ASX ANNOUNCEMENT

10 DECEMBER 2018

CODE: ALY

BOARD OF DIRECTORS

Mr Lindsay Dudfield
Non-Executive Chairman

Mr Leigh Ryan
Managing Director

Ms Liza Carpene
Non-Executive Director

Mr Anthony Ho
Non-Executive Director

ISSUED CAPITAL

SHARES 440,419,481

OPTIONS 29,500,000 (Unlisted)

PROJECTS

WEST LYNN (51% - earning up to 80%)

LACHLAN (51% - earning up to 80%)

KARONIE (100%)

BRYAH BASIN (80-100%)

Suite 8, 8 Clive Street
WEST PERTH WA 6005

Phone: +61 8 9481 4400
Facsimile: +61 8 9481 4404

www.alchemyresources.com.au

Alchemy Resources Limited

More significant Ni-Co and Alumina intercepts received from the West Lynn Project, NSW

HIGHLIGHTS

- **Phase 3 resource drilling at the West Lynn Project returns numerous significant Ni-Co results including:**
  - **34m @ 0.97 % Ni, 0.05% Co from 38m**
  - **40m @ 0.71% Ni, 0.04% Co from 30m**
  - **20m @ 0.97% Ni, 0.10% Co from 38m**
  - **25m @ 0.81% Ni, 0.05% Co from 33m**
  - **19m @ 0.86 % Ni, 0.05% Co from 41m**

- **Broad, high grade alumina (Al_2O_3) intercepts from clay zone immediately above Ni-Co mineralisation include:**
  - **31m @ 20.1% Al_2O_3 from 13m**
  - **19m @ 23.7% Al_2O_3 from 25m**
  - **18m @ 23.6% Al_2O_3 from 20m**
  - **16m @ 26.4% Al_2O_3 from 23m**
  - **18m @ 21.3% Al_2O_3 from 22m**

- **Density work completed on Phase 3 diamond drilling**

- **Metallurgical testwork underway**

Alchemy Resources Limited (**ASX: ALY**) ("Alchemy") is pleased to announce additional significant results received from the Phase 3 resource drilling within the West Lynn Nickel-Cobalt Project in the Lachlan Fold Belt, NSW, which forms part of the Heron Resources Limited (**ASX: HRR**) Farm-in Agreement (*Figure 1*). Alchemy has currently earned 51% (earning up to 80%) in all NSW licences. The West Lynn results confirm broad high grade nickel (Ni) - cobalt (Co) mineralisation within the laterite and saprolite profiles at both West Lynn and Summervale, and confirm and extend broad zones of alumina (Al_2O_3) immediately above the Ni-Co mineralised zone.

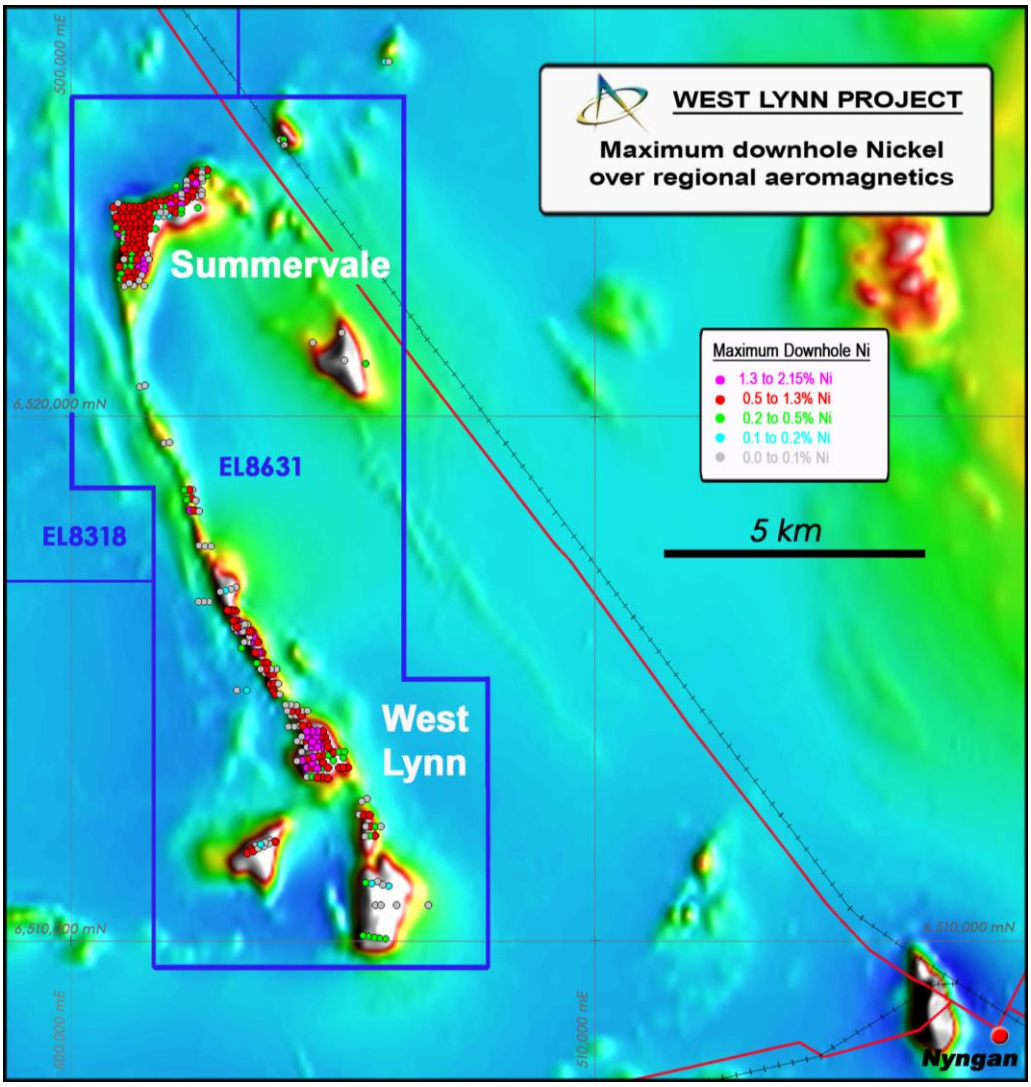

***Figure 1**: West Lynn Exploration Target area showing Alchemy licence outlines and all drilling coloured by maximum downhole Ni (%) over regional aeromagnetic image.*

Drilling to date has not fully defined the extent of along-strike or across-strike mineralisation at both the Summervale and West Lynn prospects. Further drilling will be undertaken subsequent to the release of the upcoming maiden JORC 2012 compliant Ni-Co- Al_2O_3 resource. In addition, the drilling to date covers only ~10km of the 22km long West Lynn Serpentinite unit.

All mineralised intercepts from the Phase 3 aircore drilling (21 holes for 1,201m) at both the West Lynn (WLAC075 – 089) and Summervale prospects (SVAC081 – 086) and from sampling of the alumina rich clay zone not previously sampled in the Phase 2 drilling are included in Appendix 1.

Significant Ni-Co results from the Phase 3 drilling include:

- **34m @ 0.97 % Ni, 0.05% Co from 38m (WLAC076)**
- **40m @ 0.71% Ni, 0.04% Co from 30m (WLAC088)**
- **20m @ 0.97% Ni, 0.10% Co from 38m (WLAC084)**
- **25m @ 0.81% Ni, 0.05% Co from 33m (WLAC083)**
- **19m @ 0.86 % Ni, 0.05% Co from 41m (WLAC075)**

High grade alumina (Al_2O_3) intercepts returned from the zone above the Ni-Co mineralisation include:

- **31m @ 20.1% Al_2O_3 from 13m (WLAC028)**
- **19m @ 23.7% Al_2O_3 from 25m (SVAC045)**
- **18m @ 23.6% Al_2O_3 from 20m (WLAC049)**
- **16m @ 26.4% Al_2O_3 from 23m (SVAC068)**
- **18m @ 21.3% Al_2O_3 from 22m (WLAC075)**
- **29m @ 18.0% Al_2O_3 from 19m (SVAC037)**
- **19m @ 17.5 % Al_2O_3 from 8m (WLAC067)**
- **16m @ 19.7 % Al_2O_3 from 25m (SVAC035)**
- **15m @ 20.9% Al_2O_3 from 8m (WLAC087)**
- **18m @ 17.4% Al_2O_3 from 3m (WLAC086)**

Locations of the significant Ni-Co-Al_2O_3 intercepts from the Phase 3 drilling and additional Phase 2 Al_2O_3 sampling can be seen in plan (Figures 2 & 4), and in cross-section (Figures 3 & 5) below.

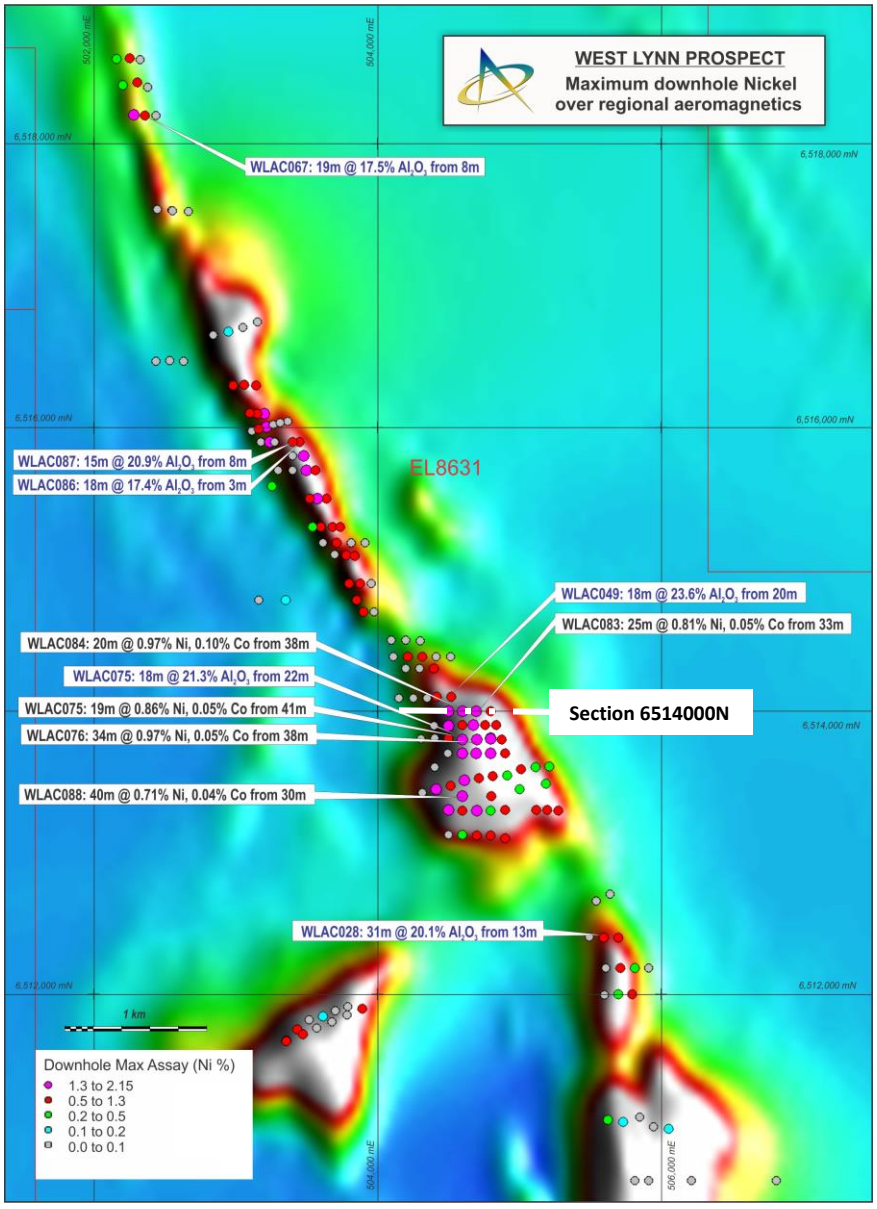

***Figure 2**: Plan of West Lynn Prospect showing all drilling (coloured by Ni%), and Phase 3 (& additional Phase 2 Al_2O_3) significant intercepts (labelled) over regional aeromagnetic image.*

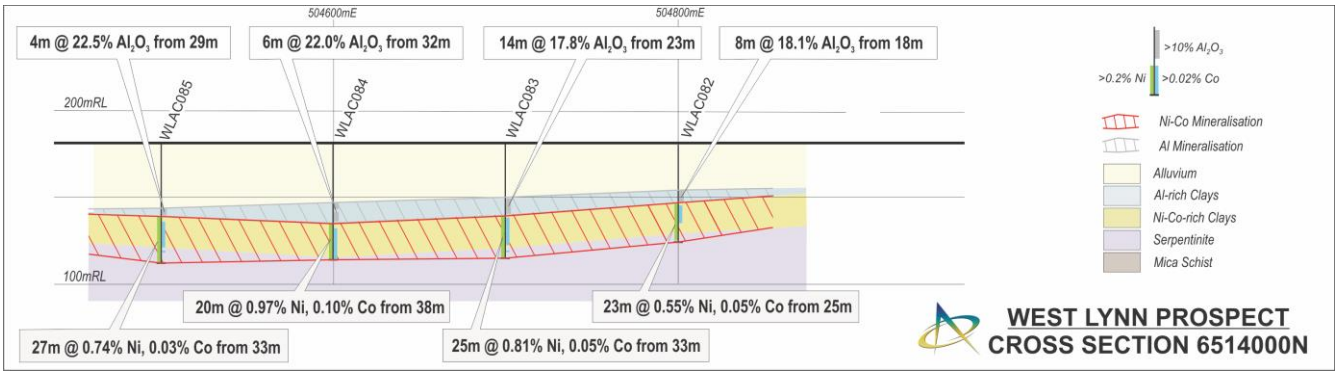

***Figure 3**: West Lynn Prospect cross section (6514000N) showing recent drill holes, mineralised zones, significant intercepts and geology.*

Ni-Co mineralisation at West Lynn continues to be associated with variably limonitic and ferruginous clay, saprolite and weathered serpentinite units, and shows good continuity between adjacent drill holes. The higher alumina grades are more prevalent at the Summervale Prospect and are associated with white kaolinitic clay units located immediately above or adjacent to the Ni-Co mineralisation. Alumina resource estimation work will focus on this area.

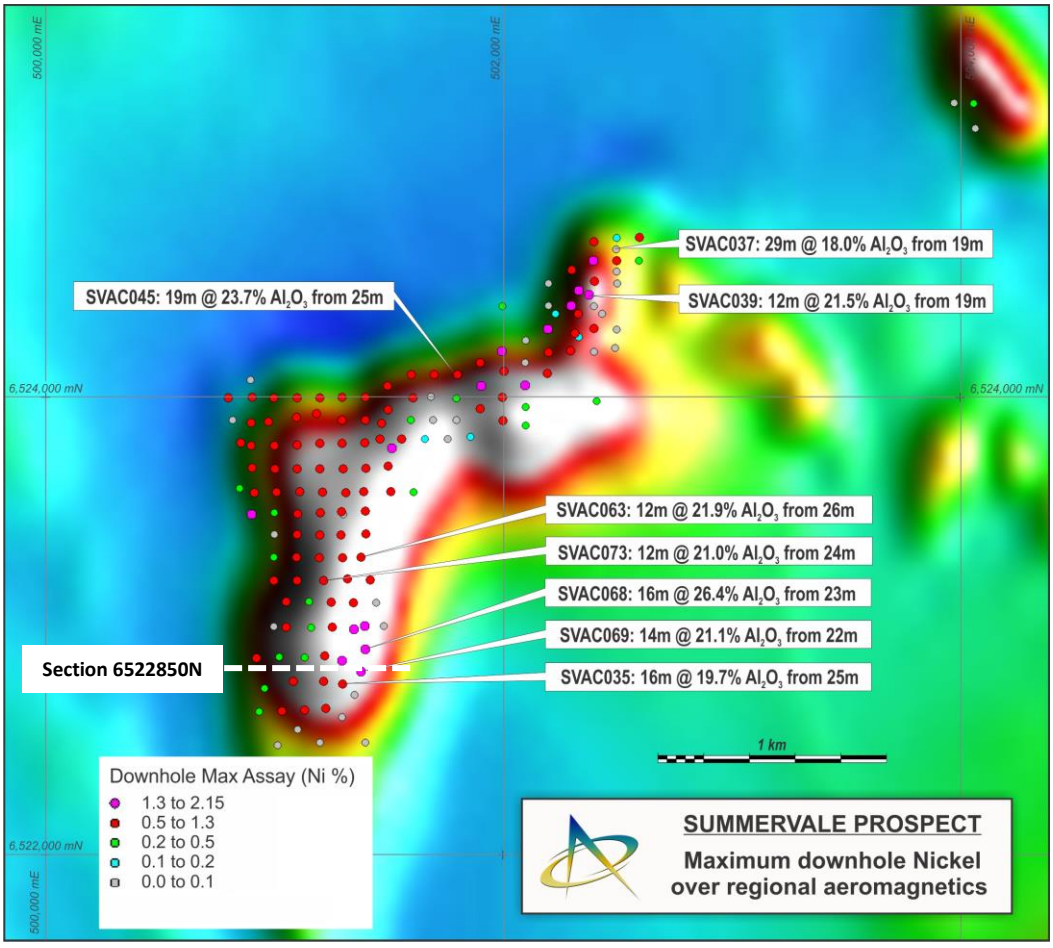

***Figure 4**: Plan of Summervale Prospect showing all drilling (coloured by Ni%), and Phase 3 (and additional Phase 2) Al_2O_3 significant intercepts (labelled) over regional aeromagnetic image.*

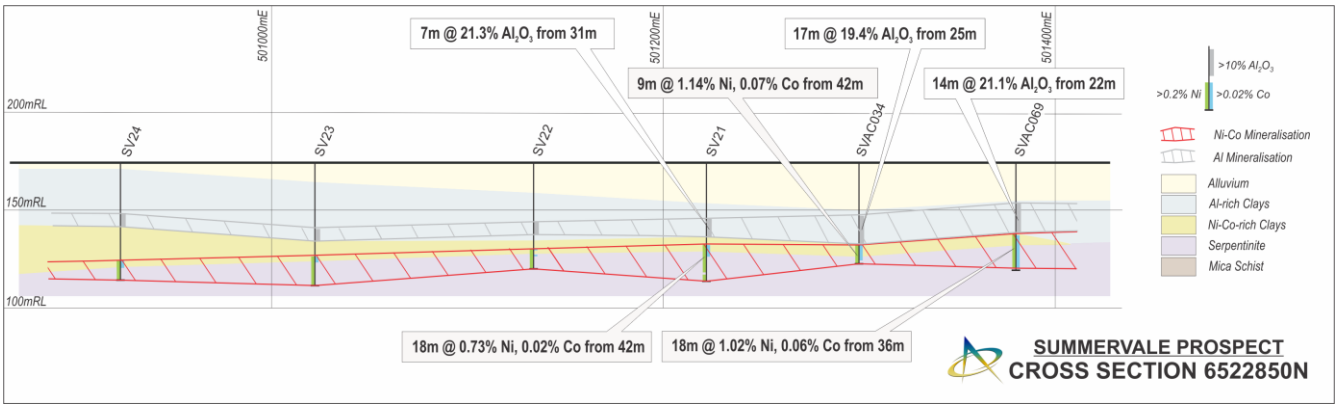

***Figure 5**: Summervale Prospect cross section (6522850E) showing recent and historic drill holes, mineralised zones, significant intercepts and geology.*

In addition to the Phase 3 aircore drilling, two diamond drill holes totalling 124.5m at the West Lynn Prospect, and one 64.9m deep diamond hole at the Summervale Prospect were completed in order to determine accurate SG/density estimations for the different weathering intensities encountered within both the alumina and Ni-Co ore zones. The different ore zones and corresponding density estimates are summarised in Table A below and will be used in the resource estimation expected to be announced early 2019. All three diamond holes twinned previous Alchemy aircore holes in order to check the consistency between aircore and diamond drilling and sampling methods. All assay results are pending.

Table A: Average density (SG) measurements from West Lynn/Summervale diamond drilling (dry weight basis)

Rock Type	SVDD001	WLDD001	WLDD002	AVG
HPA	1.87	N/A	N/A	1.87
Laterite	1.96	1.83	2.01	1.93
Saprolite	1.53	1.66	1.63	1.61
Transitional	1.85	1.99	1.73	1.86
Weathered Serpentinite	1.83	2.25	2.06	2.05

Direct Nickel Limited in Perth has commenced metallurgical work on 6 ore grade Ni-Co and alumina samples from the West Lynn Project. The recovery test work involves the DNi Process™, regarded as the most efficient at extracting nickel and cobalt from laterites and the first process to treat the entire profile of a laterite deposit (limonite and saprolite). For further information on the DNi Process™ refer to the Direct Nickel website (http://www.directnickel.com/).

Alchemy is highly encouraged by the nickel, cobalt and alumina results received from the Phase 1, Phase 2 and Phase 3 drilling at West Lynn, and is looking forward to completing the resource estimation and preliminary metallurgical work on the Ni-Co-Al mineralisation early in 2019.

Please direct enquiries to:

Mr Leigh Ryan – Managing Director

Telephone: +61 8 9481 4400 Email: Leigh@alchemyresources.com.au

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.

Appendix 1

Table A: Nickel-Cobalt Resource Drilling Results from West Lynn (WLAC) and Summervale (SVAC) Prospects
(all intercepts >2000ppm Ni)

HoleID	EOH Depth	Easting	Northing	From	To	Width	Ni %	Co %	Al_2O_3 %	Fe %
SVAC081	60	502002	6523897	42	59	17	0.55	0.026	5.0	15.4
SVAC082	72	502100	6523878	65	72	7	0.24	0.012	1.2	7.0
SVAC083	72	502099	6523957	42	60	18	0.31	0.014	2.0	7.5
SVAC084	39	501607	6523998	33	39	6	0.49	0.020	6.1	18.5
SVAC085	60	501470	6523886	30	60	30	0.40	0.017	3.2	9.7
SVAC086	60	501202	6523496	41	60	19	0.42	0.021	2.3	13.8
WLAC075	60	504598	6513798	41	60	**19**	**0.86**	**0.051**	2.0	12.4
WLAC076	72	504699	6513800	38	72	**34**	**0.97**	**0.051**	6.3	21.3
WLAC077	60	504799	6513802	34	60	**26**	**0.82**	**0.032**	2.7	13.0
WLAC078	54	504879	6513798	31	54	23	0.5	0.025	6.4	23.9
WLAC079	60	504898	6513699	30	60	30	0.62	0.029	2.4	11.5
WLAC080	46	504839	6513900	30	46	16	0.62	0.024	9.8	13.4
WLAC081	60	504760	6513899	36	60	24	0.52	0.024	5.5	21.0
WLAC082	48	504799	6513999	25	48	23	0.55	0.047	3.8	15.5
WLAC083	58	504698	6513997	33	58	**25**	**0.81**	**0.054**	5.8	22.4
WLAC084	58	504599	6513998	38	58	**20**	**0.97**	**0.095**	6.2	27.3
WLAC085	60	504499	6513999	33	60	**27**	**0.74**	**0.034**	3.8	18.1
WLAC086	36	503449	6515898	20	36	16	0.48	0.039	4.8	16.2
WLAC087	46	503398	6515899	23	24	1	0.26	0.009	13.2	36.3
and				27	46	19	0.43	0.043	7.9	26.2
WLAC088	72	504598	6513398	30	70	**40**	**0.71**	**0.039**	3.2	15.2
WLAC089	48	505001	6513446	37	48	11	0.28	0.026	1.5	8.0

NB. All coordinates are GDA94 zone 55, 2000ppm Ni lower grade cut-off, no upper cut-off grade, maximum 2m internal waste, all intercepts >2000ppm Ni are reported.

Table B: Alumina Resource Drilling Results from West Lynn and Summervale Prospects
(all intercepts >15% Al_2O_3)

HoleID	EOH Depth	Easting	Northing	From	To	Width	Al_2O_3 %	Fe %
SVAC035	48	501299	6522747	25	41	**16**	**19.7**	4.4
SVAC037	48	502496	6524647	19	48	**29**	**18.0**	4.4
SVAC038	39	502499	6524551	28	32	4	18.4	5.0
SVAC039	51	502378	6524448	19	31	**12**	**21.5**	8.3
SVAC040	46	502301	6524399	17	30	13	19.2	9.6
SVAC041	57	501902	6524151	37	43	6	29.1	3.4
and				54	55	1	16.4	7.5
SVAC042	57	502099	6524152	38	40	2	15.3	4.9
and				44	52	8	16.2	4.4
SVAC044	57	502005	6524114	37	43	6	19.8	5.7
SVAC045	53	501801	6524098	25	44	**19**	**23.7**	5.9
SVAC046	48	501701	6524099	32	39	7	20.4	9.5

HoleID	EOH Depth	Easting	Northing	From	To	Width	Al_2O_3 %	Fe %
SVAC047	51	501497	6524049	30	32	2	20.5	5.5
SVAC048	45	501297	6524001	19	31	12	16.9	1.0
SVAC049	55	500998	6523998	23	29	6	18.3	1.7
SVAC050	45	500800	6523999	27	30	3	20.7	4.9
SVAC052	57	501499	6523945	29	36	7	20.8	2.7
SVAC054	48	501797	6523996	23	27	4	16.2	3.2
and				33	48	**15**	**22.9**	13.5
SVAC055	60	501906	6524050	37	41	4	20.0	3.3
SVAC056	57	502098	6524051	25	35	**10**	**19.4**	8.8
SVAC057	57	501902	6523950	28	30	2	17.9	2.5
and				36	44	8	18.4	9.2
SVAC060	51	501500	6523700	31	36	5	23.2	5.0
SVAC062	54	501402	6523402	33	39	6	20.2	3.2
SVAC063	54	501380	6523300	26	38	**12**	**21.9**	3.6
SVAC064	52	501419	6523200	27	37	**10**	**20.5**	2.6
SVAC065	51	501320	6523206	27	37	**10**	**21.2**	3.5
SVAC068	54	501400	6522898	23	39	**16**	**26.4**	9.1
SVAC069	54	501380	6522801	22	36	**14**	**21.1**	6.6
SVAC073	54	501217	6523199	24	36	**12**	**21.0**	3.3
SVAC074	57	501100	6523198	31	35	4	18.1	2.3
SVAC077	51	501100	6523400	29	38	9	16.1	1.1
SVAC078	51	501200	6523399	27	29	2	15.1	1.0
and				33	35	2	15.7	0.8
SVAC079	51	501291	6523397	32	41	9	18.0	2.6
SVAC080	57	501294	6523501	34	38	4	21.1	0.9
and				44	47	3	17.4	6.4
SVAC081	60	502002	6523897	32	36	4	19.0	3.4
and				40	41	1	16.0	25.5
and				59	60	1	24.8	2.3
SVAC082	72	502100	6523878	33	42	**9**	**23.4**	3.1
and				46	64	18	17.3	4.9
SVAC083	72	502099	6523957	39	41	2	22.2	4.3
SVAC085	60	501470	6523886	25	32	**7**	**20.8**	1.7
SVAC086	60	501202	6523496	28	31	3	16.6	1.5
and				35	41	6	15.8	3.5
WLAC004	24	503178	6515898	9	12	3	18.7	4.8
WLAC007	32	503499	6515700	18	20	2	19.0	19.4
WLAC019	49	504399	6514298	32	34	2	16.6	3.9
WLAC020	51	504601	6513901	34	37	3	22.3	3.3
WLAC028	59	505599	6512403	13	44	**31**	**20.1**	16.7
WLAC029	58	505700	6512401	20	24	4	16.3	0.8
and				34	36	2	19.5	21.1
WLAC033	60	504500	6513299	29	39	**10**	**23.8**	2.7
WLAC045	67	504601	6513700	41	45	4	17.2	24.9

HoleID	EOH Depth	Easting	Northing	From	To	Width	Al_2O_3 %	Fe %
WLAC046	56	504695	6513700	31	35	4	19.9	21.1
WLAC047	60	504799	6513700	30	32	2	16.6	21.4
WLAC049	58	504519	6514101	20	38	**18**	**23.6**	4.6
WLAC050	69	504419	6514100	31	33	2	16.8	30.0
WLAC054	42	503841	6515096	15	17	2	19.4	4.6
WLAC055	41	503739	6515299	28	36	8	16.3	4.6
WLAC058	21	503577	6515499	3	10	**7**	**26.7**	6.2
WLAC067	45	502359	6518203	8	27	19	17.3	5.8
and				34	35	1	20.7	8.2
WLAC072	39	502322	6518596	17	23	6	15.3	1.4
WLAC074	41	502158	6518601	26	30	4	18.5	5.5
WLAC075	60	504598	6513798	22	40	**18**	**21.3**	5.5
WLAC076	72	504699	6513800	24	25	1	15.3	3.6
and				36	42	**6**	**21.5**	15.8
WLAC077	60	504799	6513802	27	34	7	18.5	15.2
WLAC078	54	504879	6513798	31	32	1	17.4	20.4
WLAC080	46	504839	6513900	26	35	9	17.1	8.4
WLAC081	60	504760	6513899	31	38	**7**	**26.9**	7.6
WLAC082	48	504799	6513999	18	26	8	18.1	3.9
WLAC083	58	504698	6513997	23	37	14	17.8	14.9
WLAC084	58	504599	6513998	26	28	2	18.4	1.1
and				32	38	6	22.0	4.5
WLAC085	60	504499	6513999	29	33	4	22.5	12.7
WLAC086	36	503449	6515898	3	21	18	17.4	6.5
WLAC087	46	503398	6515899	8	23	**15**	**20.9**	3.4
and				29	30	1	16.1	31.6
WLAC088	72	504598	6513398	28	33	5	14.3	23.4
WLAC089	48	505001	6513446	33	34	1	17.5	2.9

NB. All coordinates are GDA94 zone 55, 15% Al_2O_3 lower grade cut-off, no upper cut-off grade, maximum 3m internal waste, all intercepts >15% Al_2O_3 are reported.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	*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.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *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.*	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. AC drilling was used to obtain 1m samples that were collected in plastic buckets via an industry standard cyclone. 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. A grab sample was carefully obtained where material was too wet to be passed through the sample splitter. Both green bags and calico samples were weighed onsite for sample recovery recognition. The AC samples obtained are considered to be representative of the material drilled.
Drilling techniques	*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.).*	AC drilling was completed by Drillit Consulting Pty Ltd using a track mounted Multidrill 600 with a Sullair 900 cfm x 500 psi compressor, 3.5" rods and a 100 mm diameter aircore blade bit.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	Sample recoveries and moisture content estimates were logged/recorded into spreadsheets by the supervising geologist. Each 1m sample (split green plastic and calico sample bag) was weighed after being collected. This gives an indication of recovery

Criteria	JORC Code explanation	Commentary
	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.	of drill material relative to all other 1m samples. 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.
Logging	*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.* *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* *The total length and percentage of the relevant intersections logged.*	Geological logging was completed on all AC 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. Independent qualified consultants have confirmed that the AC samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. 100% of relevant intersections have been logged.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.* *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* *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.* *Whether sample sizes are appropriate to the grain size of the material being sampled.*	AC samples were riffle split if sample was dry, and carefully grab sampled by hand when wet. Sample preparation is considered appropriate with respect to quality of aircore sample collection. 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.
Quality of assay data	*The nature, quality and appropriateness of the assaying and laboratory*	Samples were sent to the ALS Laboratory in Orange for analysis.

Criteria	JORC Code explanation	Commentary
and laboratory tests	*procedures used and whether the technique is considered partial or total.* *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.* *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.*	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 105ºC+5ºC for several hours (drying time dependent on moisture content), then crushing the entire sample (>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. Pulps were analysed using ALS method code ME-XRF12n designed for Nickel laterite deposits. The analysis uses XRF on fused disk. Laboratory QAQC involves the use of internal laboratory standards using certified reference material (CRM), blanks, splits and replicates as part of in-house procedures. ALY used CRMs (Lab Standards) with a suitable range of values for Ni-Co analysis and blanks that were inserted every 50 samples. Standards used were OREAS 197, 198, 199 and 44e. Results indicate that assay values are within acceptable error limits. Duplicate samples were collected in each hole. Analysis of samples reveals that precision of samples is within acceptable limits.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.* *The use of twinned holes* *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* *Discuss any adjustment to assay data.*	Reported drill hole intercepts are compiled by the Company's Managing Director (MD) who is also the competent person. No twinned holes were drilled in the current drilling campaign. The original data is collected by qualified geologists and geo-technicians working under the supervision of a qualified geologist, and entered onto paper spreadsheets. 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

Criteria	JORC Code explanation	Commentary
		by the ALY MD, who is a competent person. No assay data adjustments have been made.
Location of data points	*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.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	A DGPS was used to locate all Phase 1,2 and 3 collar positions, with an expected +/-1m vertical and horizontal accuracy. No down hole surveys were collected. The grid system used for all collar locations is the UTM Geocentric Datum of Australia 1994 (MGA94 Zone 55). The drill collar and down hole location accuracy is considered appropriate for this stage of exploration.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *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.* *Whether sample compositing has been applied.*	At Summervale aircore holes have been drilled at 100m x 100m spacings over a 2.7km NE-SW trending strike length. At the West Lynn prospect aircore holes are spaced at 100m x 100m and 100m x 200m lines for a length of ~3.8km in a NNW-SSE direction. The distribution is considered sufficient to establish geological and grade continuity suitable for an inferred resource status. Sample compositing has not been applied
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type* *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.*	Holes have been drilled vertically to achieve unbiased sampling of the flat lying lithologies and mineralisation. No orientation based sampling bias has been identified.
Sample security	*The measures taken to ensure sample security.*	All drill samples were collected in pre-numbered calico bags and transported to the ALS laboratory in Orange via courier and company vehicles. Drill spoils collected into large green bags are stored in a farm shed on site.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	Considering the nature of the drill program, no external audit or review of the sampling

Criteria	JORC Code explanation	Commentary
		techniques or sample data capture has been conducted to date.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*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.* *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.*	Type - Exploration Licence (currently in good standing). Reference name – West Lynn. Reference numbers – EL8631. Location – 25km northwest of Nyngan, in north central NSW. Ownership – 49% Ochre Resources Pty Ltd, 51% Alchemy Resources (NSW) Pty Ltd (Stage 1 earn-in recently achieved by Alchemy – Stage 2 allows Alchemy to earn 80% by spending an additional $1M prior to 30 May 2021). Overriding royalties - none The land is 95% freehold. No Wilderness Reserves, National Parks, Native Title sites or registered historical sites are known. No environmental issues are known.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	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. 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. Jervois applied for the ground in 2007 and began to explore for nickel-cobalt mineralisation over magnetic anomalies related to underlying ultramafic units. AC drilling programs conducted over a

Criteria	JORC Code explanation	Commentary
		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.
Geology	*Deposit type, geological setting and style of mineralisation*	Deposit Type – Nickel-Cobalt Laterite 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. 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. Style of mineralisation – Concentration of Ni-Co-Al within clays and saprolite derived from weathered serpentinite.
Drill hole Information	*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:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth*	Drill results form the basis of the exploration results and are tabulated within the body of the announcement.

Criteria	JORC Code explanation	Commentary
	○ *hole length.* *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.*	
Data aggregation methods	*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.* *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.* *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Intercepts are from 1m individual samples. Any averaged intercepts are down hole length weighted averages (as per table in body of report). Lower cut off grades include 2000ppm for nickel intercepts, 200ppm for cobalt intercepts, and 15% for Al intercepts. No upper cut off grades have been used to calculate intercepts.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *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').*	Due to the nature of the targeted mineralisation being flat lying, all drilling was vertical (-90^0), and subsequently all intercepts reported are downhole widths.
Diagrams	*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.*	Appropriate plans and cross sections have been included in the body of this announcement.

Criteria	JORC Code explanation	Commentary
Balanced reporting	*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.*	Exploration results reported in Alchemy's public announcements and this report are comprehensively reported in a balance manner.
Other substantive exploration data	*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.*	Specific gravity (SG) was determined using the wet immersion method on whole PQ diameter core. Core was wrapped in plastic film to retain in situ moisture and to protect core during transport. Individual core samples weighed in air and subsequently weighed while immersed in water using calibrated digital scales for in situ specific gravity. The sample was then placed in a gas-fired drying over at approximately 80 degrees Celsius for 48 hours. Poorly consolidated samples were coated in lacquer or wax to minimise sample desiccation during drying. On removal from the oven the sample was again weighed in air and subsequently weighed while immersed in water for determination of a dry specific gravity. In situ and dry specific gravity was calculated using the formula SG (gcm^3) = weight of sample in air / (weight in air – weight immersed in water). Sufficient samples were selected from the range of lithologies for specific gravity determination for the purposes of calculating resources for the range of resource lithological categories expected.
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Additional drilling planned for 2019 will include additional infill resource aircore drilling to improve resource confidence levels to an indicated category and resource extension aircore drilling to expand the JORC Code 2012 compliant inferred resource estimate due for release in January 2019.