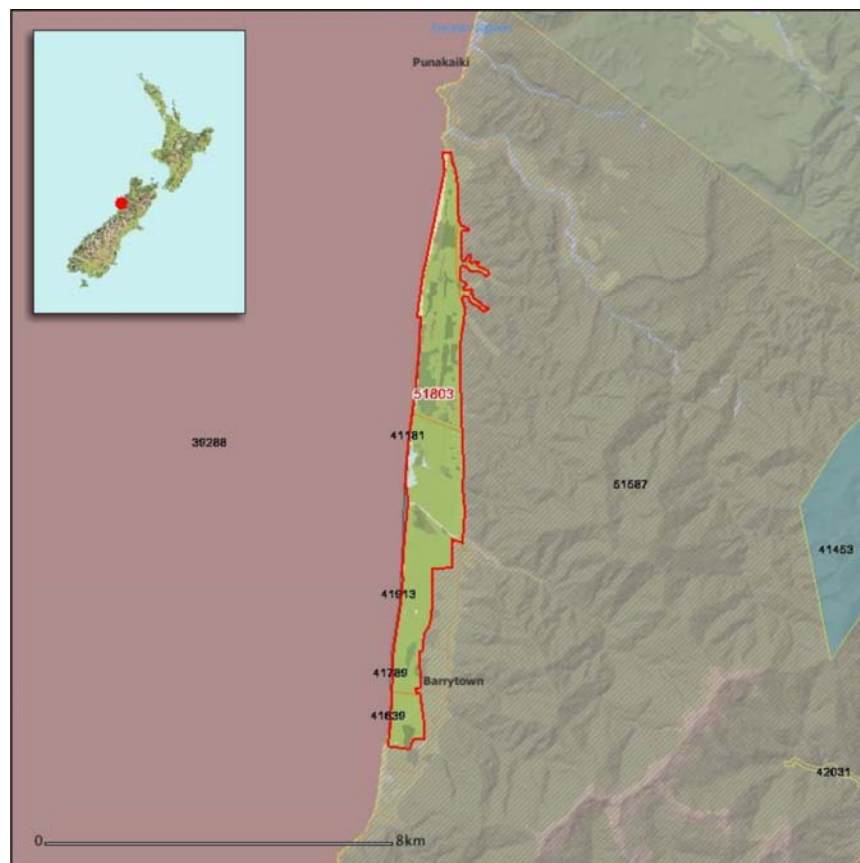


Figure 1. Alloy Resources' exploration permit application EP51803 covering 1,352 Ha of the Barrytown Flats mineral sands deposits.

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*The information in this report which relates to Exploration Results is based on information compiled by Dr. Jayson Meyers, a 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*

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