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

Dear Sir/Madam,

Reconnaissance Drilling Identifies New Gold Anomalous Area

Highlights

- **Results include intersections of 1.57ppm Au, 0.54 ppm Au, 0.70ppm Au and 0.51ppm Au . All are over 4m intervals.**
- **New large area of mineralisation identified, 3.4sq kms – now called "Mustang"**
- **Follow up RC drilling to commence in early May.**

Horse Well Air-Core Drilling Results

.A total of 101 air-core drillholes were completed in March for 6,878 metres. The drilling program was designed to follow up on encouraging gold values obtained in several regional exploration holes during the last drilling campaign and to explore across interpreted trends of gold mineralisation in a prospective part of the greenstone belt.

The reconnaissance drilling was carried out on a widely spaced pattern of 200 m by 400 m, where holes were drilled to the fresh bedrock interface, which was found to be at an average depth of 68 m. Drill samples were composited over 4 metre intervals and assayed for gold down to 0.001 ppm or 1 ppb Au. Any gold assay values greater than 0.05 ppm in the 4 m composite samples are considered to be significant and warrant follow up exploration, such as infill drilling.

Of the 101 holes drilled in the last program, 35 of these holes returned gold values of 0.05 ppm Au or more (Table 1). One hole, AHWA218, returned 1.57 ppm Au over a 4 m interval from 60 m depth. The fresh bedrock in the area around this drillhole is basalt with pyrite, white mica and silica alteration, suggesting a significant mineralisation system could exist in the area.

The anomalous gold values from the recent air-core drilling occur in an area covering 3.4 sq kms, which is now referred to as the "Mustang Prospect" (Figure 1).

The Company will commence reverse circulation (RC) drilling at its Filly and Palomino prospects in May (*see AYR announcement to the ASX on 8 April 2010*). During this campaign, 4 RC drillholes to 240 m depth will be drilled across this pyrite altered basalt zone near hole AHWA218 in the Mustang Prospect. The remainder of the drillholes with gold anomalies in the Mustang Prospect will be followed up with closer spaced air-core drilling after the RC drilling campaign.

About the Horse Well Gold 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 and 90 kms to the north of Wiluna. 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. There are also a number of new applications in the name of Alloy Resources surrounding the Horse Well tenement, potentially giving the Company a significant land position in the Yandal-Millrose Greenstone belt (Figure 2).

The Horse Well portion of the greenstone belt has only been explored in detail along the southern part, where the Company and previous explorers have identified 78,000 ounces of JORC indicated gold resources in near surface, oxide deposits where weathered bedrock is exposed at surface (Table 2).

Table 2. Horse Well gold resources.

PROJECT	PROSPECT	JORC CATEGORY	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**

Yours faithfully,
ALLOY RESOURCES LIMITED

Peter Hepburn-Brown
Managing Director

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 Fellow 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.

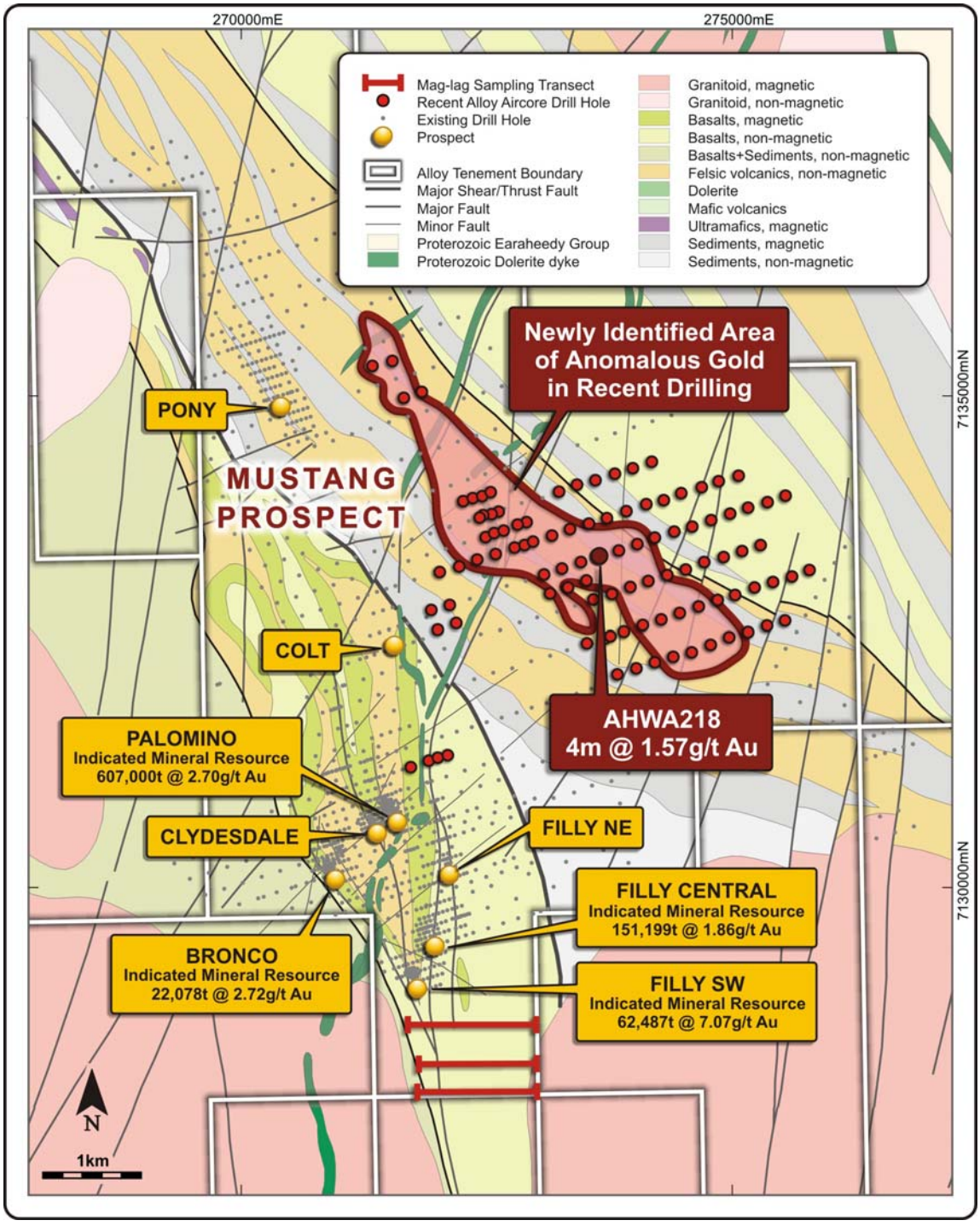

Figure 1. Recently completed air-core drillholes (red dots) in relation to a bedrock interpretation of the geology and location of pre-existing drillholes (grey dots). The newly identified Mustang Prospect outline shown. Also shown are the locations of 3 mag-lag geochemical transects.

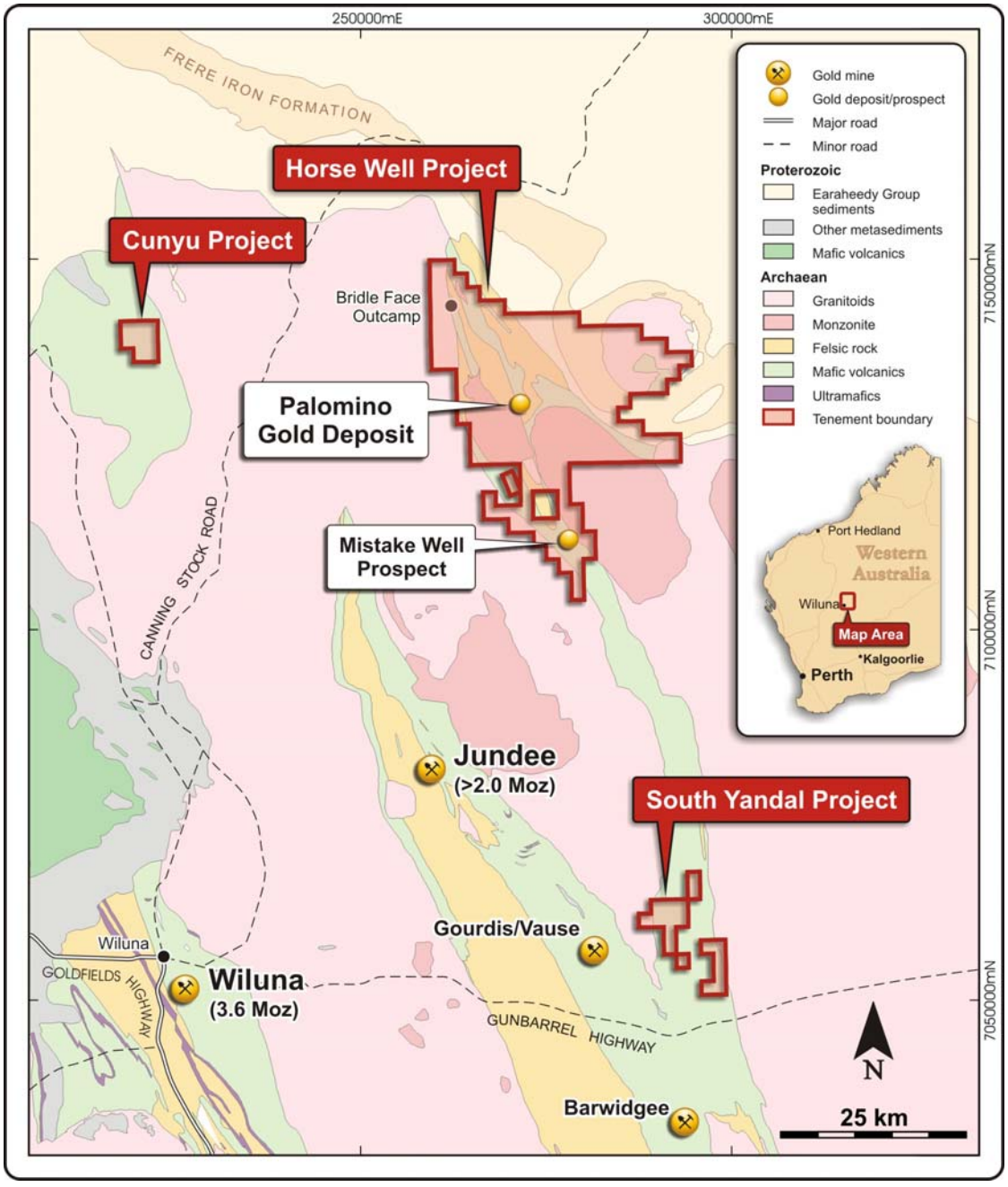

Figure 2. Alloy Resources Limited's land position in the Yandal-Millrose greenstone belt.

Table 1. Gold assay values of 0.05 ppm or more from recent air core drilling at the Horse Well project.

Hole ID	From (m)	To (m)	Au (ppm)
AHWA174	80	84	0.09
AHWA174	84	88	0.09
AHWA174	88	92	0.05
AHWA174	92	93	0.10
AHWA175	56	60	0.07
AHWA175	116	117	0.06
AHWA176	80	84	0.27
AHWA178	**52**	**56**	**0.54**
AHWA178	56	60	0.30
AHWA178	60	64	0.11
AHWA179	28	32	0.05
AHWA179	32	36	0.09
AHWA180	52	56	0.22
AHWA183	44	48	0.18
AHWA183	96	100	0.14
AHWA183	100	104	0.36
AHWA183	104	108	0.07
AHWA184	92	96	0.07
AHWA185	84	88	0.06
AHWA185	88	92	0.06
AHWA188	68	72	0.19
AHWA189	20	24	0.14
AHWA189	**112**	**116**	**0.70**
AHWA196	0	4	0.05
AHWA199	52	54	0.12
AHWA200	56	60	0.12
AHWA200	68	72	0.12
AHWA202	8	12	0.11
AHWA202	12	16	0.26
AHWA202	28	32	0.06
AHWA202	56	57	0.14
AHWA205	48	52	0.22
AHWA205	52	56	0.07
AHWA205	72	76	0.06
AHWA205	76	80	0.05

Hole ID	From (m)	To (m)	Au (ppm)
AHWA210	24	28	0.11
AHWA215	48	52	0.07
AHWA216	64	68	0.07
AHWA216	80	84	0.15
AHWA218	56	60	0.05
AHWA218	**60**	**64**	**1.57**
AHWA218	64	68	0.21
AHWA218	68	72	0.05
AHWA219	64	68	0.05
AHWA220	32	36	0.20
AHWA229	32	36	0.05
AHWA231	52	56	0.06
AHWA234	28	32	0.06
AHWA235	52	56	0.06
AHWA238	24	28	0.10
AHWA238	28	32	0.18
AHWA246	28	32	0.06
AHWA247	12	16	0.06
AHWA247	64	68	0.10
AHWA247	84	88	0.08
AHWA249	**28**	**32**	**0.51**
AHWA259	32	36	0.07
AHWA262	40	44	0.12
AHWA262	56	60	0.05
AHWA262	60	64	0.24
AHWA266	56	60	0.10
AHWA268	56	60	0.06
AHWA268	60	64	0.07
AHWA270	32	36	0.13
AHWA270	72	76	0.05
AHWA270	76	80	0.29