

**ASX
ANNOUNCEMENT**

30 JULY 2018

CODE: ALY

BOARD OF DIRECTORS

Mr Lindsay Dudfield
Non-Executive Chairman

Mr Leigh Ryan
Managing Director

Ms Liza Carpena
Non-Executive Director

Mr Anthony Ho
Non-Executive Director

ISSUED CAPITAL

SHARES 440,419,481

OPTIONS 29,500,000 (Unlisted)

PROJECTS

WEST LYNN (earning up to 80%)

LACHLAN (earning up to 80%)

KARONIE (100%)

BRYAH BASIN (80-100%)

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Alchemy completes Phase 1 resource drilling and confirms previous drill assays from the West Lynn Project, NSW

HIGHLIGHTS

- Phase 1 resource drilling completed at the West Lynn Project; assay results expected late August.
- Phase 2 resource drilling to due to commence in August.
- Analysis of laboratory pulps from historical West Lynn drilling identifies broad, high grade aluminium (Al) intercepts including:
 - 23m @ 14.3% Al₂O₃
 - 17m @ 15.1% Al₂O₃
 and confirms previous high grade nickel-cobalt intercepts including:
 - 14m @ 1.36% Ni, 0.08% Co

Alchemy Resources Limited (ASX: ALY) ("Alchemy") is pleased to announce the completion of Phase 1 resource drilling within the West Lynn Nickel-Cobalt Project in the Lachlan Fold Belt, NSW (*Figure 1*). The Project forms part of the farm-in and joint venture agreement with Heron Resources Limited (ASX: HRR) which enables Alchemy to earn an 80% interest in eight NSW licences (including the West Lynn licence) by spending \$1.5M over the remaining 3 year period¹.

The drilling has been designed to advance the existing West Lynn Nickel-Cobalt Exploration Target of **15 - 30Mt @ 0.7 - 0.9% Ni, 0.05 - 0.07% Co**¹ to a JORC 2012 compliant inferred resource estimate. The Exploration Target has previously been classified as an indicated resource by Jervois Mining under the JORC Code 2004 Edition².

¹ Refer to Alchemy Resources ASX Announcement dated 13 April 2018

² Refer to Alchemy Resources ASX Announcement dated 14 March 2018

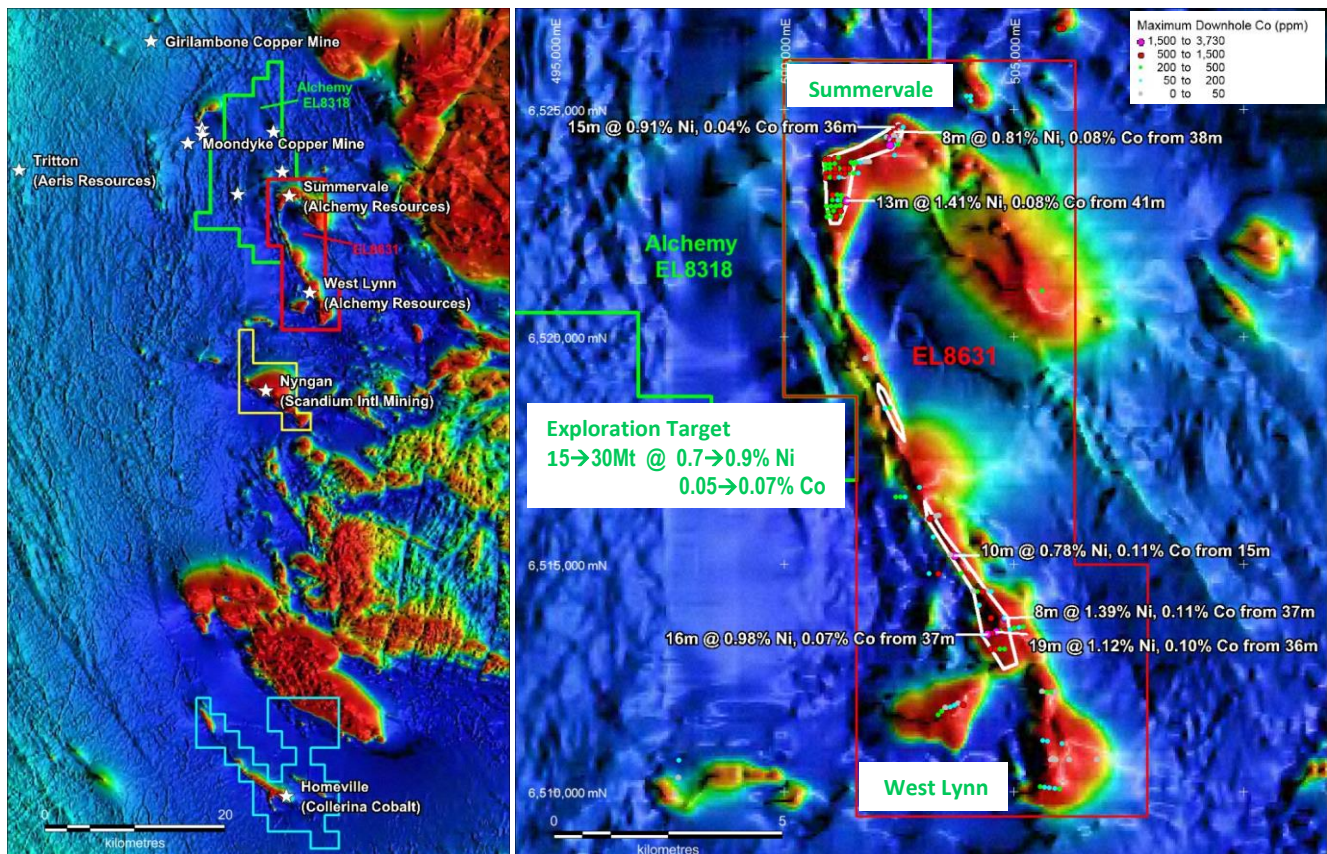


Figure 1: Regional Ni-Co±Sc deposits and selected licences over State-wide TMI aeromagnetic image (left) and Alchemy licences (EL8631 & EL8318), previous drill intercepts and drilling coloured by maximum downhole Co (ppm) and Ni-Co mineralisation outline (white) over State-wide TMI aeromagnetic image (right)

Summervale Prospect

Thirty six (36) Phase 1 aircore drill holes (SV001 – 036) totalling 1,805m were completed at the Summervale Prospect (Figure 2) with the aim of infilling previous drill intercepts including **13m @ 1.41% Ni, 0.08% Co from 41m** and **15m @ 0.91% Ni, 0.04% Co from 36m**³ to a 100m x 100m, and 100m x 200m drill spacing which Alchemy considers will be sufficient for a JORC Code 2012 compliant inferred resource category. Most drill holes intercepted broad zones (up to 30m thick) of pale cream to white (aluminium-rich) clay above variably limonitic and ferruginous clay and saprolite before intercepting weathered serpentinite.

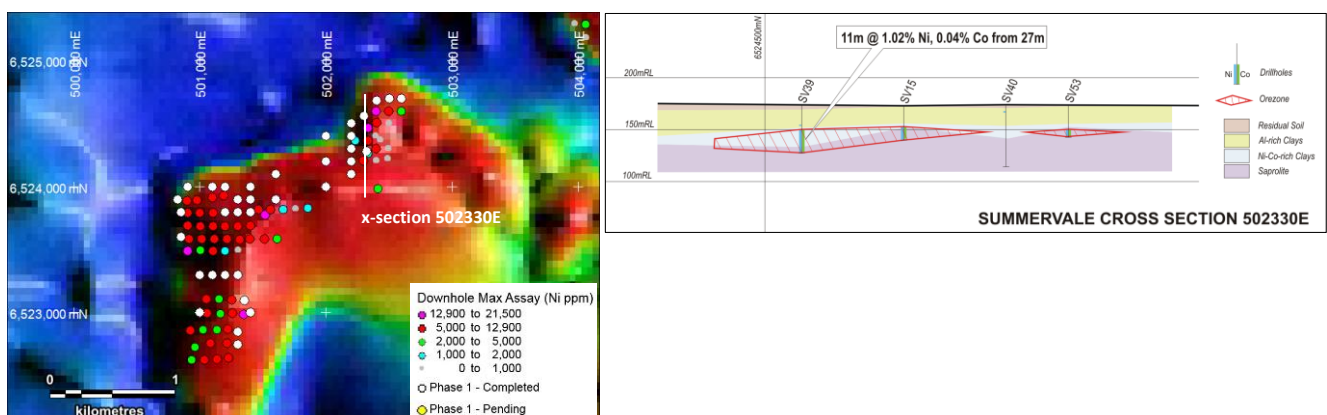


Figure 2: Plan and cross section of Summervale Prospect, showing proposed resource drilling (white dots), previous drilling (coloured by Ni ppm) over State-wide TMI aeromagnetic image (left), and previous drilling cross section showing ore zones and geology (right).

³ Refer to Alchemy Resources ASX Announcement dated 14 March 2018

West Lynn Prospect

Twenty three (23) Phase 1 aircore drill holes (WL001 – 023) totalling 804m were completed at the West Lynn prospect (*Figure 3*) with the aim of infilling previous drill intercepts including **19m @ 1.21% Ni, 0.10% Co** from 36m, **16m @ 0.98% Ni, 0.07% Co** from 37m, and **11m @ 0.74% Ni, 0.05% Co** from 45m⁴, to a 100m x 200m drill spacing which Alchemy considers will be sufficient for a JORC Code 2012 compliant inferred resource category. The West Lynn Prospect drill holes intercepted narrower zones of pale cream to white clay (up to 20m thick) above broad zones of limonitic clay and saprolite before intercepting variably weathered serpentinite and ultramafic units.

Samples from both prospects were riffle split and collected at one metre intervals. All samples have been submitted for analysis for a variety of elements including Ni, Co, Al, Sc, Fe & Mg. Specific gravity measurements and metallurgical studies will also be completed on selected samples. Assay results are expected intermittently over the next 4 weeks.

Follow up drilling at the West Lynn Prospect is expected to re-commence in 3 to 4 weeks time, following a review of assay results from the Phase 1 drilling program.

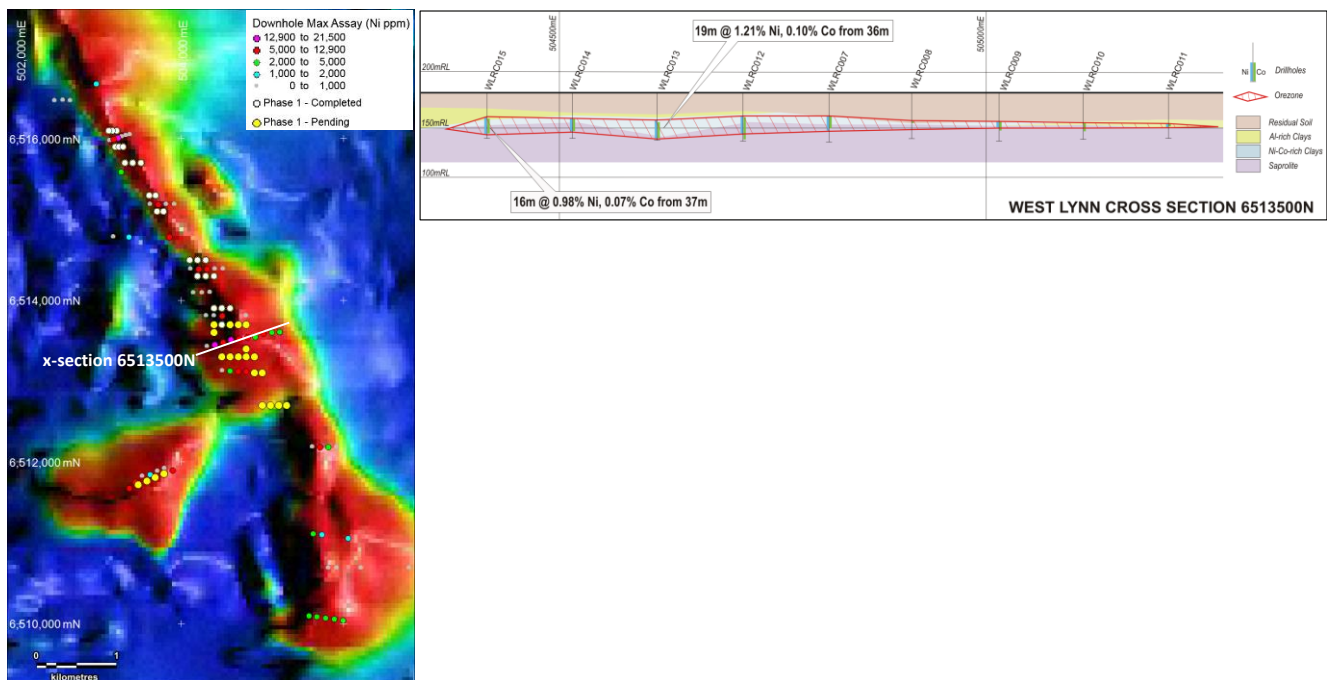


Figure 3: Plan and cross section of West Lynn Prospect, showing proposed resource drilling (white dots), previous drilling (coloured by Ni ppm) over State-wide TMI aeromagnetic image (left), and previous drilling cross section showing ore zones and geology (right).

Analysis of Historic Aircore Drill Sample Pulps

As a result of limited previous Scandium (Sc), Aluminium (Al) and Iron (Fe) analysis being conducted on historic drill samples, 246 laboratory pulp samples from 24 previous Jervois Mining Limited holes drilled at the West Lynn and Summervale prospects were sourced and analysed for Ni, Co, Sc, Al and Fe. The samples included eight Summervale holes (146 samples) and sixteen West Lynn holes (100 samples) (*Figure 4*). Unfortunately the majority of available pulps were from holes drilled outside the main area of mineralisation, and not all samples in each intercept were available, however the pulp analysis provided good QAQC (duplicate analysis) on existing Ni, Co, Fe and Al assays.

⁴ Refer to Alchemy Resources ASX Announcement dated 14 March 2018

Comparison intercepts (Appendix 1) and Table A below show a good correlation between original results and pulp resample results, and gives Alchemy a higher level of confidence in the analytical accuracy of previous Jervois drill samples. High grade Al intercepts with corresponding low Fe values (not previously analysed) were returned from a pale cream clay zone immediately above the Ni-Co mineralisation at Summervale, including:

- 23m @ 14.3% Al₂O₃, 3.0% Fe₂O₃ from 20m (SV1)
- 17m @ 15.1% Al₂O₃, 4.9% Fe₂O₃ from 19m (SV2)
- 17m @ 14.7% Al₂O₃, 2.1% Fe₂O₃ from 23m (SV4)
- 15m @ 15.7% Al₂O₃, 8.9% Fe₂O₃ from 22m (SV5)
- 15m @ 15.6% Al₂O₃, 5.2% Fe₂O₃ from 15m (SV6)

Significant Ni-Co intercepts from Summervale and West Lynn confirmed in the pulp analysis included:

- 9m @ 0.72% Ni, 0.04% Co from 40m (SV4)
- 9m @ 0.86% Ni, 0.04% Co from 32m (SV6)
- 14m @ 1.36% Ni, 0.08% Co from 40m (SV44)
- 4m @ 0.59% Ni, 0.09% Co, 11.7% Al₂O₃ from 32m (Na10)

Scandium results included only 14 samples greater than 50ppm to a maximum of 100ppm Sc.

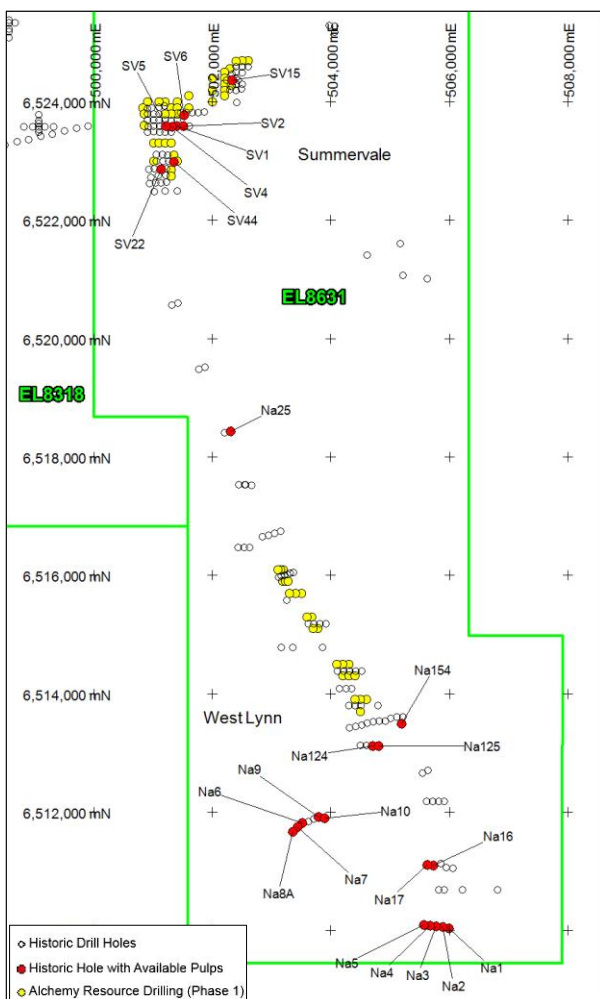


Figure 4: Plan showing historic drilling, recent Alchemy drilling and labelled historic drilling with available pulps (now re-analysed) at the West Lynn and Summervale prospects (GDA94 zone 55)

Table A: QAQC summary of original Jervois drill samples analysis vs. recent pulp analysis

Element	No. Duplicate Samples	Sum Original Assays (SO)	Sum Pulp Assays (SP)	SO-SP/SO*
Ni ppm	125	623,630	601,420	3.6%
Co ppm	158	31,390	32,400	-3.2%
Al ₂ O ₃ %	20	103.9	104.2	-0.3%
Fe ₂ O ₃ %	20	561	559	0.3%

* Negative value = pulp analysis returning an overall higher grade

The West Lynn / Summervale mineralisation is geologically, mineralogically, and potentially metallurgically similar to the Homeville Ni-Co-Al deposit 40km to the south held by Collierina Cobalt Limited (ASX: CLL) (*Figure 1*). The Homeville JORC 2004 indicated and inferred resource is 16.3Mt @ 0.05% Co, 0.93% Ni, 3.1% Al & 19% Fe (Ind. & Inf.) (*refer to Collierina Cobalt Limited company presentation dated 6 March 2018*).

Alchemy also sees potential for significant expansion of the Ni-Co Exploration Target and subsequent resource by drilling untested sections of the 22km long West Lynn Serpentinite magnetic high. This additional drilling will be undertaken once the results of the Phase 1 and 2 drilling have been compiled.

Alchemy is highly encouraged by the Aluminium results returned from re-assaying of drilling pulps from the Summervale deposit, which compare favourably with the grades for deposits elsewhere in Australia currently being evaluated for High Purity Alumina (HPA), including Collierina Cobalt's Homeville Ni-Co-Al deposit (3.1% Al). The potential for HPA mineralisation will be further investigated over the coming months.

Please direct enquiries to:

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The information in this report that relates to Exploration Results is based on information compiled by Mr Leigh Ryan, who is the Managing Director of Alchemy Resources Limited. Mr Ryan is a Member of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ('JORC Code 2012'). Mr Ryan consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Appendix 1: Intercept comparison between original Jervois drill results and recent pulp analysis results

HoleID	Type	Max_Depth	Easting*	Northing*	From	To	Width	Ni %	Co %	Al ₂ O ₃ %	Fe ₂ O ₃ %
Na01	Aircore	24	505994	6510042	16	24	8	0.323	0.020		
Na01 Pulp	Aircore				16	24	8	0.327	0.020	5.7	15.4
Na02	Aircore	29	505888.1	6510055.5	4	9	5	0.300	0.016		
Na02 Pulp	Aircore				4	9	5	0.307	0.016	3.9	10.5
Na03	Aircore	11	505779	6510069	2	11	9	0.193	0.011		
Na03 Pulp	Aircore				2	11	9	0.198	0.011	6.8	9.7
Na04	Aircore	17	505674.2	6510084.5	12	17	5	0.206	0.011		
Na04 Pulp	Aircore				12	17	5	0.211	0.011	5.1	11.2
Na05	Aircore	19	505573	6510099	6	9	3	0.230	0.022		
Na05 Pulp	Aircore				6	9	3	0.241	0.019	6.1	17.5
Na06	Aircore	33	503517.1	6511821.5	12	18	6	0.010	0.001		
Na06 Pulp	Aircore				12	18	6	0.009	0.001	7.7	8.4
Na07	Aircore	30	503434	6511753	22	30	8	0.450	0.032		
Na07 Pulp	Aircore				22	30	8	0.453	0.032	3.4	20.8
Na08A	Aircore	36	503358.9	6511671.5	22	36	14	0.401	0.020		
Na08A Pulp	Aircore				22	36	14	0.415	0.021	2.6	15.6
Na09	Aircore	39	503790	6511916	32	39	7	0.019	0.004		
Na09 Pulp	Aircore				32	39	7	0.020	0.003	16.3	9.8
Na10	Aircore	36	503893.2	6511896.5	32	36	4	0.580	0.083		
Na10 Pulp	Aircore				32	36	4	0.592	0.086	11.7	24.1
Na16	Aircore	38	505733	6511098	34	38	4	0.110	0.007		
Na16 Pulp	Aircore				34	38	4	0.120	0.007	5.2	8.9
Na17	Aircore	42	505625.4	6511112.5	38	42	4	0.255	0.014		
Na17 Pulp	Aircore				38	42	4	0.260	0.015	2.7	13.4
Na25	Aircore	53	502306	6518435	34	53	19	0.586	0.026		
Na25 Pulp	Aircore				34	53	19	0.592	0.026	5.4	27.0
Na124	Aircore	59	504701.7	6513120.5	57	59	2	0.345	0.018		
Na124 Pulp	Aircore				57	59	2	0.346	0.015	0.9	10.9
Na125	Aircore	59	504799	6513121	16	18	2	0.005	0.003		
Na125 Pulp	Aircore				16	18	2	0.005	0.003	6.5	8.7
Na154	Aircore	59	505187	6513488.5							
Na154 Pulp	Aircore				45	59	14	0.364	0.015	1.3	12.2
SV1	Aircore	79	501393	6523588	20	43	23	0.011	0.001		
SV1 Pulp	Aircore				20	43	23	0.007	0.001	14.3	3.0
SV1	Aircore				43	49	6	0.710	0.028		
SV1 Pulp	Aircore				43	49	6	0.649	0.031	2.4	17.2
SV2	Aircore	69	501510	6523587	19	36	17	0.005	0.001		
SV2 Pulp	Aircore				19	36	17	0.003	0.001	15.1	4.9
SV2	Aircore				37	42	5	0.038	0.001		
SV2 Pulp	Aircore				37	42	5	0.030	0.001	8.5	2.0
SV4	Aircore	73	501313	6523582	23	40	17	0.005	0.001		
SV4 Pulp	Aircore				23	40	17	0.002	0.001	14.7	2.1

HoleID	Type	Max_Depth	Easting*	Northing*	From	To	Width	Ni %	Co %	Al ₂ O ₃ %	Fe ₂ O ₃ %
SV4	Aircore				40	49	9	0.787	0.038		
SV4 Pulp	Aircore				40	49	9	0.718	0.041	4.0	39.8
SV5	Aircore	48	501213	6523585	22	37	15	0.003	0.001		
SV5 Pulp	Aircore				22	37	15	0.002	0.001	15.7	8.9
SV5	Aircore				37	48	11	0.564	0.022		
SV5 Pulp	Aircore				37	48	11	0.511	0.023	2.6	24.5
SV6	Aircore	61	501516	6523777	15	32	17	0.070	0.002		
SV6 Pulp	Aircore				15	32	17	0.062	0.002	15.6	5.2
SV6	Aircore				32	41	9	0.939	0.036		
SV6 Pulp	Aircore				32	41	9	0.855	0.036	3.7	31.0
SV15	Aircore	33	502331	6524364	22	23	1	0.331	0.038	19.4	42.3
SV15 Pulp	Aircore				22	23	1	0.297	0.039	19.5	42.0
SV22	Aircore	54	501134	6522863	43	48	5	0.272	0.015	5.1	21.8
SV22 Pulp	Aircore				43	48	5	0.267	0.016	5.1	21.8
SV44	Aircore	54	501349	6522985	40	54	14	1.344	0.078	4.2	29.2
SV44 Pulp	Aircore				40	54	14	1.357	0.080	4.2	29.2

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<i>Sampling techniques</i>	<p><i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i></p> <p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where ‘industry standard’ work has been done this would be relatively simple (e.g. ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i></p>	<p>The sample pulp re-analysis referred to in this Public Report were Jervois Mining Limited (Jervois) aircore (AC) drill samples, obtained using an ‘industry standard’ drill rig, drilling equipment and sampling practices.</p> <p>Limited documented information is known about the sampling practices for each of the various aircore programs drilled by Jervois, however verbal communication with personnel involved confirmed AC drilling, using an aircore blade bit was used to obtain 1m samples in plastic bags via an industry standard cyclone. Early rounds of drilling were sampled as 2m composites, Na001 – 022, while the remainder of the drilling was sampled in 1m intervals.</p> <p>The AC samples obtained were considered to be representative of the material drilled.</p>
<i>Drilling techniques</i>	<p><i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i></p>	<p>AC drilling was completed at both Summervale and West Lynn prospects. The details of the earlier AC drilling at West Lynn are unknown. Australian Mineral and Waterwell Drilling Pty Ltd was used for the Summervale drilling where a standard aircore blade bit was used and drilling was to blade refusal.</p>
<i>Drill sample recovery</i>	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p> <p><i>Measures taken to maximise sample recovery and ensure representative</i></p>	<p>Sample recoveries and moisture content estimates were logged / recorded into spreadsheets by the supervising geologist.</p> <p>It is unknown what measures were taken to maximise sample recoveries.</p>

Criteria	JORC Code explanation	Commentary
	<p><i>nature of the samples.</i></p> <p><i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p>	<p>No relationship is known to exist between sample recovery and grade, and accordingly no bias has occurred as a result of loss/gain of material.</p>
Logging	<p><i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p>	<p>Geological logging was completed on all AC holes by colour and lithological description. The data is qualitative in nature.</p> <p>No judgement has yet been made by independent qualified consultants as to whether AC samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</p> <p>100% of relevant intersections have been logged.</p>
Sub-sampling techniques and sample preparation	<p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p> <p><i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	<p>The results reported in this Public Report are from re-analysed drill sample pulps from the Jervois Summervale and West Lynn prospect AC drill holes located near or within Alchemy's existing Exploration Target.</p> <p>One laboratory standard using Certified Reference Material (CRM) was used for the 246 re-analysed pulps.</p> <p>Sample sizes are considered appropriate for the style of mineralisation, the thickness and consistency of the intersections, the sampling methodology and the assay ranges for the primary elements analysed.</p>
Quality of assay data and laboratory tests	<p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p>	<p>Selected AC sample pulps were sent to the ALS Laboratory in Orange for analysis.</p> <p>Pulps were analysed using ALS method code ME-XRF12n designed for laterite ore</p>

Criteria	JORC Code explanation	Commentary
	<p><i>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></p> <p><i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i></p>	<p>deposits. Elements to be analysed include; Al₂O₃, CaO, Co, Cr₂O₃, Fe₂O₃, K₂O, MgO, MnO, Na₂O, Ni, P₂O₅, Pb, Sc, SiO₂, TiO₂, Zn. The analysis uses XRF on fused disk.</p> <p>Laboratory QAQC involves the use of internal laboratory standards using certified reference material (CRM), blanks, splits and replicates as part of in-house procedures.</p> <p>Lab standards OREAS-45e, OREAS 195, 197, 198 and 199, NCS73303 were used as a standard for analysis.</p> <p>ALY used one CRM (Lab Standard) with a suitable range of values; OREAS 198. Results indicate that Lab Standard assay values are within acceptable error limits.</p> <p>No duplicate analysis of pulps was completed.</p>
<p><i>Verification of sampling and assaying</i></p>	<p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p> <p><i>The use of twinned holes</i></p> <p><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></p> <p><i>Discuss any adjustment to assay data.</i></p>	<p>Reported drill hole intercepts are compiled by the Company's Managing Director (MD) who is also the competent person.</p> <p>No twinned holes were re-analysed in the sample pulp analysis of Summervale and West Lynn.</p> <p>The original data was collected by qualified geologists and geo-technicians working under the supervision of a qualified geologist, and entered onto paper spreadsheets.</p> <p>The original data was digitised by Jervois and released to the public in Annual Reports. Alchemy compiled the original data from Annual Reports before obtaining the sample pulps for re-analysis.</p> <p>Validation rules are in place to ensure no data entry errors occurred. Data is loaded into a Microsoft Access database by an experienced database administrator, stored on the company server in Perth and reviewed by the Alchemy MD, who is a competent person.</p> <p>Pulp data has been added to the geological database as duplicates of the original data. For pulps without previous assay data</p>

Criteria	JORC Code explanation	Commentary
		<p>associated, new entries have been made to the database (e.g.Na154).</p> <p>No assay data adjustments have been made.</p>
<i>Location of data points</i>	<p><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></p> <p><i>Specification of the grid system used.</i></p> <p><i>Quality and adequacy of topographic control.</i></p>	<p>A GPS was used to locate collar positions, with an expected +/-5m vertical and horizontal accuracy.</p> <p>No down hole surveys were collected.</p> <p>The grid system used for all collar locations is the UTM Geocentric Datum of Australia 1994 (MGA94 Zone 55).</p> <p>The drill collar and down hole location accuracy is considered appropriate for this stage of exploration.</p>
<i>Data spacing and distribution</i>	<p><i>Data spacing for reporting of Exploration Results.</i></p> <p><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></p> <p><i>Whether sample compositing has been applied.</i></p>	<p>Given the first pass target evaluation stage of exploration the drill hole and drill line spacing varies considerably.</p> <p>At the Summervale prospect aircore holes were drilled at approximately 100m x 100m spacings over a 2.3km strike length.</p> <p>At the West Lynn prospect aircore holes were drilled at a variety of spacings between 100m x 300m and 100m x 1200m over a ~10km strike length.</p> <p>Composite samples have been physically composited (2m composite samples collected in the field) not mathematically composited.</p>
<i>Orientation of data in relation to geological structure</i>	<p><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type</i></p> <p><i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></p>	<p>Laterites have been drilled vertically to achieve unbiased sampling of the lithological feature.</p> <p>No orientation based sampling bias has been identified.</p>
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	<p>Drill samples were collected in plastic bags and stored on site, and samples for analysis collected in pre-numbered calico bags.</p> <p>Drill sample pulps (returned from the laboratory) have been stored at the Jervois</p>

Criteria	JORC Code explanation	Commentary
		warehouse until recently being transported to and stored at Rangott Mineral Exploration (RME) warehouse in Orange.
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	Considering the preliminary nature of the drill program, no external audit or review of the sampling techniques or sample data capture has been conducted to date.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<p><i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></p> <p><i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></p>	<p>Type - Exploration Licence (currently in good standing).</p> <p>Reference name –West Lynn Project.</p> <p>Reference numbers – EL8631.</p> <p>Location – 20km northwest of Nyngan, in north central NSW.</p> <p>Ownership – 100% Ochre Resources Pty Ltd, managed by Alchemy Resources (NSW) Pty Ltd under a Farm-in and Joint Venture Agreement.</p> <p>Overriding royalties - none</p> <p>The land within EL8631 is 95% freehold, 5% Crown Land.</p> <p>No Wilderness Reserves, National Parks, Native Title sites or registered historical sites are known.</p> <p>No environmental issues are known.</p>
<i>Exploration done by other parties</i>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	<p>Exploration work completed across the West Lynn and Summervale prospects has targeted gold, base metal, and PGE mineralisation since the late 70's.</p> <p>38 RC holes were drilled by Anaconda in 1999/2000 to a max depth of 60m over West Lynn. These holes were successful in identifying nickel and cobalt mineralisation within clays associated with weathered underlying serpentinites.</p> <p>Jervois applied for the ground in 2007 and began to explore for nickel-cobalt</p>

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		<p>mineralisation associated with magnetic anomalies over ultramafics.</p> <p>AC drilling programs conducted over a period of 8 years defined to two areas nickel-cobalt mineralisation (West Lynn and Summervale).</p>
<i>Geology</i>	<i>Deposit type, geological setting and style of mineralisation</i>	<p>Deposit Type – Nickel-Cobalt Laterite</p> <p>Geological setting – The licence covers a north-south trending folded belt of serpentinised ultramafics known as the West Lynn Serpentinite surrounded by sediments of the Girilambone Group within the Girilambone-Wagga Anticlinal Zone. The linear orientation of the belt suggests emplacement along regional deformation or faults of Alpine-type origin (ophiolite). The West Lynn Serpentinite is derived from the alteration of a medium grained dunite intruded into the metamorphosed Ordovician Girilambone Group.</p> <p>The Girilambone Group is comprised of phyllites, quartz-mica and chlorite schists, quartzite, laminated siltstone (all with pervasive quartz veins) and conglomerates of Cambrian-Ordovician age; with numerous late Silurian to early Devonian intrusives of ultramafic to intermediate composition. Covered by Quaternary-aged alluvium.</p> <p>Style of mineralisation – Concentration of Ni-Co-Al within clays and saprolite derived from weathered serpentinite.</p>
<i>Drill hole Information</i>	<p><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i></p> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in</i> 	<p>Drill sample pulp re-sampling results form the basis of the exploration results and are tabulated within the body of the announcement.</p>

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	<p><i>metres) of the drill hole collar</i></p> <ul style="list-style-type: none"> <i>o dip and azimuth of the hole</i> <i>o down hole length and interception depth</i> <i>o hole length.</i> <p><i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></p>	
<i>Data aggregation methods</i>	<p><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i></p> <p><i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></p> <p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p>	<p>Intercepts include 2m composite samples, and 1m individual samples. All averaged intercepts are down hole length weighted averages.</p> <p>No upper cut off grades have been used to calculate intercepts. All pulp re-assay intercepts have been reported in Appendix 1.</p>
<i>Relationship between mineralisation widths and intercept lengths</i>	<p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p> <p><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i></p>	<p>Due to the nature of the targeted mineralisation being flat lying, all drilling was vertical (-90°), and subsequently all intercepts reported are downhole widths.</p>
<i>Diagrams</i>	<p><i>Appropriate maps and sections (with scales) and tabulations of intercepts</i></p>	<p>Appropriate plans and cross sections have been included in the body of this</p>

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	<i>should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	announcement.
<i>Balanced reporting</i>	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	Exploration results reported in Alchemy's public announcements and this report are comprehensively reported in a balance manner.
<i>Other substantive exploration data</i>	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	N/A
<i>Further work</i>	<p><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></p> <p><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></p>	Phase 2 drilling will commence in August 2018, with the completion of the resource drilling and all associated results expected to be received by October 2018.