Alchemy Resources Limited
ACN 124 444 122

ASX ANNOUNCEMENT

27 JANUARY 2016

CODE: ALY

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ISSUED CAPITAL

SHARES 228,788,035

OPTIONS 3,000,000 (Unlisted)

PROJECTS

BRYAH BASIN (80-100%)

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Bryah Basin Project Exploration Update

Neptune Prospect returns multiple horizons with copper – gold anomalism

- Independence Group NL (ASX: **IGO**; "IGO") has advised that final assays have been received from recent RC – diamond drilling at the Neptune prospect within Alchemy's* Bryah Basin Copper – Gold Project.
- A combination of diamond and RC holes, drilled on five sections nominally 500m apart, targeted 2km of strike of the previously delineated zone of geochemical anomalism and electromagnetic conductors at Neptune.
- Logging of diamond core identified multiple zones of anomalous stringer-style to heavy disseminated/blebby, pyrite-dominant sulfide mineralisation throughout the Neptune area with sericite-chlorite-silica±hematite alteration associated with several of these zones.
- Results of core samples from these zones return **multiple horizons with copper and/or gold anomalism** within the prospective Narracoota – Karalundi volcano-sedimentary sequence, including
  - **15BRDD002** 0.9m at 396 ppb Au, 610 ppm Cu (from 227.1m)
    3.0m at 1,460 ppb Au, 88 ppm Cu (from 251m)
    15.9m at 191 ppb Au, 61 ppm Cu (from 286.1m)
    9.97m at 557 ppb Au, 71 ppm Cu (from 331.85m)
  - **15BRDD001** 5.2m at 241 ppb Au, 71 ppm Cu (from 326.6m)
  - **15BRRC001DW1** 3.0m at 41 ppb Au, 840 ppm Cu (from 168.0m)
- Multiple, broad zones of gold anomalism extend for over a 1km strike proximal to the Narracoota – Karalundi contact.
- In combination with results from the RC drilling, drilling has delineated geochemical anomalism associated with zones of intense alteration and sulfide mineralisation hosted at multiple stratigraphic horizons.
- **Down-hole EM surveys undertaken by IGO delineate an untested off-hole conductor between two drill sections**.
- IGO advises that a review of all data has highlighted five target areas at Neptune that require follow-up drilling, including the projected down-dip position of the previously reported Cu-rich horizon in 15BRRC002 (28m at 1,193ppm Cu).

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* Alchemy Resources Limited (ASX: **ALY**) ("Alchemy") holds 100% interest in the landholding with the exception of several tenements in joint-venture with Fe Limited (ASX: **FEL**) (20%).

Project Overview

The Bryah Basin Project contains more than 40km of strike extent of the Narracoota – Karalundi volcanic – sedimentary sequence, host to Sandfire Resources' DeGrussa copper-gold deposit and its recent discovery of high-grade copper-gold at the Monty prospect (*Figure 1*), and is prospective for discovery of volcanic massive-sulphide (VMS)-style copper-gold deposits.

Alchemy is pleased to announce that IGO has received the final assays from the broad-spaced diamond and RC drilling program undertaken at the Neptune Prospect in late 2015 (*Figure 1*). The program is part of the exploration Farm-in and Joint Venture Agreement covering Alchemy's interests in the whole and part tenements that cover the base metal prospective part of the Bryah Basin Project (*see ASX announcement dated 5 November 2014*).

In the Neptune area, RAB and aircore drilling defined a 2.5km long, strike-parallel zone of high-order, multi-element VMS pathfinder anomalism (*see ASX announcement dated 29 January 2015*), localised within the underlying sedimentary-dominated Karalundi Formation and on the basal contact of the mafic-dominated Narracoota Formation. These zones of anomalism are semi-coincident with several linear, moderate to strong electromagnetic (EM) conductors returned from moving-loop EM (MLEM) surveys conducted over the Neptune prospect, along with several potential basin-forming growth faults.

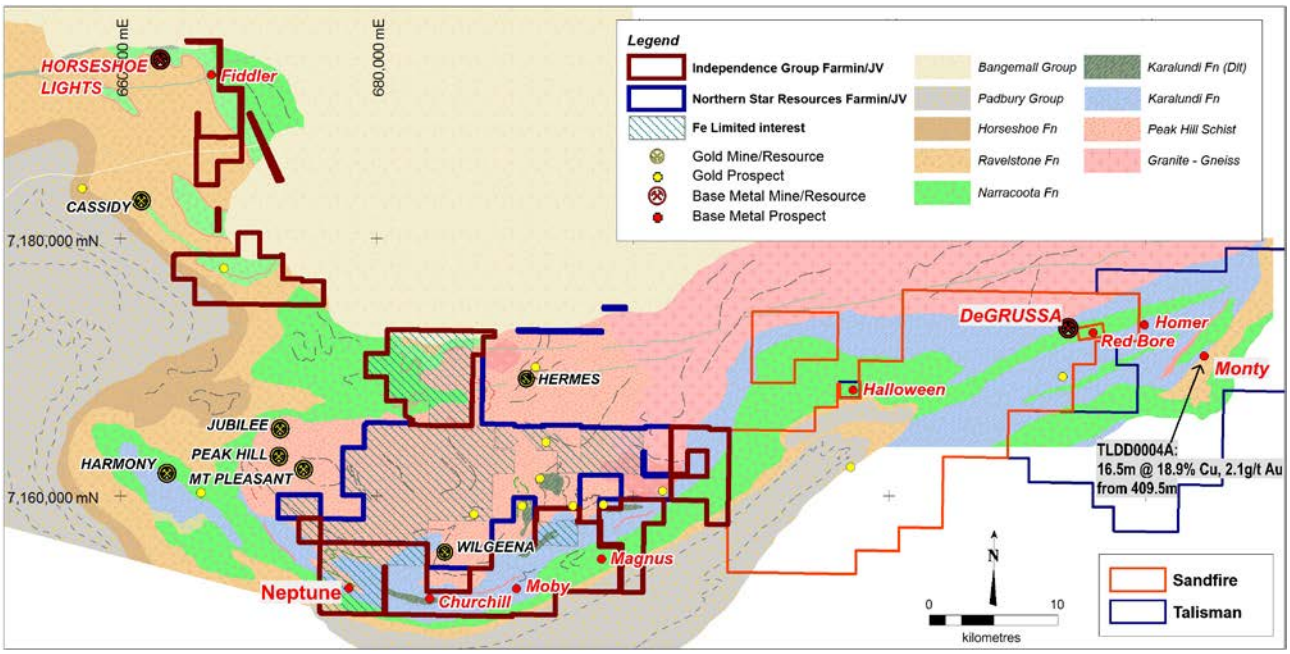

Figure 1: Bryah Basin Project showing Independence Farmin/JV area and base metal and gold prospects, including the Neptune prospect and the recent discovery of high-grade copper-gold at Monty, over geology.

The diamond and RC drilling program targeted the prospective basal Narracoota contact and underlying Karalundi sequence at the Neptune prospect (*Figure 1*). The program of three diamond (with RC pre-collar) holes and five RC holes, drilled on five sections nominally 500m apart (*Figure 2*), targeted mineralisation at vertical depths of between 200 and 400m along 2km of strike of the prospective zone. One of the RC holes, 15BRRC001DW1, was completed with a diamond drill-hole wedge. Funds from a successful WA Government Exploration Incentive Scheme Co-funded Drilling Initiative grant were used towards the drilling program.

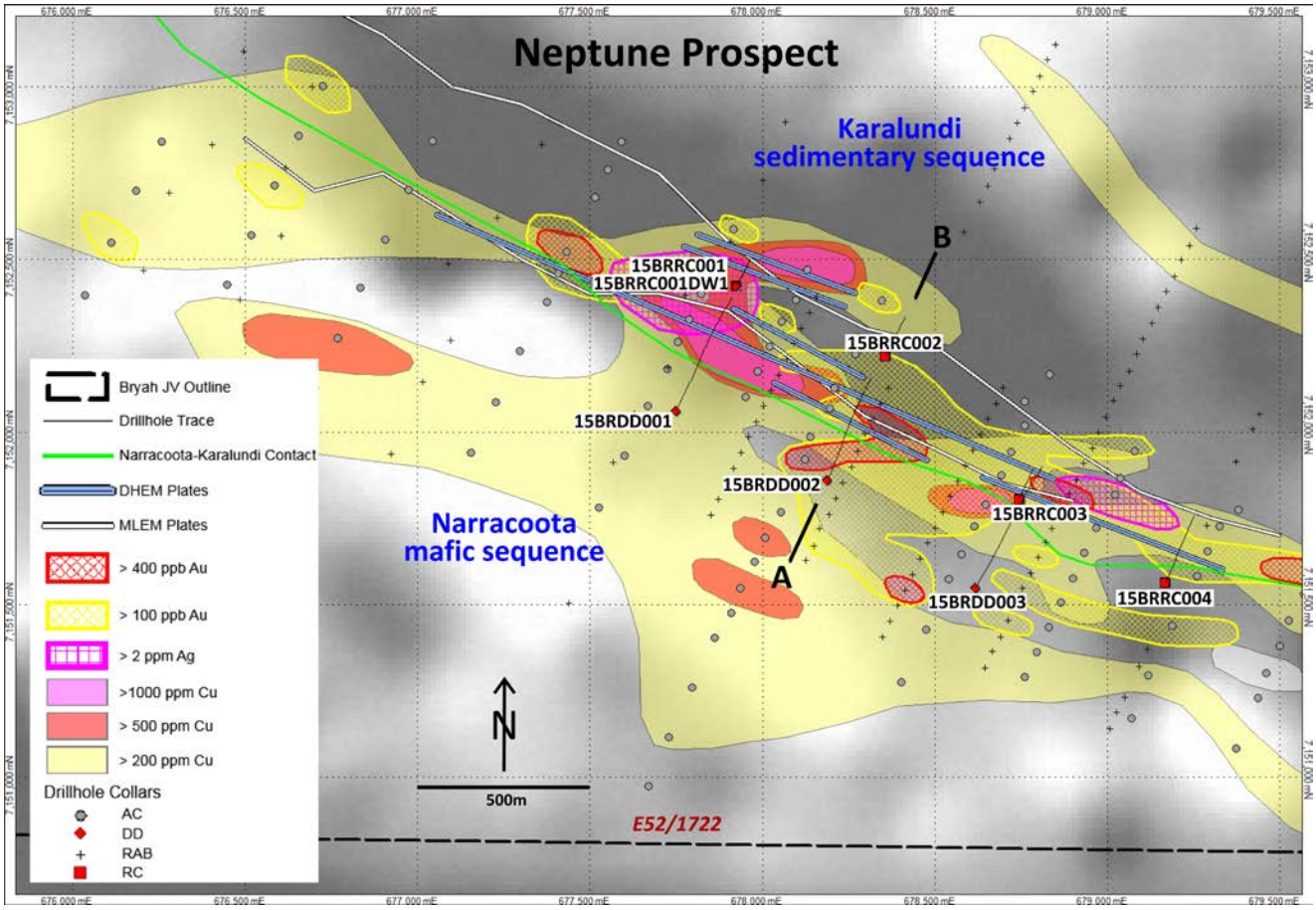

Figure 2: Neptune prospect showing and location of the DD-RC drilling program, previous RAB/AC drilling, geochemical Au-Ag-Cu anomalism, DHEM and MLEM plates over magnetic image.

Logging of diamond core and RC chips indicates anomalous stringer-style to heavy disseminated/blebby, pyrite-dominant sulfide mineralisation throughout the Neptune prospect, with mineralisation mainly hosted within three stratigraphic horizons within the Karalundi sedimentary-dominated sequence, close to the contact with the overlying mafic (sub-)volcanic-dominated Narracoota sequence. Zones of strong to intense sericite-chlorite±silica alteration are present.

Assays from selected intervals of cut half-core from the mineralised horizons indicate strong copper and/or gold anomalism associated with multiple mineralised horizons within the prospective Narracoota – Karalundi volcano-sedimentary sequence, including

15BRDD001	5.2m at 241 ppb Au, 71 ppm Cu	(from 326.6m)
15BRDD002	0.9m at 396 ppb Au, 610 ppm Cu	(from 227.1m)
	3.0m at 1,460 ppb Au, 88 ppm Cu	(from 251m)
	15.9m at 191 ppb Au, 61 ppm Cu	(from 286.1m)
	9.97m at 557 ppb Au, 71 ppm Cu	(from 331.85m)
15BRRC001DW1	3.0m at 41 ppb Au, 840 ppm Cu	(from 168.0m)

The diamond core results supplement the results from the 4m-composite samples taken down each of the RC holes and RC pre-collars of diamond holes (*see ASX announcement dated 2 October 2015*), and include

15BRRC002	28m at 1,193 ppm Cu	(from 88m)
15BRRC003	4m at 536 ppm Cu, 829 ppm Zn	(from 28m)
	12m at 118 ppb Au, 224 ppm Cu	(from 72m)
	16m at 133 ppb Au, 193 ppm Cu	(from 100m)
15BRRC004	48m at 130 ppb Au, 174 ppm Cu	(from 172m)

The moderate copper anomalism in 15BRDD002 (0.9m at 610 ppm Cu from 227.1m) is associated with anomalism of a multi-element (Ag-As-Au-Bi-Mo-Sb-Se-Te-Tl) suite, which is consistent with VMS-style copper-gold deposits. The anomalism is associated with pyrite-dominated sulfide mineralisation within black shales (*Figure 3*). Further down 15BRDD002, three intervals of moderate- to high-order (>100 ppb) gold anomalism (*Figure 3*) are associated with patchy silica-sericite±carbonate alteration in basalt and sedimentary rocks, and essentially Au-only or Au-As±Bi±W anomalism. One of these intervals is associated with high-order (>500 ppm) zinc anomalism, including 1m at 1,847 ppm Zn from 334m.

The high-order copper anomalism previously reported in 15BRRC002 (28m at 1,193 ppm Cu from 88m) (*see ASX announcement dated 2 October 2015*) is associated with anomalism of a multi-element (Ag-Au-Bi-Mo-Sb-Se-Tl) suite. The anomalism is associated with pyrite-dominated sulfide mineralisation and patchy hematite alteration within the Karalundi sedimentary sequence. Although previously interpreted to project down-dip and be potentially associated with strong localised and patchy sericite-chlorite-silica-hematite alteration and a sulfide-mineralised horizon in 15BRDD002 at approximately 490m down-hole, further interpretation indicates that this copper-rich zone is essentially untested at depth (*Figure 3*).

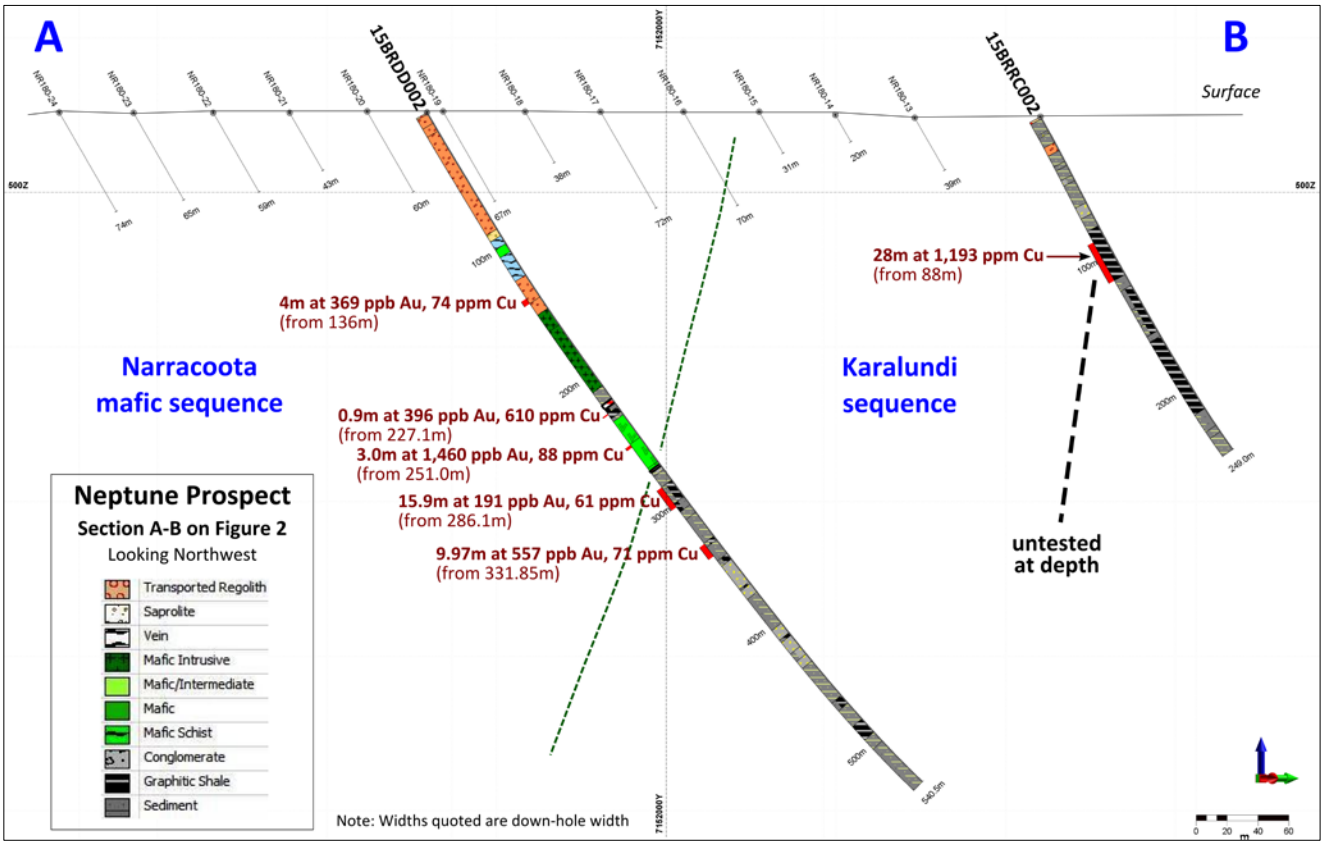

Figure 3: Neptune prospect – Section showing multiple mineralised horizons in 15BRDD002, significant 4m-composite sample results in 15BRRC002, previous RAB/AC drilling and generalised geology.

The moderate- to high-order (>100 ppb) gold anomalies in 15BRDD002 and 15BRDD003 are within broader (10-25m) zones of low-order (>50 ppb) gold anomalism associated with strongly silica-sericite±hematite altered and sulfide (pyrrhotite-pyrite)-mineralised, intercalated shale and siltstone within the upper 50-75m of the Karalundi sedimentary sequence. The broad zones of gold anomalism extend for over a 1km strike proximal to the Narracoota – Karalundi contact (*Figure 2*).

The diamond drilling has provided important stratigraphic and structural information in an area with no previous cored-drilling. Follow-up down-hole EM (DHEM) surveys were undertaken on the diamond and RC holes where ground conditions permitted to provide constraints on any off-hole EM conductors in the near vicinity. The DHEM surveys returned a number of conductors that can be explained by the presence of graphitic shales down-hole. The most significant response, however, is an off-hole response that is interpreted to be of high conductance (3000 Siemens) and modelled to lie between drill sections containing 15BRDD001 and 15BRDD002. Its source may be carbonaceous shales that are of higher conductance to those intersected down-hole or may represent an accumulation of mineralised sulfides. This represents a priority target that requires follow-up exploration.

IGO has advised that a review of all data relating to the diamond/RC drilling program undertaken at the Neptune Prospect has been completed. The drilling program was broad spaced (500m between sections) and the review has highlighted five target areas, comprising a combination of geochemical, geophysical and structural features that require follow-up drilling.

IGO further advises that the majority of exploration on the tenements to date has focussed on the Karalundi-Narracoota contact zone. There is increasing evidence to suggest that other zones within the Bryah Basin Project area, particularly those stratigraphically deeper within the Karalundi sequence, are also highly prospective for VMS-style mineralisation. These areas will be assessed further in the first half of 2016.

– ENDS –

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Table 1: *Diamond and RC drill hole information – Neptune Prospect, Bryah Basin*

Hole ID	Drill Hole Type	Easting MGA94 Zone 50 (m)	Northing MGA94 Zone 50 (m)	RL (m)	AZI (mag degr)	DIP (degr)	Hole Depth (m)	RC Drilling (m)	DD Drilling (m)	Comments
15BRDD001	DD (RC pre-collar)	677750	7152063	550	025	-60	606.5	144	462.5	
15BRDD002	DD (RC pre-collar)	678189	7151861	552	025	-60	540.5	162	378.5	
15BRDD003	DD (RC pre-collar)	678619	7151549	552	025	-60	651.4	155	496.4	
15BRRC001	RC	677925	7152424	548	025	-60	144	144	-	
15BRRC001DW1	DD wedge	677925	7152424	548	025	-60	183.2	-	68.3	Core from 114.9m
15BRRC002	RC	678357	7152221	549	025	-60	249	249	-	
15BRRC003	RC	678744	7151808	552	025	-60	187	187	-	
15BRRC004	RC	679168	7151565	553	025	-60	331	331	-	
15BRRC005	RC	679806	7151431	556	025	-60	301	301	-	

Table 2*: Significant Drill Results – Diamond drilling NQ ½ core samples and RC drilling 4m composite samples – Neptune Prospect, Bryah Basin*

Hole ID	Drill Hole Type	Hole Depth (m)	RC Drilling (m)	DD Drilling (m)	From (m)	To (m)	Interval (m)	Au (ppb)	Cu (ppm)	Comments
15BRDD001	DD	606.5	144	462.5	**326.6**	**331.8**	**5.2**	**241**	**71**	
					474.0	**475.1**	**1.1**	**102**	**57**	
15BRDD002	DD	540.5	162	378.5	136	140	4	369	74	RC pre-collar
					227.1	**228.0**	**0.9**	**396**	**610**	
					251.0	**254.0**	**3.0**	**1,460**	**88**	
					286.1	**302.0**	**15.9**	**191**	**61**	
					331.85	**341.82**	**9.97**	**557**	**71**	**Incl. 1m @ 1,847 ppm Zn (from 334m)**
15BRDD003	DD	651.4	155	496.4	40	44	4	148	8	RC pre-collar
					430.0	**431.0**	**1.0**	**158**	**255**	
15BRRC001	RC	144	144	-	12	16	4	124	106	
15BRRC001DW1	DD		-	68.3	**168.0**	**171.0**	**3.0**	**41**	**840**	
15BRRC002	RC	249	249	-	88	116	28	27	1,193	
15BRRC003	RC	187	187	-	28	32	4	23	536	Within 16m @ 659 ppm Zn (from 24m)
					72	84	12	118	224	
					100	116	16	133	193	
15BRRC004	RC	331	331	-	140	144	4	134	42	
					172	220	48	130	174	
15BRRC005	RC	301	301	-	188	192	4	163	196	
					276	280	4	265	179	

Core sample results are subject of this report and are in bold. RC drilling 4m composite sample results previously reported on 2 October 2015. **Table 1** lists collar coordinates, azimuth and dip. Intercept widths are down-hole widths. Intercepts greater than 100 ppb Au, 500 ppm Cu or 500 ppm Zn reported.

ABOUT ALCHEMY RESOURCES

Alchemy's Bryah Basin Project comprises over 500km^2 of highly prospective tenements located about 130km north of Meekatharra, Western Australia. The Bryah Basin Project contains more than 40km of strike extent of the Narracoota Volcanic Sequence, host to Sandfire's DeGrussa copper-gold deposit and highly prospective for the discovery of VMS-style base metal deposits. In January 2014 Independence Group NL entered into an Agreement to explore and earn an interest in the base metal prospective part of Alchemy's Bryah Basin Project (*see ASX announcement dated 30 January 2014*).

In April 2015 Northern Star Resources (ASX: **NST**) commenced a Farm-in and Joint Venture Agreement to explore and earn an interest in the remaining gold prospective Bryah Basin landholding (*see ASX announcement dated 24 February 2015*), including existing gold resources at the Wilgeena gold deposit (Indicated Resource of 1.36Mt @ 1.99g/t, equivalent to 87,373 ounces of gold: *see ASX announcement dated 22 October 2012*) and significant exploration upside.

COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results is based on information compiled by Dr Kevin Cassidy, who is an employee and security holder of Alchemy Resources Limited. Dr Cassidy is a Fellow 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'). Dr Cassidy consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources at the Wilgeena Gold Deposit is based on information compiled by Simon Coxhell, who is an employee of CoxsRocks Pty Ltd, a consultant to Alchemy Resources Limited. Mr Coxhell is a Member of the Australian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy 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 2004 Edition of the Joint Ore Reserves Committee 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ('JORC Code 2004'). Mr Coxhell consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Alchemy confirms that the Exploration Results and the Indicated Mineral Resource at the Wilgeena Gold Deposit were prepared and first disclosed under JORC Code 2004. These have not been updated since to comply with JORC Code 2012 on the basis that the information has not materially changed since last reported on 22 October 2012. Alchemy is not aware of any new information or data that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed.

ANNEXURE 1

JORC Code, 2012 Edition Reporting Criteria – Table 1 – Exploration Results: Bryah Basin – Neptune Prospect

SECTION 1: SAMPLING TECHNIQUES AND DATA

Criteria	Commentary
Sampling Techniques	▪ All results in this report are from sampling of Reverse Circulation (RC) and diamond drilling at the Neptune Prospect. ▪ RC drilling sampled as 4m composite samples or smaller composites where required to complete the hole. RC samples were collected as 1m samples at the rig using a cone splitter. 1m sample is a variable split of approximately 1-in-8. Remainder of 1m sample retained in plastic bags and placed in rows on ground. 4m composite samples were collected with a scoop or spear from drill cuttings from bagged remainder of 1m samples. Sampling aimed to be as representative as possible by sampling through the entire bag. 4m composite samples weigh approximately 3kg in total. Archive 1m samples retained for future sampling and check work if required. ▪ Core samples are selected based on geological logging for appropriate representative samples of mineralisation. All identified mineralised zones are sampled along with appropriate buffers either side of mineralisation. Core samples are nominal 1m lengths and adjusted to geological boundaries (0.1m to 1.2m) were sampled for lithogeochemical analysis. Core samples are ½ core to give sample weights under 3kg.
Drilling Techniques	▪ RC and diamond with RC pre-collar drilling was used for this program utilising Raglan Drilling rigs. All samples from RC drilling were collected using a face sampling hammer with a 127mm (5”) bit. Where cored, diamond core was NQ2 diameter (75.7mm hole diameter, 50.5mm core diameter). Core was orientated using the Ace Core Tool™.
Drill Sample Recovery	▪ RC sample recovery was based on visual estimates and recorded in the drill database. Wet samples were recorded in the database. Due to the early stage of exploration, no quantitative measures were taken for sample recovery for the RC samples. ▪ Diamond core recovery was generally good. Core was reassembled for mark-up and was measured, with metre marks and down-hole depths placed on the core. Depths were checked against driller’s core blocks and any discrepancies corrected after discussion with drillers. Core loss was recorded in the geotechnical log. ▪ There is no obvious relationship between sample recovery and grade. No sample bias has been observed.
Logging	▪ Geological logging was completed using standard logging digital data entry software and the Independence Group NL (IGO) geological logs and coding system. Data on rock type, deformation, colour, alteration, veining, mineralisation and degree of weathering were recorded. ▪ These samples have not been used for any Mineral Resource estimation, mining studies or metallurgical studies as this is early stage exploration. ▪ Logging is both qualitative and semi-quantitative in nature. Where cored, all drill core is photographed dry and wet. ▪ Each hole is logged and RC drilling component sampled in full. ▪ All core is retained and stored at the GSWA core library in Carlisle, WA.
Sub-sampling techniques and sample preparation	▪ RC drilling sampled as 4m composite samples. RC chips were sampled using a scoop or spear and were generally dry, but some wet samples were collected. ▪ RC drilling composite samples were submitted to Intertek Genalysis (Genalysis) in Perth for analysis. Composite samples were submitted for fire assay for gold and for four-acid analysis of 46 elements. Samples were oven dried at 105°C then jaw crushed to -10mm followed by a Boyd crush to a nominal -2mm. Samples were then pulverised in LM5 mills to a nominal 85% passing 75µm. ▪ RC drilling composite samples were analysed for gold using Genalysis FA25/SAA technique that utilises a 25g lead collection fire assay with analysis by solvent extraction Atomic Absorption Spectrometry (AAS). The fire assay method is considered a suitable assaying method for total Au determination. Multi-element analysis was completed using the Genalysis 4A/OM10 technique, which uses four-acid digestion with analysis of 46 elements by a combination of Inductively-Coupled Plasma Mass Spectrometry (ICP-MS) and Inductively-Coupled Plasma Optical Emission Spectrometry (ICP-OES). ▪ Core was cut in half in the Company’s Jaguar Operations core farm. All core samples were collected from the same side of the orientation line. ▪ Core samples were submitted to Genalysis in Perth for analysis. The sample preparation method was to dry the core in ovens for at least 2 hrs (105°C), then jaw crush the samples to a nominal minus 10mm size then Boyd crush samples to a nominal minus 2mm. After crushing, the samples were pulverised in a mixer mill in a single stage mix and grind process (SSMG) to a nominal 85% passing 75 micron. Any samples that exceeded the 3kg mill limit were rotary split to 3kg prior to pulverising stage. ▪ Core samples were analysed using Genalysis LITH/205OE package that utilises multiple methods to analyse for major oxides, trace elements and gold, platinum and palladium. Major oxides utilised lithium borate fusion with analysis by XRF or ICP-OES. Multi-element analysis was completed using lithium-borate fusion or four-acid digestion with analysis of 50 elements by a combination of ICP-MS and ICP-OES. Gold, platinum and palladium utilised a 25g lead collection fire assay with analysis by ICP-MS. The fire assay method is considered a suitable assaying method for total Au determination. ▪ The sample preparation techniques are appropriate and are standard industry practice for drill samples. ▪ No quality control procedures were adopted to prove sample representivity. No field duplicate samples were taken for RC or core samples. The drilling completed at Bryah Basin was for exploration only and is not used in resource estimation, where more rigorous QAQC is employed. Sample size is appropriate for the targeted mineralisation styles.

Quality of assay data and laboratory tests	▪ The 25g fire assay technique used is a total extraction method for gold and lithium-borate fusion and four-acid digest are total extraction methods for most elements. ▪ No portable XRF results are reported. ▪ Quality control procedures included insertion of certified standards and blanks at a rate of 1 in 20 samples for core samples and approximately 1 in 50 for RC drilling composite samples. No external laboratory checks have been completed and therefore precision levels have not been established. Review of the analyses of the certified standards and blanks does not indicate any accuracy or contamination issues.
Verification of sampling and assaying	▪ No checks were made or required for this level of exploration. ▪ No twin holes have been completed. ▪ Primary logging is collected in AcQuire© files on portable computers. Data are loaded directly to the IGO database using software with built in validation rules. Assay data are imported directly from digital assay files supplied from the laboratory and merged in the IGO database with sample information. Data are uploaded to a master SQL database stored in Perth, which is backed up daily. ▪ There has been no adjustment to assay data.
Location of data points	▪ Hole collars have been surveyed using a hand-held GPS, with an accuracy of +/- 5m. Downhole surveys were completed at 30m intervals in RC and diamond holes utilising a Reflex Ez-Trac instrument, which measures azimuth relative to magnetic north, along with dip angle and total magnetic field. Accuracy is +/- 0.35° for azimuth and +/- 0.25° for dip. ▪ Drillhole location data were captured in the MGA94 grid system, Zone 50. ▪ There is no topographic control. Holes are assigned a collar RL from a regional digital elevation model. As these holes do not form part of a resource model, it is not necessary for accurate topographic control.
Data spacing and distribution	▪ Drill hole spacing was nominally 500m between drill lines and 300-400m along lines. ▪ Data have not been used for a Mineral Resource estimate. ▪ No compositing, other than preliminary sample compositing, has been applied to the data. Length-weighting of grades has been applied to significant intervals reported.
Orientation of data in relation to geological structure	▪ Orientation of mineralisation is unknown at this early stage of exploration.
Sample security	▪ Chain of custody was managed by IGO. Core was transported directly via road freight and stored in a secure compound at the Company's care farm for logging and sampling. ▪ RC and core samples were sealed in calico bags, which were in turn grouped into large plastic bags then in poly-weave bulka-bags for transport. Filled poly-weave bulka-bags are secured on wooden crates and transported directly via road freight to the laboratory with a corresponding submission form and consignment note. Genalysis checks the samples received against the submission form and IGO was notified of any missing or additional samples. Samples were stored in a secure fenced compound at the laboratory and tracked through their chain of custody via audit trails. Once Genalysis has completed the assaying, the pulp packets, pulp residues and coarse rejects are held in their secure warehouse. On request, the pulp packets are returned to IGO on secure pallets where they are documented for long term storage and retrieval in a secure compound.
Audits or reviews	▪ No audits or reviews have been conducted on sampling techniques or data.

SECTION 2: REPORTING OF EXPLORATION RESULTS

Criteria	Commentary
Mineral tenement and land tenure status	▪ The RC and diamond drilling mentioned in this report is located within Exploration Licence 52/1722 (Alchemy Resources (Three Rivers) Pty Ltd 80%, Jackson Minerals Pty Ltd 20%). Alchemy Resources (Three Rivers) Pty Ltd is a wholly-owned and managed subsidiary of Alchemy Resources Ltd. Jackson Minerals Pty Ltd is a wholly-owned and managed subsidiary of Fe Ltd. ▪ In 2014, Independence Group NL (IGO) entered into a farm-in and joint venture arrangement to earn an interest in Alchemy Resources Ltd interest in part of the tenement. Details of the agreement can be found in an ASX announcement dated 30 January 2014 (http://www.alchemyresources.com.au). IGO is the manager of the farm-in and joint venture. ▪ Native title interests have been extinguished in regards to Exploration Licence 52/1722. ▪ Exploration Licence 52/1722 is within the Mount Padbury pastoral lease and WA DPaW-managed Doolgunna ex-pastoral lease. ▪ The tenement is in good standing and no known impediments exist to operate in the area.

Exploration done by other parties	▪ Prior to the discovery of the DeGrussa copper-gold deposit in 2009, the Bryah Basin Project area was explored primarily for mesothermal gold deposits. Previous exploration undertaken by Newcrest Ltd, Homestake Resources Ltd, Perilya Mines NL, Barrick Gold Corp and Troy Resources Ltd over parts of the Project area, included soil, laterite and rock-chip sampling, vacuum drilling and rotary air blast (RAB) drilling. ▪ Alchemy acquired the Three Rivers Project from Troy in 2008 with a primary focus on gold exploration, with additional tenements acquired from Grosvenor Gold in 2012. Following the discovery of DeGrussa in 2009, focus changed to base metal exploration and various geophysical surveys (including VTEM, gravity, ground EM and AMT) and geological work (geological mapping, soil sampling, RAB, aircore, RC and diamond drilling) were completed on parts of the Project area. This work identified a number of geochemical and geophysical targets, including the Neptune Prospect. ▪ This report is concerned solely with RC and diamond drilling between 29 June and 18 August 2015 that was undertaken to better define the nature and extent of the copper-gold anomalism seen at the Neptune Prospect.
Geology	▪ The Bryah Basin Project is located within the Paleoproterozoic Bryah Basin in the Gascoyne region of Western Australia. The host rocks are predominantly sedimentary and volcanic rocks of the Bryah Group, which are interpreted to be the same package of rocks as at the DeGrussa copper-gold deposit. Controls on mineralisation are currently unknown.
Drill hole information	▪ Table 1 in the report lists the easting, northing, approximate RL, dip, azimuth and total depth of the RC and diamond drill holes that are the subject of this report. ▪ Assays from selected core samples from diamond drilling are the subject of this report. Table 2 in the report lists the down-hole length and intercept depth of all intercepts from the diamond drilling, along with length-weighted copper-gold grades. Previously released RC drilling composite sample assays are included in Table 2 for completeness.
Data aggregation methods	▪ Intercepts were calculated using down-hole length-weighting above a 100ppb Au, 500ppm Cu and/or 500ppm Zn cut -off grades with a maximum of 2 samples of internal dilution. No top-cuts have been applied.
Relationship between mineralisation widths and intercept lengths	▪ The geometry of mineralisation is not known at this stage due to the lack of deeper drilling and the early stage of exploration. Intercepts reported are down-hole lengths. True widths are not known.
Diagrams	▪ Appropriate plans and section have been included in the body of this report.
Balanced reporting	▪ Details of the location of the RC and diamond drill holes are provided in Table 1. Drill holes with Au and/or Cu assays that are considered material for early stage of exploration are listed in Table 2.
Other substantive exploration data	▪ Geophysical plates generated from down hole electromagnetic surveys (DHEM) are used for targeting additional drilling. DHEM targets are generated as 3D surfaces in a geological modelling program to target exploration drilling. DHEM targets are displayed as rectangular shapes on plans to identify the proximal location of potential base metal mineralisation targets.
Further work	▪ IGO advises that additional work will be planned once the results are fully integrated with available geological and geophysical information.