



Alloy Resources (ASX: AYR)

# Alloy Resources Running Hot Across Two Commodities

Alloy Resources (ASX: AYR) is keeping two lots of drill rigs busy exploring for two currently hot commodities—gold and cobalt.

DRILLING HAS ADVANCED THE HORSE Well Joint Venture with Doray Minerals (ASX: DRM) (60%): Alloy Resources (40%), located in the Warburton Mineral Field of Western Australia.

Last year the JV completed \$2 million worth of exploration on the 1,000-square kilometre project, including the second phase of a program consisting approximately 390 aircore drill holes, following regional first pass drilling of an untested 7.5-kilometre section of the greenstone belt south of the Django prospect.

Three large anomalous gold trends were identified extending south from the Django and Crack of Dawn South prospects:

- » A 7-kilometre-long eastern anomaly;
- » A 6-kilometre-long central anomaly; and
- » A 3-kilometre-long western anomaly.

Drilling determined the eastern and central anomalies are associated

with a newly defined extensive granite intrusive that appears to intrude the Celia Shear at the contact between western sedimentary units and eastern mafic units.

Best results included:

- » **HWAC874**  
20 metres at 0.27 grams per tonne gold from 56 mdh;
- » **HWAC915**  
8m at 0.84g/t gold from 64 mdh;
- » **HWAC995**  
4m at 1.49g/t gold from 72 mdh;
- » **HWAC1039**  
8m at 0.35g/t gold from 56 mdh;
- » **HWAC1053**  
4m at 0.84g/t gold from 48 mdh;
- » **HWAC1144**  
28m at 0.33g/t gold from 52 mdh; and
- » **HWAC1153**  
4m at 0.9g/t gold from 76 mdh.

“Identifying three trends of anomalous gold at three, six and seven strike kilometres along the greenstone belt with the first pass round of drilling at Horse Well First is pretty enticing.”

Alloy Resources managing director Andy Viner told *The Resources Roadhouse*.

“And it is still going, which means there are a lot of reasons to keep exploring strongly up there.

“Another thing from the drilling program was some very interesting geology in these granite intrusives coming up along the main Celia Shear structure—which was quite unexpected.

“It’s too early to make predictions about what we may find at Horse Well, but the Dusk to Dawn discovery was located on a similar margin of a granite intrusive.

“So, we’re getting a similar geological model happening again, only this time it’s happening on a much larger scale.”

The junction where the granite has intruded is interpreted to be the location of the Celia shear, where gold mineralisation occurs over 60km of strike to the south, with 375,000 ounces of Gold Mineral Resources defined and numerous other gold occurrences.

The first-pass drilling showed gold mineralisation associated with this junction and is where the parallel 6km and 7km-long continuous anomalous trends occur.

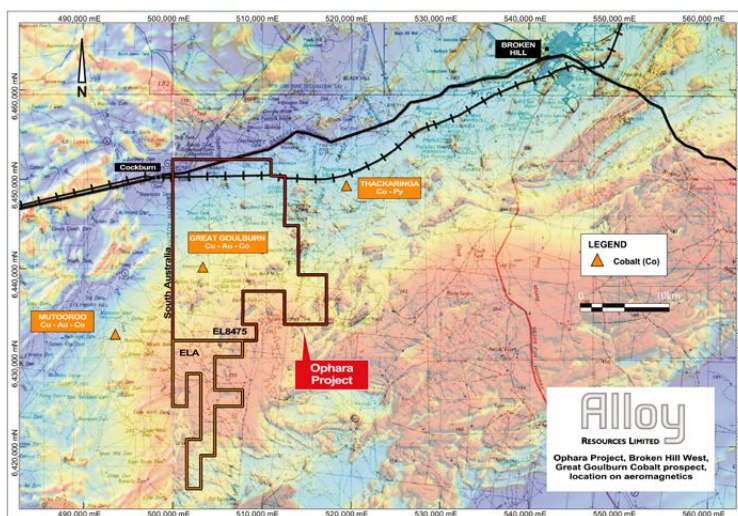
The third anomaly is located to the west, extending over 3km along the western contact of a siltstone unit.

The JV considers another Dusk til Dawn-style discovery a strong possibility.

A program of follow-up aircore drilling is planned to test these anomalies.

With Doray looking after Horse Well, Alloy Resources sought a new project to explore on its own.

Perhaps another gold project or



joining the market's recent enthusiasm for lithium.

"We had a copper project in South Australia, which meant we are familiar with the Flinders Range area extending across to Broken Hill," Viner explained.

"We thought there could be some lithium potential out there—but then we noticed a substantial amount of cobalt potential."

For the benefit of those who haven't been paying attention, cobalt and cobalt explorers, are generating a great deal of interest of late as demand and price for the mineral increased due to it being a component in lithium batteries.

It is often produced as a by-product of copper, and with a hefty percentage of cobalt production (>40%) emanating from the Democratic Republic of Congo a certain amount of sovereign risk is in play.

Increasing demand and an uncertain supply led Alloy to consider exploration for cobalt in a low risk jurisdiction is a sound strategy.

"There was no vacant ground in South Australia, but there was near Broken Hill, which we pegged and commenced researching the ground and surrounding area.

"As it turns out we are sitting right next door—in probably similar geology—to the 30,000 tonnes of cobalt Thackaringa deposit of the recent Cobalt Blue IPO—a spinout from Broken Hill Prospecting.

"To the west, on the other side of our lease, Havilah Resources has the Mutooroo deposit, which contains some 17,540 tonnes of cobalt.

"There is clearly a new cobalt province developing out here and our then-250-square kilometre EL had one identified prospect sitting in the middle with reasonable cobalt grades, and nobody has really given this area any serious exploration to see what else might be there.

"My exploration head tells me that we could potentially be sitting in a really good position."



Alloy pegged the Ophara project, located around 50km from Broken Hill, last year and quickly determined a sizeable area of cobalt-gold mineralisation at the Great Goulburn prospect.

Armed with the historic information and having checked out the neighbours, Alloy was compelled to apply for additional vacant ground at the south of the project, taking its landholdings to 314sqkm.

The new area contains the same geological units and is also largely unexplored.

Alloy considers the Great Goulburn prospect has similarities to the adjacent cobalt occurrences, yet having unique properties in that it possesses low-copper and high-gold mineralisation associated with the cobalt.

Surface rock chip and soil sampling has defined a 1.5-kilometre-long zone of cobalt mineralisation at Great Goulburn while historic drilling was limited to six widely spaced drill holes, four of which confirmed consistent subsurface mineralisation.

From the historic work, Alloy realised past explorers were targeting more Broken Hill-style base metal mineralisation or Cloncurry-style iron formation hosted copper-gold.

"That meant cobalt was not a focus back then, but what they have left for us across the EL area is some other interesting cobalt gossans similar to Great Goulburn for us to follow up," Viner said.

Alloy recently completed a 12 hole RC drill program to define the strike and depth potential of the known cobalt-gold mineralisation at the Great Goulburn prospect and to define the mineralisation over strike of approximately one kilometre.

Some of the holes should also explain the nature of extensive gossanous quartz veined structures with anomalous rock chip samples that have not previously been tested by drilling.

Alloy Resources is confident the Great Goulburn prospect, and the general Exploration area, holds a great deal of potential to deliver the discovery of a substantial cobalt-gold region at a time when both commodities are enjoying times of renewed interest.

The project has already produced higher cobalt grades than Thackaringa and are not part of a large low-priority copper-gold Resource such as that at Mutooroo.

With the first drilling program completed, Alloy is using both new and historic data available to determine the style and characteristics of the Great Goulburn mineralisation.

Upcoming work at Great Goulburn, and other targets within the Ophara project area, will include orientation soil sampling of mineralised outcrop, and to investigate the possibility of using aerial geophysical surveying to identify more Great Goulburn-style mineralisation elsewhere within the project area.

Armed with this evolving new model, there is a great chance that exploration will quickly show up new areas of cobalt and gold mineralisation...and perhaps some copper as well. 🏠

## The Short Story

Alloy Resources Limited (ASX: AYR)

### HEAD OFFICE

Suite 6, 7 The Esplanade  
Mount Pleasant WA 6153

Phone: +61 8 9316 9100

Email: [info@alloyres.com.au](mailto:info@alloyres.com.au)

Web: [www.alloyres.com.au](http://www.alloyres.com.au)

### DIRECTORS

Andrew Viner, Kevin Hart, Andre Marschke

w4w media

[resourcesroadhouse.com.au](http://resourcesroadhouse.com.au)

This article was commissioned by the featured company. Reliance should not be placed on this article when making a commercial or other decision. All persons are recommended to seek independent professional advice in this regard. Word4Word Media disclaims all liability or responsibility for any direct or indirect loss or damage suffered by any person or entity through relying on anything contained in, or omitted from, this publication.

© Copyright Word 4 Word Media February 2017