

**ASX  
ANNOUNCEMENT**

**27 AUGUST 2018**

**CODE: ALY**

**BOARD OF DIRECTORS**

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Non-Executive Chairman

**Mr Leigh Ryan**  
Managing Director

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**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 resource drilling confirms Ni-Co-Al mineralisation and resource potential at the West Lynn Project, NSW

### HIGHLIGHTS

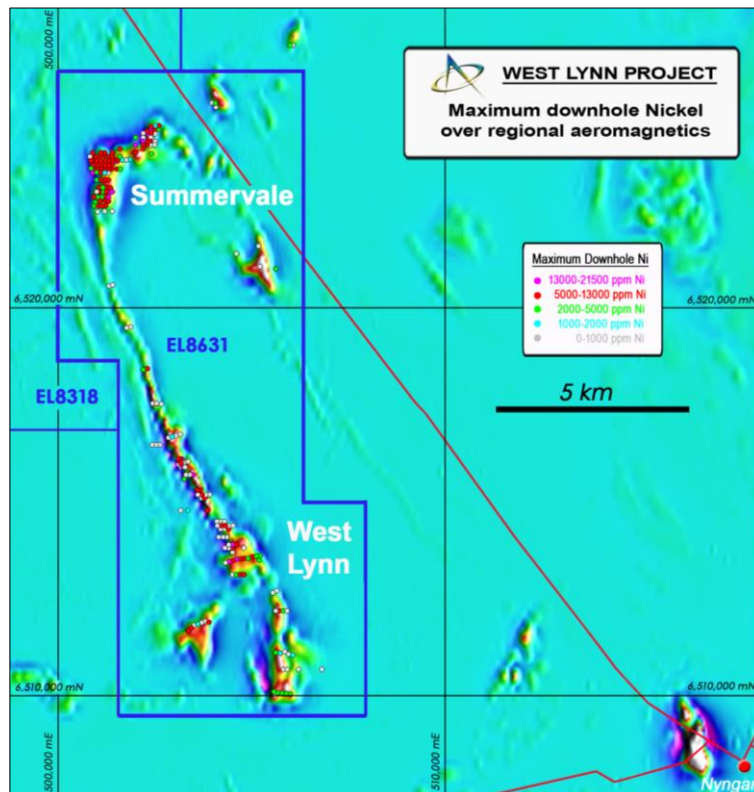
- Phase 1 resource drilling at the West Lynn Project returns numerous significant Ni-Co results including:
  - 16m @ 1.2% Ni, 0.09% Co from 38m
  - 12m @ 1.0% Ni, 0.09% Co from 20m
  - 12m @ 0.9% Ni, 0.12% Co from 10m
  - 9m @ 1.1% Ni, 0.07% Co from 42m
- Broad, high grade alumina (Al<sub>2</sub>O<sub>3</sub>) intercepts from clay zone immediately above Ni-Co mineralisation include:
  - 39m @ 20.3% Al<sub>2</sub>O<sub>3</sub> from 16m
  - 30m @ 20.5% Al<sub>2</sub>O<sub>3</sub> from 21m
  - 21m @ 22.0% Al<sub>2</sub>O<sub>3</sub> from 15m
  - 20m @ 21.9% Al<sub>2</sub>O<sub>3</sub> from 19m
- Phase 2 resource drilling has commenced (90 holes for 5,000m).

Alchemy Resources Limited (**ASX: ALY**) ("Alchemy") is pleased to announce numerous significant results received from Phase 1 resource drilling within the West Lynn Nickel-Cobalt Project in the Lachlan Fold Belt, NSW (*Figure 1*). The results have confirmed the tenor of nickel (Ni) - cobalt (Co) mineralisation identified in historic drilling conducted by Jervois Mining Ltd and Anaconda Nickel Ltd, and identified broad zones of alumina (Al<sub>2</sub>O<sub>3</sub>) immediately above the Ni-Co mineralised zone.

Phase 2 resource drilling has commenced and will continue the infill resource drilling as well as determining the continuity of Ni-Co-Al mineralisation between separate mineralised zones at both prospects. The drilling ultimately aims to advance the existing West Lynn Nickel-Cobalt Exploration Target of 15 - 30Mt @ 0.7 - 0.9% Ni, 0.05 - 0.07% Co<sup>1</sup> and previous Jervois Mining Ltd indicated resource<sup>2</sup> to a JORC Code 2012 compliant inferred resource estimate. Alchemy's Exploration Target for the West Lynn Project equates to 105,000-270,000 tonnes of nickel and 7,500-21,000 tonnes of cobalt.

<sup>1</sup> Refer to Alchemy Resources ASX Announcement dated 13 April 2018

<sup>2</sup> Refer to Alchemy Resources ASX Announcement dated 14 March 2018



**Figure 1:** West Lynn Exploration Target area showing Alchemy licence outlines and all drilling coloured by maximum downhole Ni (ppm) over regional aeromagnetic image.

The Phase 1 drilling program has also identified the potential to expand the known Ni-Co-  $\text{Al}_2\text{O}_3$  mineralisation at both the Summervale and West Lynn prospects, with Alchemy's drilling covering only about 10km of the 22km long West Lynn Serpentinite, once the Phase 2 program has been completed.

The nickel and cobalt mineralisation at West Lynn is a direct result of weathering of the highly magnetic West Lynn Serpentinite unit (*red/white "peaks" in Figures 1, 2 & 5*). The resulting metal rich clays are low in iron when compared to the typical Ni-Co laterite ore bodies formed in Western Australia, and this potentially allows the ore to be processed at normal atmospheric pressure using standard solvent extraction methods, resulting in lower upfront capital expenditure requirements. Metallurgical sampling, recovery test work, and density determinations will be conducted subsequent to receiving results of the Phase 2 resource drilling. A JORC Code 2012 Edition compliant resource estimate for the West Lynn Project is expected to be completed in the 4<sup>th</sup> quarter of 2018.

### Summervale Prospect

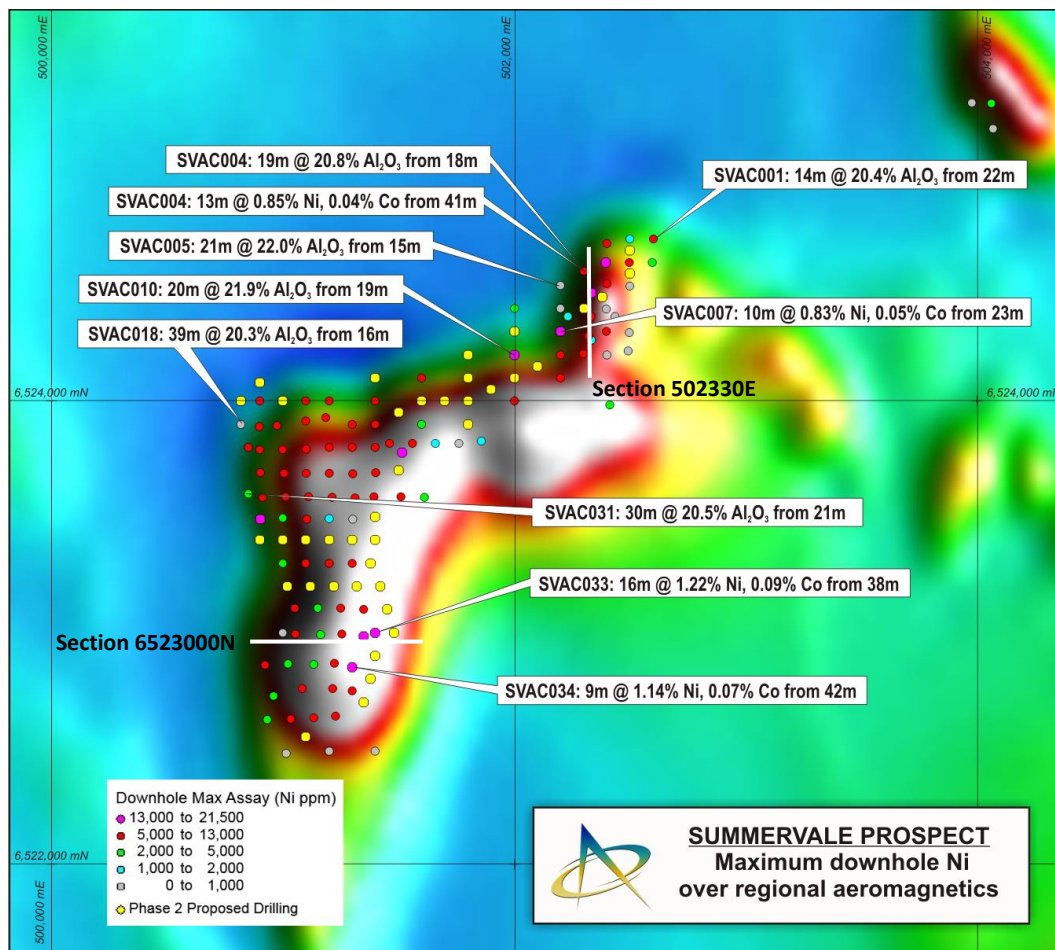
Assay results from the 36 Phase 1 holes drilled at the Summervale Prospect (SV001 – 036) are included in Appendix 1. Significant Ni-Co results from the Summervale Phase 1 resource drilling include:

- **16m @ 1.22% Ni, 0.09% Co from 38m (SVAC033)**
- **13m @ 0.85% Ni, 0.04% Co from 41m (SVAC004)**
- **9m @ 1.14% Ni, 0.07% Co from 42m (SVAC034)**
- **10m @ 0.83% Ni, 0.05% Co from 23m (SVAC007)**

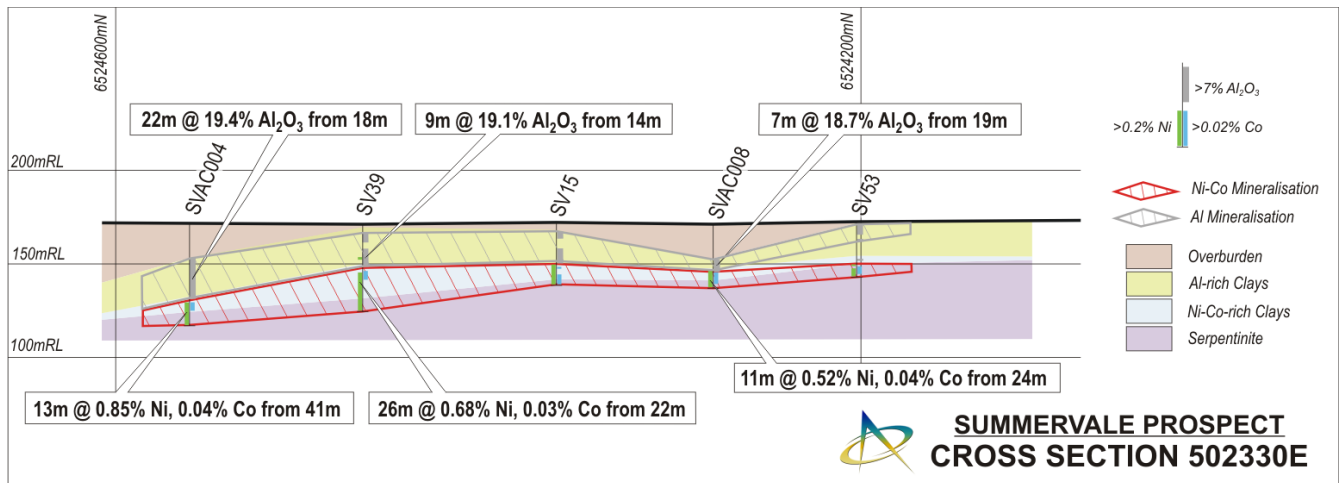
Broad, high grade alumina ( $\text{Al}_2\text{O}_3$ ) intercepts from the zone immediately above the Ni-Co mineralisation include:

- 39m @ 20.3%  $\text{Al}_2\text{O}_3$  from 16m (SVAC018)
- 30m @ 20.5%  $\text{Al}_2\text{O}_3$  from 21m (SVAC031)
- 21m @ 22.0%  $\text{Al}_2\text{O}_3$  from 15m (SVAC005)
- 20m @ 21.9%  $\text{Al}_2\text{O}_3$  from 19m (SVAC010)
- 15m @ 20.8%  $\text{Al}_2\text{O}_3$  from 18m (SVAC004)
- 14m @ 20.4%  $\text{Al}_2\text{O}_3$  from 22m (SVAC001)

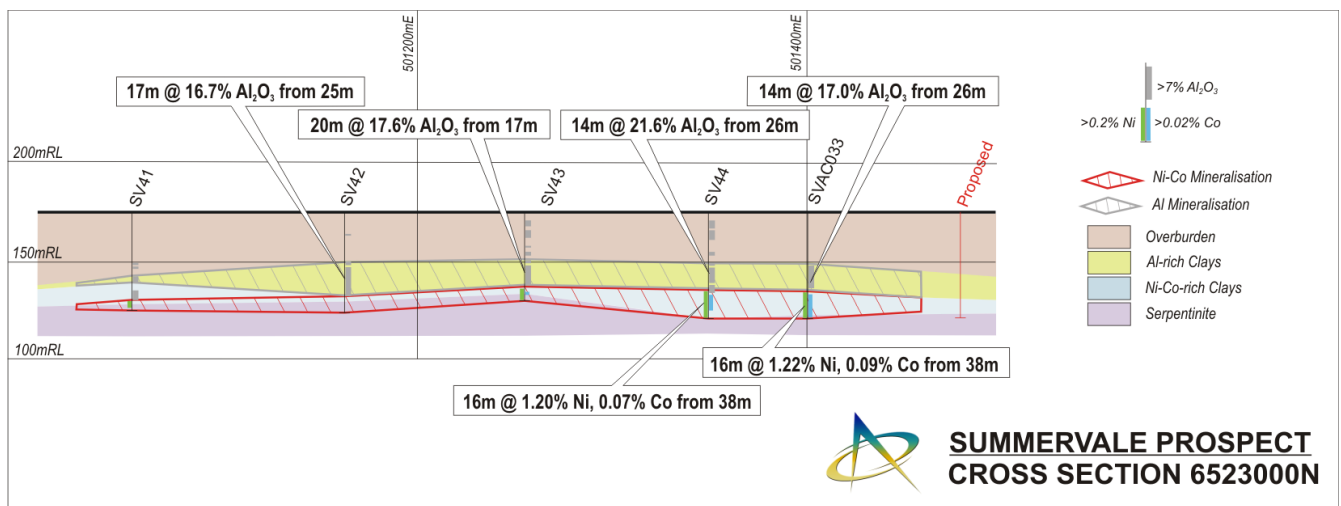
Locations of the significant Ni-Co- $\text{Al}_2\text{O}_3$  intercepts from the Summervale Phase 1 drilling can be seen in Figure 2, and in selected cross sections below (Figures 3 & 4). Ni-Co mineralisation at Summervale is associated with variably limonitic and ferruginous clay, saprolite and weathered serpentinite units. The higher alumina grades are associated with pale cream to white clay units located immediately above the Ni-Co mineralisation. Both Ni-Co and alumina mineralisation at Summervale appear to show good continuity, which is favourable for the planned resource estimation work.



**Figure 2:** Plan of Summervale Prospect showing all drilling (coloured by Ni ppm), Phase 1 significant intercepts (labelled), and proposed Phase 2 resource drilling (yellow dots) over regional aeromagnetic image.



**Figure 3:** Summervale Prospect cross section (502330E) showing recent and historic drill holes, mineralised zones, significant intercepts and geology.



**Figure 4:** Summervale Prospect cross section (6523000N) showing recent drill holes, mineralised zones, significant intercepts, proposed Phase 2 drill hole, and geology.

### West Lynn Prospect

Assay results from the 23 Phase 1 holes drilled at the West Lynn prospect (WL001 – 023) are included in Appendix 1. Significant Ni-Co results from the Phase 1 resource drilling include:

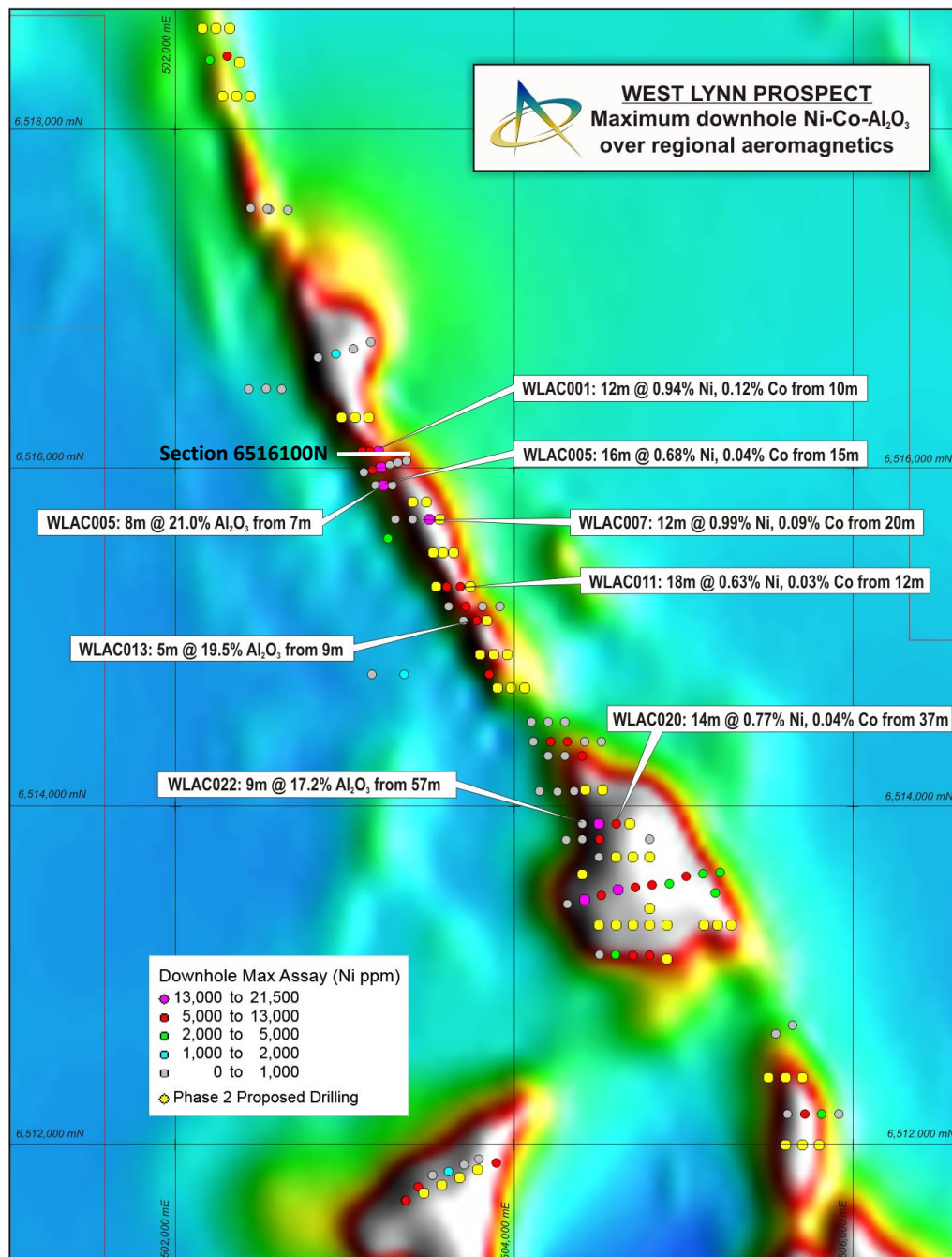
- 12m @ 0.99% Ni, 0.09% Co from 20m (WLAC007)
- 18m @ 0.63% Ni, 0.03% Co from 12m (WLAC011)
- 12m @ 0.94% Ni, 0.12% Co from 10m (WLAC001)
- 16m @ 0.68% Ni, 0.04% Co from 15m (WLAC005)
- 14m @ 0.77% Ni, 0.04% Co from 37m (WLAC020)

High grade alumina (Al<sub>2</sub>O<sub>3</sub>) intercepts from the zone immediately above the Ni-Co mineralisation include:

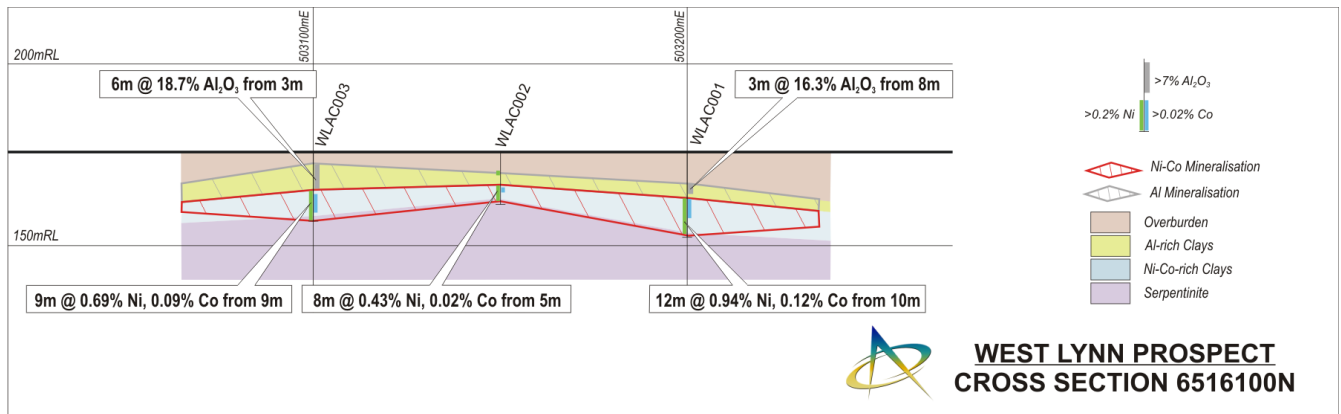
- 8m @ 21.0% Al<sub>2</sub>O<sub>3</sub> from 7m (WLAC005)
- 5m @ 19.5% Al<sub>2</sub>O<sub>3</sub> from 9m (WLAC013)
- 9m @ 17.2% Al<sub>2</sub>O<sub>3</sub> from 57m (WLAC022)



Locations of the significant Ni-Co-Al<sub>2</sub>O<sub>3</sub> intercepts from the West Lynn Phase 1 drilling can be seen in Figures 5, and in cross section below (Figure 6). Ni-Co mineralisation at West Lynn is also associated with variably limonitic and ferruginous clay, saprolite and weathered serpentinite units. The higher alumina grades are associated with pale cream to white clay units located immediately above the Ni-Co mineralisation. Both Ni-Co and alumina mineralisation at West Lynn also appear to show good continuity, which is favourable for the forthcoming resource estimation work.



**Figure 5:** Plan of West Lynn Prospect showing all drilling (coloured by Ni ppm), Phase 1 significant intercepts (labelled), and proposed Phase 2 resource drilling (yellow dots) over regional aeromagnetic image.



**Figure 6:** West Lynn Prospect cross section (6516100N) showing recent drill holes, ore zones, significant intercepts and geology.

Alchemy is highly encouraged by the nickel and cobalt results received from the Phase 1 drilling and also the alumina results which compare favourably with the grades for deposits elsewhere in Australia currently being evaluated for High Purity Alumina (HPA), including Hill End Gold Limited's (ASX: HEG) Yendon Kaolin deposit (3.7Mt @ 34.7%  $\text{Al}_2\text{O}_3$ )<sup>3</sup>, and Collierina Cobalt Limited's (ASX: CLL) Homeville Ni-Co-Al deposit (16.3Mt @ 0.05% Co, 0.93% Ni, 3.1% Al & 19% Fe)<sup>4</sup>. The potential for HPA and metallurgical work on the Ni-Co 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 Leigh Ryan, who is the Managing Director and security holder 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 information in the form and context in which it appears.*

<sup>3</sup> refer to Hill End Gold Limited ASX Announcement dated 12 February 2018

<sup>4</sup> refer to Collierina Cobalt Limited company presentation dated 6 March 2018

## Appendix 1

**Table A: Nickel-Cobalt Resource Drilling Results from West Lynn (WLAC) and Summervale (SVAC) Prospects**  
(all intercepts >1000ppm Ni)

HoleID	EOH_Depth	Easting	Northing	From	To	Width	*NiEq%	Ni %	Co %	Al <sub>2</sub> O <sub>3</sub> %	Fe %
SVAC001	57	502600	6524700	22	31	9	0.38	0.30	0.017	18.27	29.96
and				46	57	11	0.38	0.35	0.006	14.4	5.68
SVAC002	54	502500	6524700	53	54	1	0.21	0.19	0.004	20.8	5.57
SVAC003	39	502400	6524680	37	39	2	0.74	0.66	0.018	5.88	11.62
SVAC004	54	502300	6524560	41	54	<b>13</b>	<b>1.04</b>	0.85	0.040	3.05	15.8
SVAC007	33	502200	6524300	23	33	<b>10</b>	<b>1.05</b>	0.83	0.047	7.79	24.14
SVAC008	35	502320	6524280	24	35	11	0.70	0.52	0.038	7.12	17.88
SVAC009	47	502200	6524200	20	44	24	0.34	0.28	0.013	7.54	12.31
SVAC010	48	502000	6524200	41	48	<b>7</b>	<b>1.10</b>	0.87	0.050	6.88	16.89
SVAC011	54	502000	6524400	21	25	4	0.11	0.11	0.001	10.01	12.46
SVAC012	42	501600	6524100	36	42	6	0.91	0.76	0.031	2.95	19.42
SVAC013	35	501400	6524000	30	35	5	0.57	0.47	0.022	12.55	16.35
SVAC014	39	502200	6524100	30	39	9	0.73	0.62	0.023	12.23	24.87
SVAC015	37	501200	6524000	32	37	5	0.51	0.38	0.029	6.34	28.41
SVAC016	33	501100	6524000	30	33	3	0.72	0.57	0.033	7.54	13.58
SVAC017	51	500900	6524000	29	51	22	0.72	0.60	0.025	7.82	14.84
SVAC019	51	500850	6523800	34	51	17	0.82	0.64	0.039	3.58	18.63
SVAC020	46	501300	6523900	40	46	6	0.90	0.67	0.049	4.02	23.39
SVAC021	54	501400	6523900	35	54	19	0.64	0.53	0.022	3.42	13.39
SVAC022	54	502000	6524000	46	54	8	0.49	0.43	0.013	4.85	8.22
SVAC023	50	501400	6523800	33	50	17	0.55	0.46	0.020	2.15	11.03
SVAC024	45	501300	6523800	40	45	5	0.60	0.47	0.029	7.21	16.03
SVAC025	48	501200	6523800	42	48	6	0.69	0.55	0.030	5.06	15.69
SVAC026	81	501000	6523300	68	81	13	0.41	0.32	0.019	2.64	10.89
SVAC027	76	501100	6523300	45	57	12	0.70	0.57	0.028	7.37	30.92
SVAC028	51	501200	6523300	40	51	11	0.52	0.42	0.020	4.2	17.15
SVAC029	35	501600	6523900	29	35	6	0.38	0.32	0.013	11.3	8.32
SVAC030	50	501300	6523300	41	50	9	0.82	0.65	0.036	4.02	15.93
SVAC031	53	500850	6523600	50	53	3	0.41	0.30	0.023	14.03	29.99
SVAC032	51	501350	6523100	37	51	14	0.83	0.65	0.038	6.47	22.85
SVAC033	54	501400	6523000	38	54	<b>16</b>	<b>1.65</b>	1.22	0.091	5.67	22.78
SVAC034	51	501300	6522850	42	51	<b>9</b>	<b>1.46</b>	1.14	0.067	4.08	23.72
SVAC035	48	501300	6522750	40	48	8	0.87	0.65	0.046	8.16	33.71
WLAC001	22	503200	6516100	10	22	<b>12</b>	<b>1.51</b>	0.94	0.120	5.35	19.74
WLAC002	13	503150	6516100	5	13	8	0.52	0.43	0.020	3.27	10.5
WLAC003	18	503100	6516100	9	18	<b>9</b>	<b>1.13</b>	0.69	0.094	6.68	20.93
WLAC005	31	503230	6515900	15	31	16	0.89	0.68	0.044	6.38	35.9
WLAC007	32	503500	6515700	20	32	<b>12</b>	<b>1.42</b>	0.99	0.092	4.93	21.55
WLAC010	39	503680	6515300	26	39	<b>13</b>	<b>0.92</b>	0.58	0.073	5.96	30.96
WLAC011	30	503600	6515300	12	30	18	0.79	0.63	0.034	5.45	24.17

HoleID	EOH_Depth	Easting	Northing	From	To	Width	*NiEq%	Ni %	Co %	Al <sub>2</sub> O <sub>3</sub> %	Fe %
WLAC013	24	503780	6515100	15	24	9	0.74	0.57	0.036	9.31	21.31
WLAC019	49	504400	6514300	36	49	13	0.55	0.45	0.021	2.39	12.88
WLAC020	51	504600	6513900	37	51	<b>14</b>	<b>0.94</b>	0.77	0.036	4.13	15.52
WLAC021	45	504500	6513900	39	45	<b>6</b>	<b>1.17</b>	0.95	0.046	10.4	21.72

NB. All coordinates are GDA94 zone 55, 1000ppm Ni lower grade cut-off, no upper cut-off grade, maximum 2m internal waste, all intercepts >1000ppm Ni are reported.

\*NiEq (%) = Ni (%) + Co (%) 0.212 which uses a 23/8/18 Ni price of US\$13,680 and a Co price of US\$64,500

**Table B: Alumina Resource Drilling Results from West Lynn and Summervale Prospects**

(all intercepts >19% Al<sub>2</sub>O<sub>3</sub>)

HoleID	EOH_Depth	Easting	Northing	From	To	Width	Al <sub>2</sub> O <sub>3</sub> %	Fe %
SVAC001	57	502600	6524700	22	36	<b>14</b>	<b>20.4</b>	22.6
and				44	48	4	20.8	5.8
SVAC002	54	502500	6524700	25	26	1	19.3	3.6
and				36	37	1	19.9	5.8
and				53	54	1	20.8	5.6
SVAC004	54	502300	6524560	18	33	<b>15</b>	<b>20.8</b>	5.3
SVAC005	66	502200	6524500	15	36	<b>21</b>	<b>22.0</b>	4.4
and				48	54	6	20.0	5.3
and				59	63	4	17.7	4.5
SVAC006	60	502200	6524400	18	20	2	21.7	4.9
and				50	58	8	18.8	5.0
SVAC007	33	502200	6524300	22	23	1	21.8	18.5
SVAC008	35	502320	6524280	23	26	3	20.8	6.4
SVAC010	48	502000	6524200	19	39	<b>20</b>	<b>21.9</b>	6.6
SVAC011	54	502000	6524400	19	20	1	20.9	2.7
and				31	32	1	19.1	6.2
and				39	54	<b>15</b>	<b>18.0</b>	4.9
SVAC012	42	501600	6524100	23	31	8	23.8	3.3
SVAC013	35	501400	6524000	25	32	7	22.1	2.3
SVAC014	39	502200	6524100	18	19	1	22.3	4.1
and				25	28	3	18.5	9.9
SVAC015	37	501200	6524000	19	23	4	21.2	1.6
and				29	30	1	20.3	1.0
SVAC016	33	501100	6524000	20	22	2	21.7	1.7
and				26	30	4	21.1	0.7
SVAC017	51	500900	6524000	23	30	7	29.7	1.0
SVAC018	81	500820	6523900	16	55	<b>39</b>	<b>20.3</b>	1.1
SVAC019	51	500850	6523800	18	25	7	19.5	1.0
and				31	35	4	23.3	3.8
SVAC020	46	501300	6523900	19	26	7	18.9	1.4
SVAC021	54	501400	6523900	32	35	3	21.1	0.9
SVAC022	54	502000	6524000	22	27	5	21.3	4.1



HoleID	EOH_Depth	Easting	Northing	From	To	Width	Al <sub>2</sub> O <sub>3</sub> %	Fe %
and				32	42	<b>10</b>	<b>26.8</b>	3.3
and				47	48	1	20.8	1.4
SVAC023	50	501400	6523800	29	30	1	20.0	0.7
SVAC024	45	501300	6523800	20	25	5	19.0	1.5
and				37	41	4	18.8	1.4
SVAC025	48	501200	6523800	20	22	2	26.1	1.4
and				38	42	4	19.3	1.0
SVAC026	81	501000	6523300	31	35	4	22.8	3.1
and				44	48	4	23.0	9.2
and				53	60	7	18.6	7.4
SVAC027	76	501100	6523300	24	27	3	18.1	3.5
and				39	40	1	21.3	0.8
and				58	65	7	18.4	5.5
and				70	76	6	19.6	5.2
SVAC028	51	501200	6523300	30	32	2	21.3	2.6
and				40	41	1	21.2	8.8
SVAC030	50	501300	6523300	28	37	9	24.1	3.7
SVAC031	53	500850	6523600	21	51	<b>30</b>	<b>20.5</b>	3.0
SVAC032	51	501350	6523100	33	38	5	19.8	3.1
SVAC033	54	501400	6523000	27	38	<b>11</b>	<b>23.0</b>	2.5
SVAC034	51	501300	6522850	29	32	3	20.8	4.6
and				36	42	6	22.2	3.2
SVAC035	48	501300	6522750	33	35	2	25.3	2.4
WLAC003	18	503100	6516100	3	6	3	21.8	7.6
WLAC004	24	503180	6515900	10	11	1	19.6	5.1
WLAC005	31	503230	6515900	7	15	8	21.0	1.3
WLAC007	32	503500	6515700	18	19	1	21.8	16.2
WLAC008	36	503400	6515700	20	21	1	19.5	5.0
WLAC013	24	503780	6515100	9	14	5	19.5	8.0
WLAC014	51	504300	6514500	35	36	1	19.8	1.4
and				43	45	2	20.1	4.8
WLAC020	51	504600	6513900	34	37	3	22.3	3.3
WLAC021	45	504500	6513900	39	40	1	22.9	7.3
WLAC022	66	504400	6513900	57	66	9	17.2	5.3

NB. All coordinates are GDA94 zone 55, 19% Al<sub>2</sub>O<sub>3</sub> lower grade cut-off, no upper cut-off grade, maximum 3m internal waste, all intercepts >19% Al<sub>2</sub>O<sub>3</sub> are reported.

## 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 samples referred to in this Public Report were aircore (AC) drill samples, obtained using an ‘industry standard’ drill rig, drilling equipment and sampling practices.</p> <p>AC drilling was used to obtain 1m samples that were collected in plastic buckets via an industry standard cyclone.</p> <p>Each 1m sample was then split via a 3 tier splitter into large green plastic bags (87.5%) stored onsite as reference samples, and numbered calico bags (12.5%) for laboratory analysis.</p> <p>A grab sample was carefully obtained where material was too wet to be passed through the sample splitter.</p> <p>Both green bags and calico samples were weighed onsite for sample recovery recognition.</p> <p>The AC samples obtained are 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 by McLeod Drilling using a MD150 drill rig with an on board 2 stage Airman Compressor (250 - 320psi / 700 - 850cfm) using an industry standard 90mm diameter aircore blade bit.</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 nature of the samples.</i></p>	<p>Sample recoveries and moisture content estimates were logged/recorded into spreadsheets by the supervising geologist.</p> <p>Each 1m sample (split green plastic and calico sample bag) was weighed after being collected. This gives an indication of recovery</p>

Criteria	JORC Code explanation	Commentary
	<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>of drill material relative to all other 1m samples.</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 RAB holes, with colour, weathering, grain-size, lithology, alteration, mineralogy, veining, textures/structure and comments on other significant features noted. Logging of mineralisation and veining is quantitative. All holes were logged in full.</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>AC samples were riffle split if sample was dry, and carefully grab sampled by hand when wet.</p> <p>Sample preparation is considered appropriate with respect to quality of aircore sample collection.</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	<i>The nature, quality and appropriateness</i>	Samples were sent to the ALS Laboratory in

Criteria	JORC Code explanation	Commentary
assay data and laboratory tests	<p><i>of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p> <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>Orange for analysis.</p> <p>Preparation of the samples follows industry laboratory best practice method PUL-21 involving logging of sample weights, drying the entire sample in an electric oven set at 105°C+5°C for several hours (drying time dependent on moisture content), then crushing the entire sample (&gt;70% -6mm). A split of 2.5 to 3kg was taken and then pulverized to 85% passing 75µm using an Essa LM5 grinding mill. A representative sample was split and bagged as the analytical sample.</p> <p>Pulps were analysed using ALS method code ME-XRF12n designed for Nickel laterite deposits. 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, 195, 198 199, NCSDC73303, and SARM-5 were used as a standard for Ni-Co analysis.</p> <p>ALY used CRMs (Lab Standards) with a suitable range of values and blanks that were inserted every 40 samples. Standards used were OREAS 197, 198, 199 and 44e. Results indicate that assay values are within acceptable error limits.</p> <p>Duplicate samples were collected every 40 samples. Analysis of samples reveals that precision of samples is within acceptable limits.</p>
Verification of sampling and assaying	<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 drilled in the current drilling campaign.</p> <p>The original data is collected by qualified geologists and geo-technicians working under the supervision of a qualified geologist, and entered onto paper spreadsheets.</p>

Criteria	JORC Code explanation	Commentary
		<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 ALY MD, who is a competent person.</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. DGPS collar pick-ups will be collected t the end of the Phase 1 and Phase 2 drilling.</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>At Summervale aircore holes have been drilled at 100m x 100m and 100m x 200m spacings over a 2.6km NE-SW trending strike length.</p> <p>At the West Lynn prospect aircore holes are spaced at 100m x 200m lines for a length of ~3.8km in a NNW-SSE direction.</p> <p>The distribution is considered sufficient to establish geological and grade continuity suitable for an inferred resource status.</p> <p>Sample compositing has not been applied</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</i>	<i>The measures taken to ensure sample</i>	All drill samples were collected in pre-



Criteria	JORC Code explanation	Commentary
<i>security</i>	<i>security.</i>	numbered calico bags and transported to the ALS laboratory in Orange via courier. Drill spoils collected into large green bags are stored in a farm shed on site.
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	Considering the 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.</p> <p>Reference numbers – EL8631.</p> <p>Location – 25km northwest of Nyngan, in north central NSW.</p> <p>Ownership – 100% Ochre Resources Pty Ltd, managed by Alchemy Resources (NSW) Pty Ltd.</p> <p>Overriding royalties - none</p> <p>The land is 95% freehold.</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 areas has been limited to exploration targeting gold and base metals since the late 1970'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 picking up nickel and cobalt mineralisation in lateritic clays associated with underlying serpentinites.</p> <p>Jervois applied for the ground in 2007 and began to explore for nickel-cobalt mineralisation over magnetic anomalies related to underlying ultramafic units.</p> <p>AC drilling programs conducted over a period of 8 years has defined two prospects (West Lynn and Summervale) containing Ni-Co-Al mineralisation within clay and saprolite derived from the underlying weathered serpentinite units.</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</p>

Criteria	JORC Code explanation	Commentary
		<p>north-south trending folded belt of serpentinitised 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>
<p><i>Drill hole Information</i></p>	<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"> <li>○ <i>easting and northing of the drill hole collar</i></li> <li>○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>○ <i>dip and azimuth of the hole</i></li> <li>○ <i>down hole length and interception depth</i></li> <li>○ <i>hole length.</i></li> </ul> <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</i></p>	<p>Drill results form the basis of the exploration results and are tabulated within the body of the announcement.</p>

Criteria	JORC Code explanation	Commentary
	<i>explain why this is the case.</i>	
<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 are from 1m individual samples. Any averaged intercepts are down hole length weighted averages (as per table in body of report).</p> <p>Lower cut off grades include 1000ppm for nickel intercepts, 200ppm for cobalt intercepts, and 15% for Al intercepts.</p> <p>No upper cut off grades have been used to calculate intercepts.</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 (<math>-90^0</math>), and subsequently all intercepts reported are downhole widths.</p>
<i>Diagrams</i>	<p><i>Appropriate maps and sections (with scales) and tabulations of intercepts 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></p>	<p>Appropriate plans and cross sections have been included in the body of this announcement.</p>
<i>Balanced reporting</i>	<p><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></p>	<p>Exploration results reported in Alchemy's public announcements and this report are comprehensively reported in a balance manner.</p>

Criteria	JORC Code explanation	Commentary
<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>	
<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>	<p>Phase 2 resource drilling aims to continue the infill resource drilling but also to determine the continuity of Ni-Co-Al mineralisation between two separate mineralised zones at both the West Lynn and Summervale prospects. The drilling ultimately aims to advance the existing West Lynn Nickel-Cobalt Exploration Target to a JORC Code 2012 compliant inferred resource estimate.</p> <p>Phase 3 drilling will focus on northern and southern extensions to mineralisation at both West Lynn and Summervale prospects.</p>