

## ASX Announcement 9 November 2023

### Ionick Metals Increases Nickel Resources Ahead of Proposed IPO

#### Key Points

- Helix subsidiary, Ionick Metals has executed an Option Agreement with Alchemy Resources to acquire an 80% interest in the West Lynn Nickel Laterite Project
- The West Lynn Project possesses an Inferred JORC 2012 Mineral Resource of 21.3Mt @ 0.84% Ni and 0.05% Co (at .06% Ni Cutoff<sup>1</sup>)
- In combination with Ionick's Homeville Mineral Resource of 18Mt at 0.9% Ni and 0.06% Co (at 0.07% Ni Cutoff, approximately 12% Indicated and 88% Inferred)<sup>2</sup> this agreement increases Ionick's total Nickel Resource inventory to nearly 40Mt containing ~340kt of nickel and 21kt of cobalt – well on the way to a strategic objective of >80Mt of resources
- The growth outlook for the existing Mineral Resources is supported by numerous, high-grade drill indicated nickel-cobalt prospects and earlier stage targets outside of the existing resources now consolidated across 1,797km<sup>2</sup> of tenure, such as:
  - 24m at 1.01% nickel (Ni) & 0.06% cobalt (Co) (Sykes prospect)
  - 25m at 0.82% Ni & 0.05% Co incl. 8m at 1.12% Ni & 0.09% Co (Browder prospect)<sup>2</sup>
- A business plan is being finalised ahead of an Initial Public Offer (IPO) planned in 2024

Helix Resources Ltd (**Helix** or the **Company**) is pleased to report its 100% owned subsidiary company, Ionick Metals Ltd has executed an Option Agreement with Alchemy Resources Ltd (ASX: ALY) to acquire its 80% joint venture interest in the Ni-Co mineral rights at the West Lynn Nickel Laterite Project.

West Lynn is an advanced project located ~40km north of Ionick's mineral rights south of Nyngan in central NSW, Australia. It features a significant Inferred Mineral Resource estimate (MRE) containing 180kt of nickel and 11kt of cobalt and is very similar in nature to Ionick's Homeville deposit<sup>1+2</sup>. Finalisation of the West Lynn Ni-Co Option provides sufficient 'resource momentum' to present investors with a sound exploration and development strategy to seek external funding for Ionick's laterite nickel and cobalt assets.

The West Lynn Ni-Co Option covers the Ni-Co rights on Exploration Licences EL8318 and EL8631 which are held in the 'Ochre Resources' joint venture between Alchemy (80%) and Develop Global Ltd (ASX: DVP) (20%) (refer **Figure 1 – Tenement Location Plan**). Under the agreement, Ionick has the Option to acquire 80% of the 'nickel-cobalt minerals' comprising (nickel (Ni), cobalt (Co), platinum group metals (PGMs), scandium and aluminium)

<sup>1</sup> Refer Attachment 2 and ALY Announcement dated 19 February 2019 for further details.

<sup>2</sup> Refer Attachment 2 and HLX Announcement dated 28 February 2023 for further details.

#### BOARD & MANAGEMENT

**Chair**  
Mike Rosenstreich  
**Executive Technical Director**  
Kylie Prendergast  
**Non-Executive Director**  
Emmanuel Corriea

#### CAPITAL STRUCTURE

**Shares on Issue**  
2,323M  
**Market Cap**  
7M  
**Share Price**  
\$0.003

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with Develop retaining its existing 20% interest. The Ochre JV retains 100% ownership of all the non-nickel-cobalt minerals.

**Helix's Chair and Ionick Director, Mike Rosenstreich commented:** *"This Option with Alchemy completes significant local 'consolidation' of nickel-cobalt assets in the region and underpins a planned spin out of Ionick Metals from Helix. We appreciate the support of Alchemy to combine these nickel-cobalt assets into what we plan to be a stand-alone vehicle, Ionick Metals, to commercialise them.*

*A key objective for Ionick will be to define a large-scale high grade Mineral Resource estimate greater than roughly 80Mt. We think this is a threshold for a 'meaningful' scale nickel project in terms of production output and mine life to initiate the appropriate feasibility work.*

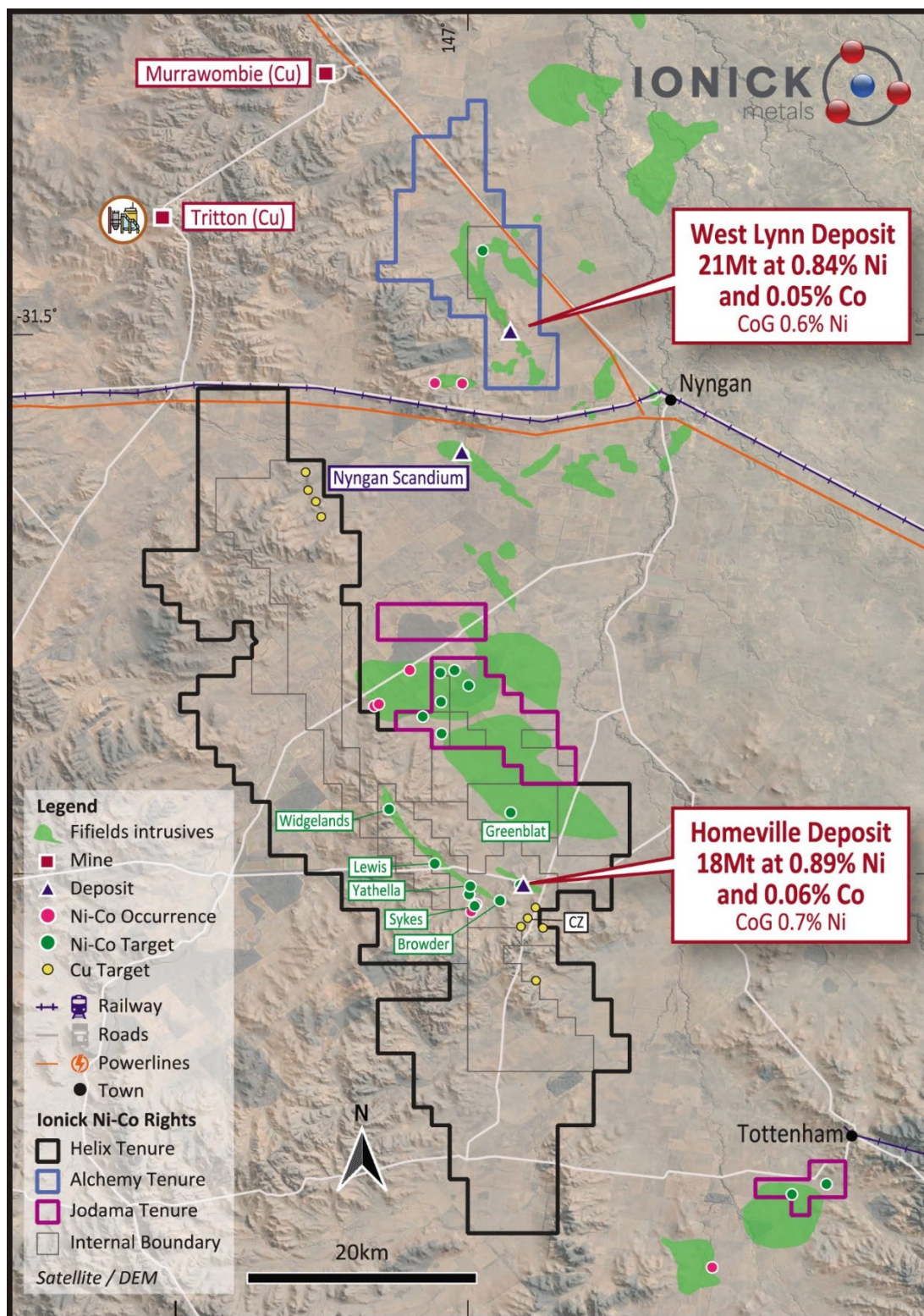
*Under this option agreement Ionick has almost doubled its resource inventory to around 40Mt<sup>3</sup> at an attractive grade of 0.8 to 0.9% nickel depending on the cut-off grade. This sizable bump in resources, plus the addition of numerous high-grade prospects provides Ionick with strong momentum towards achieving its critical resource threshold.*

*Ionick's development strategy, which currently emphasises consolidation and development of high nickel-grade and large-scale tonnage, highlights how alert we are to the challenges faced by other laterite projects which have become stranded in terms of interest and financing. We are building on what we consider are key points of difference to be able to progress Ionick into development. Laterite projects offer some unique opportunities to get involved in long-term and large-scale nickel production compared to sulphide nickel projects and it is very exciting to see the Ionick business plan take shape.*

*Having completed this vital asset consolidation, we can now start to have serious conversations aimed at recruiting a high-quality Board and executive team with technical and commercial nickel experience to build upon and execute our strategy."*

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<sup>3</sup> Refer ALY Announcement dated 19 February 2019 and HLX Announcement dated 28 February 2023



**Figure 1:** Ionick's nickel-cobalt-PGM rights within the Cobar Region, NSW<sup>4</sup>

<sup>4</sup> Refer ALY Announcement dated 19 February 2019 and HLX Announcement dated 28 February 2023



## THE IONICK METALS STRATEGY

The Company is pleased to now provide further details on Ionick's assets, listing and development plans and on the West Lynn Ni-Co Option Agreement with Alchemy, within the context of the overall splitting of copper-gold and nickel-cobalt mineral rights.

### ***The Nickel-Cobalt Assets***

Ionick Metals has assembled an exciting asset profile which it considers has excellent potential to become a successful nickel development opportunity. The core assets include:

- Homeville and West Lynn Ni-Co Deposits predominantly classified as Inferred (combined, approximately 340kt Ni & 21kt Co contained metal)<sup>5</sup>
- 1,797km<sup>2</sup> of prospective nickel-cobalt-PGM tenure through Mineral Sharing agreements with the underlying exploration tenement holders; Helix, Alchemy and Jodama.
- Numerous drill indicated, high-grade nickel and cobalt prospects and early stage targets<sup>2</sup> outside of the existing resources:
  - 24m at 1.01% nickel (Ni) & 0.06% cobalt (Co) (Sykes prospect)
  - 14m at 1.02% Ni & 0.13% Co (Sykes prospect)
  - 25m at 0.82% Ni & 0.05% Co incl. 8m at 1.12% Ni & 0.09% Co (Browder prospect)
  - 16m at 4.1 g/t Pt incl. 8m at 0.4% Ni and 0.05% Co (Jodama's Hillview prospect)
- Established exploration team to undertake the field work, local facilities and existing stakeholder relationships

### ***IPO Rationale***

Helix believes a spin out of Ionick Metals presents a compelling opportunity to unlock the hidden value from its suite of nickel, cobalt and PGM assets.

An IPO is viewed as an ideal pathway to appropriately fund and resource this development activity. Moreover, the Helix Board considers different skill sets and risk appetites apply to commercialise the Company's copper/gold assets versus its nickel-cobalt assets. Notwithstanding, the assets occur near each other on largely the same tenure.

The conclusion was that, for Helix, much of the focus is on exploring for copper and gold deposits, with post-discovery development anticipated to be relatively straight forward. Whereas to find nickel laterite deposits is not hard but considerable focus will be required on the development into production of a nickel laterite project. Therefore, these assets have different risk profiles.

The Board considers that there is no value attributed to these assets inside Helix and that in combination with the Alchemy and Jodama nickel-cobalt-PGM assets the market may attribute a higher valuation. To enable

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<sup>5</sup> Refer HLX Announcement dated 28 February 2023 & ALY Announcement 19 February 2019





value recognition and to attract investors focused on nickel and cobalt the Board is planning to undertake a spinout of Ionick Metals.

### **Nickel Development Strategy**

The strategy that Ionick will be presenting to potential investors and development partners is based on important lessons from the history of nickel laterite developments, gained from veteran industry experts with which the Company has identified clear development ‘waypoints to chart’ its development strategy.

The eight key waypoints comprise:

- i. **Focus on high-grade nickel** mineralisation and large tonnage potential. The target nickel resource grade and scale objective will be ~0.9% nickel (ignoring cobalt & PGM equivalents initially) and target a mineral resource of >80-100Mt to warrant undertaking feasibility-level study work.
- ii. **Geometallurgy** drives understanding of appropriate process routes. From the first drill samples Ionick plans to undertake detailed chemical analysis reconciled to mineralogy to characterise the different mineralisation styles relevant to the planned process routes.
- iii. **Beneficiation** – assess from early stage the potential to beneficiate the plant-feed to upgrade the metal concentration into a processing plant.  
*It is an important opportunity to reduce capital, improve efficiency and reduce costs. This is often overlooked or worked-in retrospectively. If successful at Ionick it will establish the base case for the ongoing metallurgical testwork.*
- iv. **Focus on ‘proven’ flowsheets** and don’t venture downstream. Ionick will aim to reduce complexity and focus on sustainable, high-quality production of intermediate products, likely a mixed hydroxide precipitate (MHP), staging risk and capital of refineries in the startup years.
- v. **Staying ‘local’** – for access to existing key infrastructure, labour and ore supplies.
- vi. **Understanding the international nickel market**, forging relations with key-players and being well positioned for the expected ‘demand and price’ tails winds in the coming years.
- vii. **Adequate funding** - aiming to have sufficient funding to reach each of the defined business development milestones which address certain key risks (as outlined below).
- viii. **People** – engage and retain experienced nickel laterite talent-both technical and commercial.

### **Capital Development Plan**

Waypoint 7 above is to ensure that the business is always sufficiently capitalised to address the next major development milestone where investors can recognise clear value accretion. This can be summarised by the following preliminary plan objective milestones for each stage:

#### **Stage 1: ~\$10M via Ionick IPO**

- *Milestone* – scoping level support for development



- Demonstrate potential for minimum mineral resource > 80Mt.
- Review plausible process options with initial testwork

**Stage 2:** - likely late in second year as mineral resource work is completed

- *Milestone* – Pre-Feasibility level support for development
  - Define minimum mineral resource of > 80Mt and mining studies
  - Metallurgical testwork – including continuous piloting work
  - Environmental and land access framework
  - Capital and operating cost estimates (+/- 30%)

**Stage 3:** potentially with strategic partners into project

- *Milestone* – Feasibility level support for Financial Investment Decision
  - Demonstration plant for continuous process testwork and qualification sales of products
  - Sustainability optimisations and enhancements

This outline plan is very early stage and presented to demonstrate in a general scope the type of work the Company plans to undertake on a development pathway.

### **ASX Listing Strategy**

The nickel-cobalt assets are being vended into Ionick by Helix, Alchemy and Jodama for a notional consideration of approximately \$3.0M to be paid in 15 million Ionick shares (Vendor Shares), subject to the exercise of the Option, comprising:

- Alchemy would receive 6 million Vendor Shares for its 80% of the Ni-Co Mineral Rights (DVP-retaining its 20%) on the two tenements;
- Helix receiving 7.5 million for its 100% of the Ni-Co Mineral Rights on its tenements; and
- Jodama Pty Ltd, 1.5 million for all the mineral rights on its tenements.

(Refer **Table 1 - Ionick Ni-Co Rights Tenement**).

Importantly, for potential new investors into Ionick, the main consideration component is effectively 'back ended'. The deal structure is focused on accrued value through technical successes with Performance Shares to be issued to the Vendors on attaining certain technical milestones such as a minimum scale resource estimate and a positive financial investment decision. Please refer **Attachment 1 – Summary Terms** for details on Alchemy's consideration structure. Helix's consideration is identical except the quantum of Vendor and Performance shares is based on 100% ownership of its Ni-Co Mineral Rights compared to Alchemy's 80% ownership.

The spin-out is planned to occur by way of an IPO of shares on ASX to raise approximately A\$10M. A Priority Offer would be made to Helix, Alchemy Resources and Jodama shareholders.



The Board of Helix has resolved that it's Vendor Shares and any subsequent converted Performance Shares are planned to be distributed to Helix shareholders. The timing of this is dependent on ASX rules and imposed Escrow periods – likely to be two years following Ionick listing on ASX. That timing recognises that current shareholders own these Ni-Co assets but also ensures a 'clear market' for the success of the IPO. The planned in-specie distribution could potentially include a tranche of converted Performance Shares if the technical milestone of minimum mineral resource size is met (refer **Attachment 1 – Summary Terms**).

The details will be finalised and reported over the coming months; however, the Board's intention is to distribute the Ionick Shares to Helix shareholders but in a manner that does not risk the success of the IPO.

Further details on the Capital Structure, planned Use of Funds and Listing Timetable will be provided.

### **Next Steps**

The next steps are to complete an Ionick Investor presentation to focus discussions with:

- Potential directors and executives interested to develop these assets, and
- to seek interest from initial cornerstone investors and corporate finance experts to assist on the IPO.

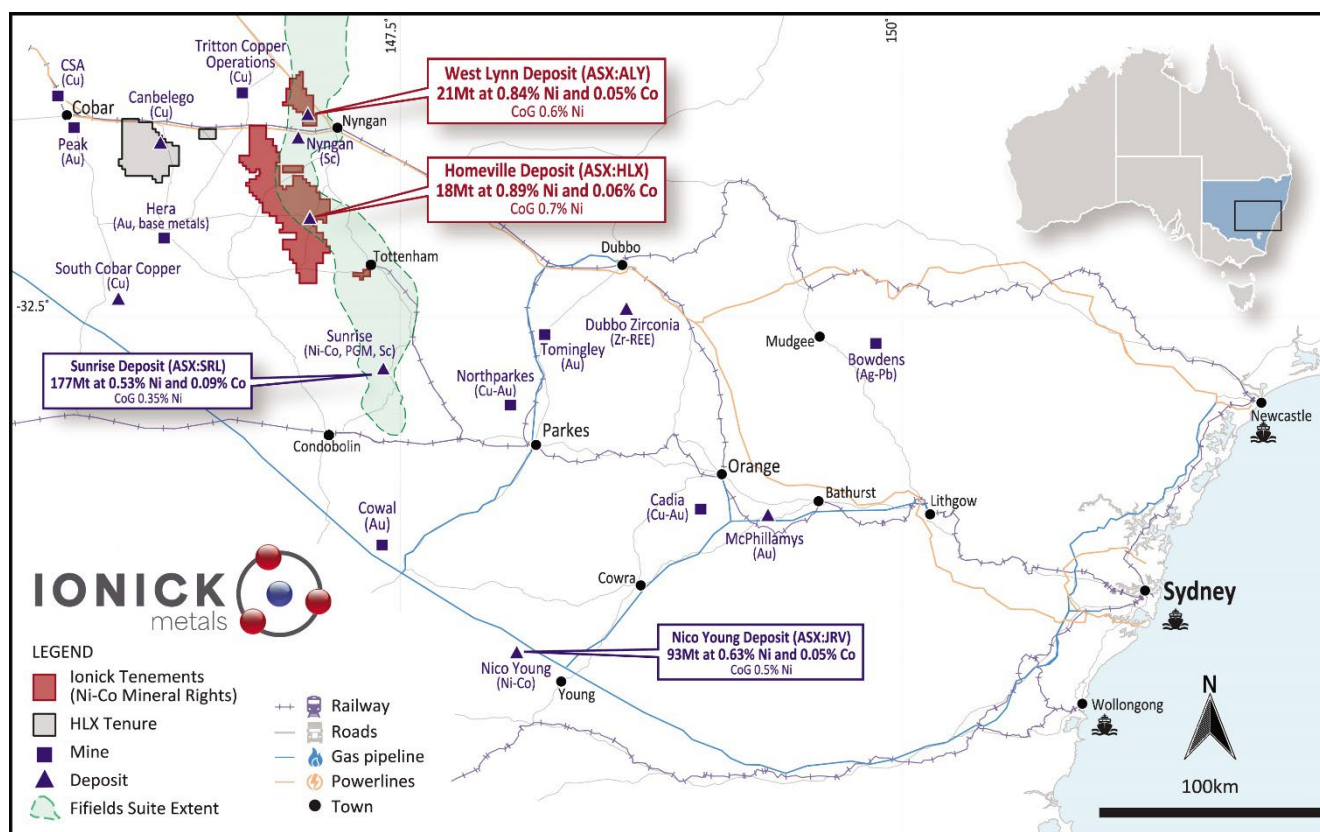
This phase of work is in progress.

The Company plans to have Ionick ready for IPO early in the June quarter of 2024.

### **SPLITTING OF NICKEL-COBALT AND OTHER (EG COPPER, GOLD) MINERAL RIGHTS**

Nickel, cobalt and platinum group metal mineralisation is known to be associated with various phases of the regional scale Fifield Ultramafic Complex which forms a ~300km north-south trending zone east of Helix's Eastern Group tenements (refer **Figure 2 – Regional Location Plan**). The laterite nickel-cobalt deposits (as distinct from any potential sulphide, ultramafic hosted deposits) appear to occur in and around known copper prospects but generally, distinct and separate to them as shown in Figure 2.

Splitting of mineral rights for exploration and possible exploitation is well precedented in the industry. Strong synergies and cost savings are anticipated between Ionick and Helix in the early-stage exploration and drilling between copper focused and nickel focused exploration programs. The ongoing metallurgical, mining and processing efforts would likely diverge significantly but there will also be synergies in regard to existing relationships with pastoralists, Traditional Owners, the State regulators and key suppliers in the region.



**Figure 2: Location of Ionick Ni-Co Mineral Rights in NSW**

### **WEST LYNN OPTION TRANSACTION (refer Attachment 1 for details)**

Ionick has agreed the terms of a Mineral Rights Deed with Alchemy and with Helix to secure its access rights to explore for and develop any nickel-cobalt mineral deposits on the tenements held by each of those vendors. The Mineral Rights Deed with Alchemy comes into effect on the exercise of the Option which is subject to Ionick's admission to the ASX. Similarly, exercise of the Jodama Option (refer to ASX report 28 February 2023) is also subject to ASX listing but covers acquisition of rights to all minerals.

The West Lynn Project Ni-Co Assets Option Agreement has an initial 12-month term commencing 6 November 2023 with a further 12-month extension at the holder's election. The Option Fee for the First Option Period is \$8,000 and the fee for the Second Option Period is \$20,000. To exercise the Option, Ionick will issue Alchemy with 6 million Ionick shares for 80% of the Ni-Cobalt mineral rights on the two Exploration Licences EL8318 and EL8631.

### **The Helix and Jodama Mineral Rights Deeds**

Ionick also has access to nickel-cobalt minerals on specific tenements owned by Helix and by Jodama Pty Ltd as summarised in **Table 1 – Ionick Ni-Co Rights Tenements**. Access to the Helix Ni-Co Mineral Rights will be secured via a Mineral Rights Deed between Ionick and Oxley Exploration Pty Ltd (100% owned by Helix) on substantially the same terms as those in the Mineral Rights Deed with Alchemy (via Ochre Resources Pty Ltd





Joint venture vehicle). The consideration for the Ni-Co Mineral Rights on the listed Helix tenements is Ionick Vendor Shares plus two tranches of Performance Shares.

The Jodama Licences are considered prospective chiefly for nickel-cobalt minerals hence the existing Option<sup>6</sup> if exercised gives Ionick the right, but not the obligation to acquire the tenements (all the mineral rights) for the Ionick Vendor Shares plus two tranches of Performance Shares.

**Table 1: Ionick Ni-Co Rights Tenement**

Operator	Nature of Interest	Authority ID	Registered Holder	Units	Area (km <sup>2</sup> )	Grant Date	Expiry
Helix	MRD	EL7438	OXLEY EXPLORATION PTY LTD	80	233.4	22/12/2009	22/12/2028
Helix	MRD	EL7439	OXLEY EXPLORATION PTY LTD	19	55.2	22/12/2009	22/12/2027
Helix	MRD	EL8710	OXLEY EXPLORATION PTY LTD	24	70.0	5/03/2018	5/03/2029
Helix	MRD	EL8768	OXLEY EXPLORATION PTY LTD	46	133.9	27/06/2018	27/06/2024
Helix	MRD	EL8845	OXLEY EXPLORATION PTY LTD	20	58.2	18/04/2019	18/04/2028
Helix	MRD	EL8703	OXLEY EXPLORATION PTY LTD	27	78.6	6/03/2018	6/03/2024
Helix	MRD	EL9345	OXLEY EXPLORATION PTY LTD	37	107.5	23/01/2022	23/01/2025
Helix	MRD	EL9385	OXLEY EXPLORATION PTY LTD	64	186.9	5/04/2022	5/04/2028
Helix	MRD	EL9386	OXLEY EXPLORATION PTY LTD	82	238.1	5/04/2022	5/04/2028
Helix	MRD	EL9387	OXLEY EXPLORATION PTY LTD	85	247.5	5/04/2022	5/04/2028
Helix	Option	EL8748	JODAMA PTY LTD	27	79.0	24/05/2018	24/05/2024
Helix	Option	EL9435	JODAMA PTY LTD	20	58.0	14/07/2022	14/07/2028
Helix	Option	EL8248	JODAMA PTY LTD	8	23.0	24/03/2014	24/03/2029
Helix	MRD	EL9581	OXLEY EXPLORATION PTY LTD	198	585.0	14/07/2023	14/07/2026
Alchemy	Option	EL8318	OCHRE RESOURCES PTY LTD	44	128.9	3/11/2014	3/11/2023
Alchemy	Option	EL8631	OCHRE RESOURCES PTY LTD	34	99.5	26/07/2017	26/07/2025

## COMPETENT PERSON STATEMENT

The information in this report that relates to exploration results, Mineral Resource estimates and geological data for the Cobar projects is based on information generated and compiled by Mr. Gordon Barnes and Mr. Mike Rosenstreich who are both employees and shareholders of the Company. Mr. Barnes is a Member of the Australian Institute of Geoscientists and Mr. Rosenstreich is a Fellow of the Australasian Institute of Mining and Metallurgy. They both have sufficient experience that is relevant to the styles of mineralisation and types of deposits under consideration and to the activities being undertaken to each qualify as Competent Person(s) as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr. Barnes and Mr. Rosenstreich have consented to the inclusion of this information in the form and context in which it appears in this report.

**This ASX release was authorised by the Board of Directors of Helix Resources Ltd.**

<sup>6</sup> Refer HLX ASX report 28 February 2023



**ABN: 27 009 138 738**  
**ASX: HLX**



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**Board of Directors:**

Mike Rosenstreich Chair  
Kylie Prendergast Executive Technical Director  
Emmanuel Corriea Non-Executive Director

**Company Secretary**

Ben Donovan



**Investor Contact:**

Mike Rosenstreich  
Company Contacts

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**About Helix Resources**

Helix Resources is an ASX-listed resources company which is 'all-in on copper' exploration in the prolific copper producing region of Cobar, NSW.

The strategy is to generate new copper targets on its large, underexplored ground position and test them through drilling to make new discoveries.

The Company possesses a sizable ground position across three tenement groups which are largely untested despite being located within ~50km of significant copper producing operations. The western tenements consist of 30km of contiguous strike and the Company is advancing a pipeline of wholly owned copper opportunities, as well as the Canbelego JV Project (70% owned and operated by Helix and 30% owned by Aeris Resources) where a Mineral Resource of 32.8kt of contained copper has been estimated. The eastern tenement group encompasses more than 150km of prospective strike and includes the 100% owned high-grade CZ copper project.



# Attachment 1: Summary Terms of the West Lynn Ni-Co Option Agreement

Term	Summary
<b>Parties</b>	<p>Ionick Metals Limited (ACN 619 208 178) (<b>Ionick</b>), a wholly owned subsidiary of Helix Resources Limited (ACN 009 138 738) (ASX:HLX) (<b>Helix</b>).</p> <p>Alchemy Resources (NSW) Pty Ltd (ACN 612 498 263) (<b>Alchemy</b>), a wholly owned subsidiary of Alchemy Resources Limited (ASX: ALY).</p>
<b>Option</b>	<p>Alchemy grants to Ionick the right to purchase an 80% legal and beneficial interest in the Ni-Co rights in exploration licences EL8318 and EL8631 in New South Wales (<b>Exploration Licences</b>) and related mining information (<b>Ni-Co Assets</b>). The Ni-Co Assets include the right to explore for and, if deemed appropriate, mine, process and dispose of Ni-Co minerals from the Exploration Licences.</p> <p>Heron Resources Ltd and Ochre Resource Pty Ltd, being wholly owned subsidiaries of Develop Global Ltd (ASX:DVP) (ACN 122 180 205) (<b>Develop</b>) are the holders of the remaining 20% interest in the Ni-Co Assets (and rights to all other minerals) in a joint venture with Alchemy.</p>
<b>Condition</b>	The exercise of the Option by Ionick is conditional upon Ionick receiving listing approval from the ASX.
<b>First Option Fee</b>	A non-refundable payment of \$8,000 from Ionick to Alchemy.
<b>Second Option Fee (Extension)</b>	A non-refundable payment of \$20,000 from Ionick to Alchemy.
<b>Option Period</b>	12 months, subject to a right for Ionick to extend for a further 12 months by paying Alchemy the Second Option Fee.
<b>Exercise of Option</b>	<p>Subject to first satisfying the Condition, Ionick may exercise the Option at any time during the Option Period by notice to Alchemy.</p> <p>Upon exercise of the Option, the Parties will be deemed to have entered into a binding contract for the sale and purchase of the Ni-Co Assets in consideration for the issue by Ionick to Alchemy of:</p> <ul style="list-style-type: none"> <li>(a) 6,000,000 ordinary Ionick shares;</li> <li>(b) 8,000,000 Tranche 1 performance rights; and</li> <li>(c) 12,000,000 Tranche 2 performance rights,</li> </ul> <p>(collectively, the <b>Performance Rights</b>).</p> <p>Each Performance Right will convert into one ordinary Ionick share upon satisfaction of the relevant vesting condition (described below).</p>



	The Option Shares and Performance Rights (including any Ionick shares issued on vesting of the Performance Rights) will be subject to any escrow requirements imposed by ASX.
<b>Withdrawal</b>	Ionick may withdraw from the Option at any time before Ionick has exercised the Option by written notice to Alchemy.
<b>Performance Rights vesting conditions</b>	<p>(a) <b>Tranche 1 performance rights</b> - the Tranche 1 performance rights will convert to 8,000,000 ordinary Ionick shares if Ionick announces to the ASX that it has delineated Ni, Co and/or Ni-Co Mineral Resources of at least 60 million tonnes (in aggregate) of which more than 50% is classified as 'Indicated' or 'Measured' (in accordance with the JORC Code).</p> <p>(b) <b>Tranche 2 performance rights</b> – the Tranche 2 performance rights will convert to 12,000,000 ordinary Ionick shares if Ionick announces to the ASX that it has made a formal decision to commence the development and mining of Ni and/or Co on a commercial basis from within the area of the Exploration Licences.</p>
<b>Mineral Rights Deed</b>	<p>With effect from completion of the sale and purchase of the Ni-Co Assets following the exercise of the Option, Ionick and Develop (as the continuing holder of the remaining 20% interest in the Ni-Co Assets) will enter into a Mineral Rights Deed with Alchemy and Develop (as the holders of the rights to all other minerals in respect of the Exploration Licences), to govern the interaction of the parties' respective mineral rights in the Exploration Licences.</p> <p>The terms of the Mineral Rights Deed, which are industry standard and address interaction and co-operation with respect to exploration, development and mining of the parties' respective minerals, is in agreed form.</p> <p>Develop has consented to the grant and exercise of the Option and has agreed to enter into the Mineral Rights Deed if the Option is exercised.</p>



## Attachment 2: Summary of Mineral Resources

### 1. West Lynn

Alchemy Resources Limited reported a maiden JORC Code 2012 Edition compliant Inferred mineral resource estimate on 19 February 2019 for the nickel-cobalt zone of the West Lynn Project, located 13km northwest of Nyngan, NSW.

The Mineral Resource estimate totalling 21.3Mt @ 0.84% Ni, 0.05% Co, 2.4% Al & 20.0% Fe was completed by Resource Evaluation Services (RES) and is reported at a 0.6% Ni lower cut-off as detailed in **Table A1** below:

The resource estimate is subsequent to an intensive 3 phase drilling campaign completed by Alchemy during 2018 comprising 178 holes for 8,646m (including three diamond holes for 189m) and in line with Alchemy's Exploration Target1.

Initial metallurgical testwork completed by Direct Nickel (DNI) using a nitric acid leach via the patented DNI Process™ returned very encouraging recoveries for both nickel and cobalt from composite samples, with averages of 91.5% Ni (saprolite), 88.3% Co (saprolite), 86.4% Ni (lateritic clays), and 82.1% Co (lateritic clays).

**Table A1: Maiden Mineral Resource - West Lynn Project at 0.6% Ni CoG (19 Feb 2019)**

Resource Category (JORC 2012)	Deposit	Rock	Tonnes Mt	Ni %	Co %	Mg %	Fe %	AL %
Inferred	West Lynn Deposit	Laterite	5.85	0.92	0.07	3.70	29.90	3.70
		Saprolite	7.19	0.82	0.04	19.40	14.30	1.50
		Transition	1.66	0.71	0.03	25.10	11.50	1.10
	<b>Total West Lyn</b>		<b>14.70</b>	<b>0.85</b>	<b>0.05</b>	<b>13.80</b>	<b>20.20</b>	<b>2.40</b>
Inferred	Summervale Deposit	Laterite	3.18	0.81	0.05	3.00	25.90	3.50
		Saprolite	2.77	0.85	0.04	17.70	14.10	1.50
		Transition	0.69	0.79	0.03	21.60	13.40	1.30
	<b>Total Summervale</b>		<b>6.64</b>	<b>0.82</b>	<b>0.04</b>	<b>11.10</b>	<b>19.70</b>	<b>2.40</b>
Inferred	Combined Deposits	Laterite	9.04	0.88	0.06	3.50	28.50	3.70
		Saprolite	9.95	0.83	0.04	18.90	14.20	1.50
		Transition	2.35	0.73	0.03	24.10	12.10	1.10
	<b>Total Resource</b>		<b>21.34</b>	<b>0.84</b>	<b>0.05</b>	<b>12.90</b>	<b>20.00</b>	<b>2.40</b>

*Note: Small discrepancies may occur due to effects of rounding*

### 2. Homeville Nickel-Cobalt Mineral Resource Estimate

The Homeville Nickel-Cobalt Mineral Resource Estimate was completed in 2018 by Optiro Pty Ltd and classified and reported in accordance with the guidelines of the JORC Code (2012). This Mineral Resource is reported above a 0.7% nickel cut-off grade and is summarised in **Tables A2 and A3** below. The 2018 Mineral Resource was publicly reported by Alpha HPA (formerly Collierina Cobalt Limited) on 28 September 2018 (Collierina Project Mineral Resources Estimate, ASX announcement).





Metallurgical testwork undertaken in 2015 to 2017<sup>7</sup> examined atmospheric counter-current acid leaching, achieving >90% nickel and cobalt recoveries to produce nickel cathode and a cobalt-carbonate.

**Table A2:** Homeville Nickel-Cobalt Mineral Resources (Alpha HPA (formerly Collierina Cobalt, 2018))

2018 MRE (JORC 2012)	Category	Cut-off grade (Ni%)	Tonnes (Mt)	Ni %	Co %	Fe %	Al %
	Indicated	0.7	2.2	0.98	0.04	19	2.8
	Inferred	0.7	15.7	0.88	0.06	23	3.7
	<b>Total</b>		<b>17.9</b>	<b>0.89</b>	<b>0.06</b>	<b>22</b>	<b>3.6</b>

**Table A3:** Homeville Nickel-Cobalt Mineral Resource by Rock Type

Classification (JORC 2012)	Rock	Tonnes (Mt)	Ni %	Co %	MgO %	FE %	Al <sub>2</sub> O <sub>2</sub> %	Ni %
Indicated Mineral Resource	Limonite	0.47	0.91	0.06	2.2	33	10.5	0.91
	Saprolite	0.93	1.10	0.03	19.8	16	4.1	1.10
	Serpentinite	0.78	0.86	0.04	21.9	15	3.7	0.86
<b>Total Indicated Resource</b>		<b>2.18</b>	<b>0.98</b>	<b>0.04</b>	<b>16.8</b>	<b>19</b>	<b>5.3</b>	<b>0.98</b>
Inferred Mineral Resource	Limonite	4.77	0.78	0.10	3.0	33	11.1	0.78
	Saprolite	9.15	0.95	0.04	15.2	19	5.5	0.95
	Serpentinite	1.76	0.82	0.03	19.3	16	4.2	0.82
<b>Total Inferred Resource</b>		<b>15.68</b>	<b>0.88</b>	<b>0.06</b>	<b>11.9</b>	<b>23</b>	<b>7.0</b>	<b>0.88</b>

<sup>7</sup> Refer ASX Report 5 October 2017 and 29 November 2017 from Alpha HPA, formerly Collierina Cobalt Ltd and report from 14 July 2015 from Alpha HPA (formerly Auger Resources Ltd).