

## **Option over a Horse Well Gold Project Exploration Licence Exercised for \$50,000**

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### **Summary:**

- Phosphate Australia Limited (POZ) is pleased to announce the sale of 80% of tenement E69/2820 to Alloy Resources Limited (ASX: AYR). The tenement is situated approximately 75km north-east of Wiluna in the Warburton Mineral Field of Western Australia
- The sale price is \$50,000 Australian dollars equivalent, payable as \$25,000 in cash and the balance in the form of 3,125,000 shares in AYR (equivalent to \$25,000 at \$0.008 per AYR share).

This sale is pursuant to the Option Agreement between POZ and AYR dated 12 September 2012. AYR will continue to operate the tenement under the terms of an unincorporated joint venture. POZ retain a 20% interest in E69/2820 which is free carried up to the completion of a bankable feasibility study.

E69/2820 is a part of AYR's Horse Well Gold Project which lies approximately 50km north-east of the major Jundee gold mine.

The Directors of Phosphate Australia believe this sale is an excellent outcome for the Company. It gives POZ a free carry in a significant gold exploration project with a proven and capable operator. It is the intention of POZ for the cash component of the sale to be used for general working capital.

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