

## ASX ANNOUNCEMENT

29 JANUARY 2015

CODE: ALY

### BOARD OF DIRECTORS

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Non-Executive Chairman

**Ms Sofia Bianchi**  
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### ISSUED CAPITAL

SHARES 185,454,701

OPTIONS 3,975,000 (Unlisted)

### PROJECTS

BRYAH BASIN (80-100%)

MURCHISON (100%)

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## Independence JV: base metal exploration update at Bryah Basin copper-gold project

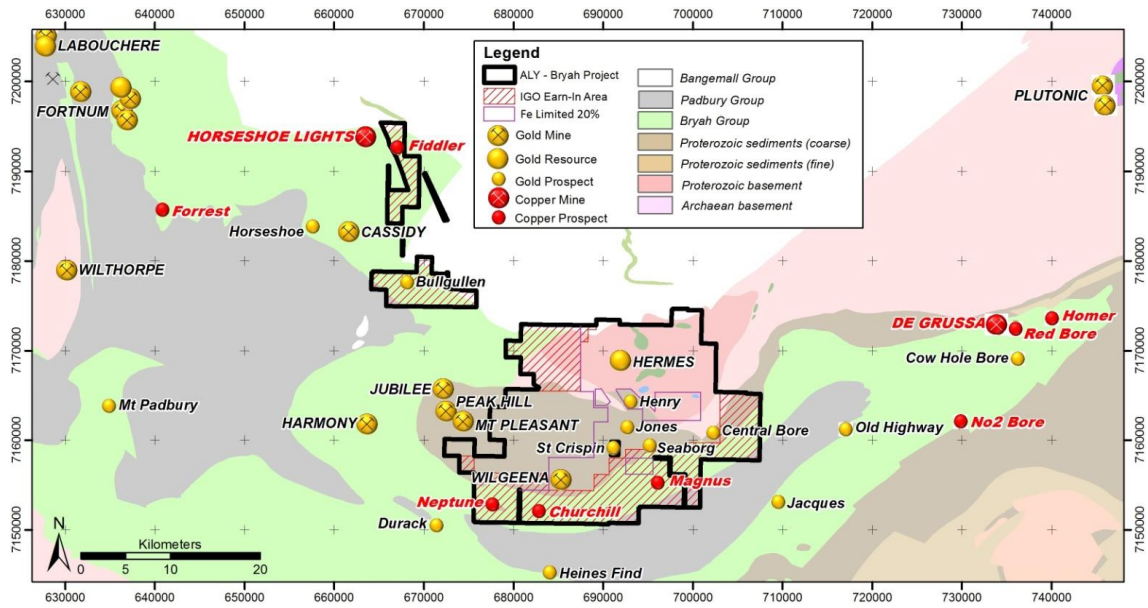
- *Independence advises that initial drilling completed*
- *Strong multi-element anomalism at Neptune confirmed – consistent with VMS-style base metal systems*
- *Pathfinder anomalism delineated at multiple horizons along prospective Narracoota – Karalundi stratigraphy*
- *Gold anomalism identified at Moby South*

Alchemy Resources Limited (ASX: **ALY**) (“**Alchemy**”) is pleased to provide an update on initial drilling activities completed by Independence Group NL (ASX: **IGO**) (“**Independence**”) as part of the Joint Venture covering base metal prospective parts of Alchemy’s Bryah Basin Project (*Figure 1*). Under the terms of this Joint Venture Independence can earn up to 80% in Alchemy’s interests through Earn-In Expenditure of \$6M within 5 years, with Alchemy free-carried to completion of a Pre-Feasibility Study and then carried on an interest-free deferred basis for a further \$5M of Definitive Feasibility Study expenditure (*see ASX announcement dated 5 November 2014*). Alchemy currently holds 100% interest in the landholding with the exception of several tenements in joint-venture with Jackson Minerals Pty Ltd (20%), a subsidiary of Fe Ltd (ASX: **FEL**).

The Bryah Basin Project contains more than 45km of strike extent of the Narracoota volcanic sequence, host to Sandfire Resource’s DeGrussa copper-gold deposit and Resource and Investment NL’s Forrest copper-gold prospect, and is prospective for discovery of volcanic massive-sulphide (VMS)-style base metal deposits.

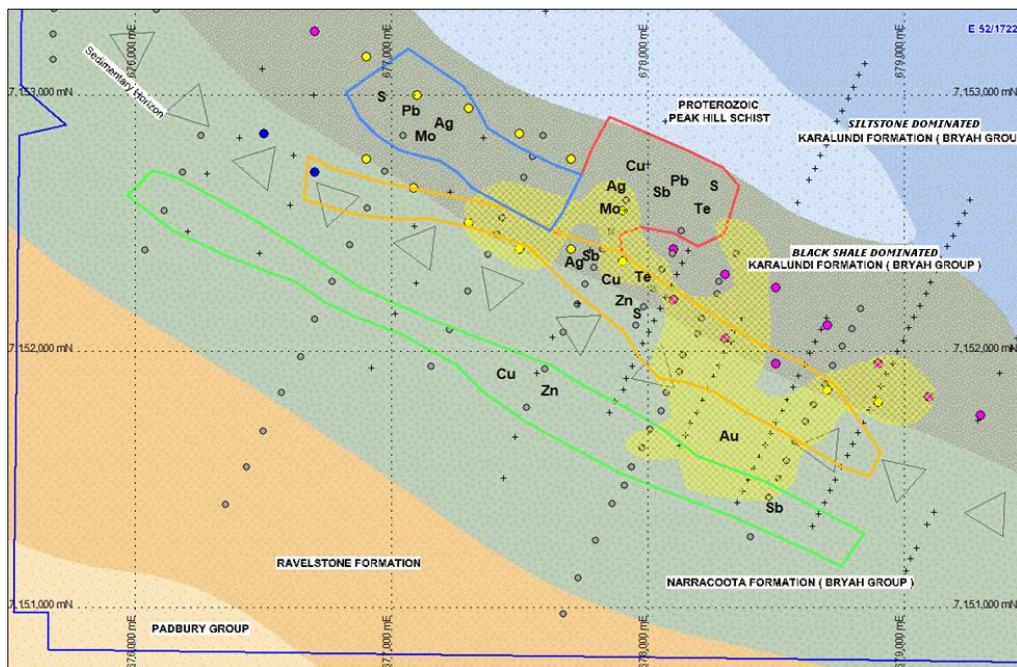
Independence advised that an extensive 115 hole Aircore (AC) drilling program was completed at the Neptune and Moby South prospects and as reconnaissance drilling over the southern part of the JV area to follow-up anomalous results from previous drilling, as well as to further the understanding of the project stratigraphy and identify additional zones of anomalism.

At Neptune, 42 AC holes for 2,783m were drilled to follow-up previously delineated anomalism. The main rock types intersected were basalt and dolerite within the Narracoota Formation and quartz-rich sediments and black shales in the Karalundi Formation, with significant intervals of disseminated sulphide (containing 2-5% and up to 20% pyrite) logged in several holes. Results of the drilling returned a zone of strong multi-element (Cu-Zn-Te-Ag-Sb-S±Mo-Pb) and gold anomalism dominantly hosted within the Karalundi Formation and at the Narracoota – Karalundi formation contact (*Figure 2*), which is the interpreted ore horizon at DeGrussa.



**Figure 1: Bryah Basin Project showing Independence JV area.**

The drilling at Neptune outlines apparent zonation in the multi-element anomalism, with a linear zone with multi-element (Cu-Zn-Ag-Sb-Te-S) and gold anomalism along the Narracoota – Karalundi formation contact and a zone with multi-element (Cu-Pb-Ag-Mo-Sb-Te-S) anomalism in the footwall Karalundi Formation (Figure 2). The zones of anomalism are coincident with linear moderate to strong electromagnetic (EM) conductors returned from the moving-loop EM survey conducted over the Neptune prospect (see ASX announcement dated 11 July 2014). An additional linear zone of Cu-Zn-Sb anomalism is localised higher in the stratigraphy in the Narracoota Formation. The anomalism at Neptune represents a priority target requiring testing with deeper drilling.

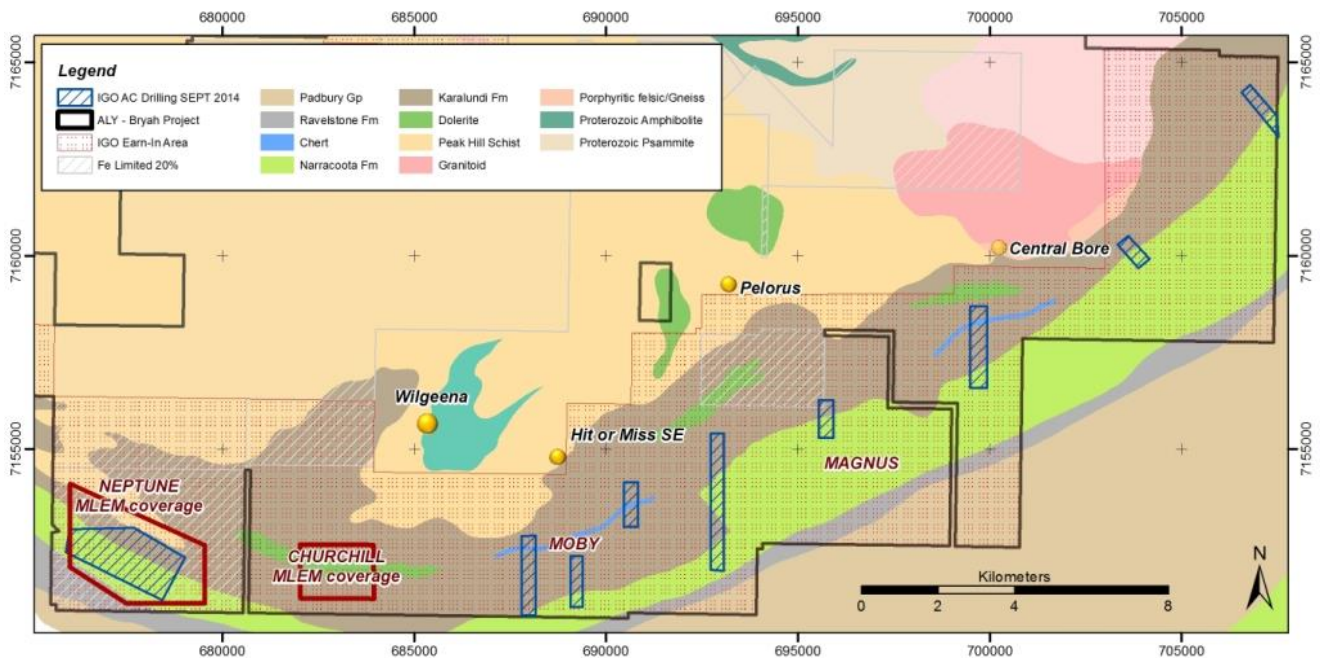


**Figure 2: Zoned multi-element regolith anomalism at Neptune.**

Coloured polygons show zoning of multi-element anomalism. Gold anomalism is represented by a yellow hatch. The different coloured zones are labelled by the elements that are anomalous within each zone. This is a diagrammatic representation, simplified to provide an overview of the AC geochemistry. The EM conductors are shown as coloured dots with pink = strong conductor, yellow = moderate conductor, blue = weak conductor.

At Moby South (Figure 3), two traverses of 160m-spaced AC holes (20 holes for 1,542m) tested a previously delineated zone of >100ppb Au anomalism that hadn't been assayed for multi-element geochemistry, as well as a chert horizon close to the Narracoota – Karalundi formation contact. A key result was the intersection of an interbedded shale-siltstone sequence hosting up to 10% disseminated pyrite and quartz veining over 15m from 139m to the end-of-hole (EOH) in 14BRAC046. Strong gold anomalism of 18m at 483ppb Au to the EOH was returned, including a best result of 1m at 1.8g/t Au from 151m.

Six regional reconnaissance AC drill traverses (53 holes for 2,450m) were completed testing for multi-element pathfinder anomalism across the Narracoota – Karalundi formation contact (Figure 3). This contact is poorly tested or untested for approximately 20km in the Bryah Basin Project area. In the central and eastern parts of the Magnus prospect area, low order Cu and VMS pathfinder anomalism is identified at the inferred DeGrussa stratigraphic position at the Narracoota – Karalundi contact and proximal to a prominent chert horizon within the Karalundi Formation. Gold anomalism (2m at 1.9g/t Au from 51m) is also identified in 14BRAC086 within strongly weathered sedimentary rocks close to the Narracoota – Karalundi contact position.



**Figure 3: Bryah Basin Project – location of Aircore drilling program and electromagnetic surveys.**

The Neptune prospect returned anomalous multi-element regolith geochemistry from several stratigraphic positions including the inferred DeGrussa position at the Narracoota – Karalundi contact and remains a key target for primary VMS mineralisation. The apparent zonation of the geochemical anomalism and coincident EM conductors associated with black shales are consistent with a hydrothermal feeder leading to a possible mineralised ore horizon.

The Churchill prospect (Figure 3) where previous shallow drilling returned regolith copper-zinc anomalism and the Moby South prospect where aircore drilling returned gold anomalism are also targets that require further testing. In addition, the regional reconnaissance drilling identified base metal, gold and/or pathfinder anomalies at two stratigraphic positions and further reconnaissance drilling may identify additional targets.

Further phases of drilling and/or follow-up EM surveys will be undertaken on identified targets in 2015, once approvals have been obtained.

– ENDS –

Please direct enquiries to: Mr Oscar Aamodt (Chairman)  
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## **ABOUT ALCHEMY RESOURCES**

Alchemy is actively exploring the over 600km<sup>2</sup> Bryah Basin Project, about 130km north of Meekatharra, Western Australia. The Bryah Basin Project contains more than 45km 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 (ASX: **IGO**) entered into an Agreement to explore and earn an interest in the whole and part tenements that cover the base metal prospective part of Alchemy's Bryah Basin Project (*see ASX announcement dated 30 January 2014*).

Alchemy retains and is focusing its near-term exploration on the remaining gold prospective Bryah Basin landholding, including existing gold resources at the Hermes and Wilgeena gold deposits and significant exploration upside. Hermes has an Indicated Resource of 3.34 Mt @ 1.98g/t gold (equivalent to 212,687 ounces of gold) and Wilgeena, located 15km south of Hermes, hosts an Indicated Resource of 1.36 @ 1.99g/t (equivalent to 87,373 ounces of gold) (*see ASX announcement dated 22 October 2012*).

## **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 and fairly represents this information. 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 (JORC) 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Cassidy consents to the inclusion in this report of the matters based on information in the form and context in which it appears.*

## APPENDIX 1: Drill hole information – Aircore Drilling, Bryah Basin

**Table 1:** Aircore drilling program - Significant results (Peak down-hole values for selected elements) – 4m composite samples

HOLE ID	PROSPECT	Collar MGA94 EAST	Collar MGA94 NORTH	Cu (ppm)	Pb (ppm)	Zn (ppm)	Ag (ppm)	Au (ppb)	Bi (ppm)	Cd (ppm)	Ni (ppm)	S (ppm)	Sb (ppm)	Te (ppm)	Tl (ppm)
14BRAC018	Neptune	677985	7152175	<b>1131</b>	47	<b>535</b>	<b>1.9</b>	36	<b>1.00</b>	<b>18.38</b>	<b>906</b>	<b>19522</b>	<b>4.7</b>	<b>2.6</b>	<b>0.89</b>
14BRAC022	Neptune	678129	7152469	<b>1142</b>	<b>116</b>	94	0.8	67	<b>1.13</b>	1.20	76.3	<b>31926</b>	<b>7.4</b>	<b>2.5</b>	<b>1.31</b>
14BRAC023	Neptune	677916	7152589	472	<b>150</b>	575	<b>1.9</b>	123	<b>1.54</b>	0.17	164	<b>16200</b>	<b>42.4</b>	<b>1.9</b>	<b>1.45</b>
14BRAC027	Neptune	678122	7151920	148	<b>316</b>	159	0.3	<b>490</b>	<b>1.12</b>	0.30	359	531	2.0	0.6	1.25
14BRAC036	Neptune	678615	7151726	442	18	<b>779</b>	0.3	356	0.34	1.34	159	<b>36905</b>	<b>4.9</b>	0.7	0.50
14BRAC046	Moby S	689238	7151743	297	63	132	0.4	<b>1772*</b>	0.34	0.51	116	<b>13198</b>	<b>5.3</b>	0.1	<b>1.01</b>
14BRAC048	Moby S	689242	7152060	382	36	313	0.9	<b>955</b>	0.33	1.29	399	2968	1.3	0.1	<b>1.05</b>
14BRAC049	Neptune	678647	7151790	<b>1124</b>	21	226	0.4	213	0.30	0.79	707	7536	<b>7.4</b>	0.2	<b>1.07</b>
14BRAC070	Regional	692899	7151981	259	4	397	<b>1.8</b>	35	0.02	0.26	258	358	<b>4.4</b>	-0.1	0.16
14BRAC086	Regional	692907	7154550	270	41.3	241	0.3	<b>2216*</b>	0.95	<b>1.74</b>	<b>794</b>	<b>11757</b>	2.0	0.6	0.47
14BRAC095	Regional	699705	7156844	128	1.9	104	0.1	3	0.04	0.11	141	<b>40281</b>	1.5	-0.1	0.09
14BRAC102	Regional	699700	7158284	265	25.2	122	0.2	8	<b>3.87</b>	<b>3.71</b>	192	4546	1.1	0.2	<b>0.98</b>
14BRAC112	Regional	707116	7163811	86	<b>107</b>	130	0.1	14	<b>3.29</b>	0.09	125	<b>11540</b>	0.6	0.9	<b>1.04</b>

\* 1m interval fire assay

**Table 2: Drill hole information – Aircore drilling program, Bryah Basin**

Prospect / Area	Hole ID	Easting (MGA94 Zone 50)	Northing (MGA94 Zone 50)	RL (m)	Dip (Degr)	Azi (mag) (Degr)	Total Depth (m)
Neptune	14BRAC001	676037	7152397	541	-90	360	52
Neptune	14BRAC002	676112	7152548	540	-90	360	53
Neptune	14BRAC003	676184	7152699	542	-90	360	33
Neptune	14BRAC004	676257	7152842	540	-90	360	38
Neptune	14BRAC005	677590	7152842	540	-90	360	93
Neptune	14BRAC006	677551	7152760	541	-90	360	79
Neptune	14BRAC007	677515	7152679	541	-90	360	86
Neptune	14BRAC008	677525	7151781	548	-90	360	38
Neptune	14BRAC009	677599	7151932	547	-90	360	120
Neptune	14BRAC010	677668	7152074	546	-90	360	47
Neptune	14BRAC011	677154	7151940	548	-90	360	43
Neptune	14BRAC012	677227	7152086	547	-90	360	44
Neptune	14BRAC013	677297	7152234	545	-90	360	27
Neptune	14BRAC014	677374	7152377	542	-90	360	91
Neptune	14BRAC015	677408	7152458	542	-90	360	107
Neptune	14BRAC016	677432	7152522	541	-90	360	59
Neptune	14BRAC017	677951	7152101	547	-90	360	78
Neptune	14BRAC018	677985	7152175	547	-90	360	101
Neptune	14BRAC019	678020	7152247	547	-90	360	49
Neptune	14BRAC020	678056	7152320	546	-90	360	35
Neptune	14BRAC021	678098	7152383	546	-90	360	9
Neptune	14BRAC022	678129	7152469	546	-90	360	65
Neptune	14BRAC023	677916	7152589	543	-90	360	77
Neptune	14BRAC024	677909	7151476	550	-90	360	61
Neptune	14BRAC025	677977	7151623	549	-90	360	47
Neptune	14BRAC026	678054	7151768	548	-90	360	38
Neptune	14BRAC027	678122	7151920	548	-90	360	98
Neptune	14BRAC028	678195	7152069	547	-90	360	79
Neptune	14BRAC029	678269	7152226	546	-90	360	35
Neptune	14BRAC030	678345	7152380	545	-90	360	105
Neptune	14BRAC031	678401	7151276	552	-90	360	56
Neptune	14BRAC032	678473	7151429	550	-90	360	46
Neptune	14BRAC033	678509	7151505	550	-90	360	93
Neptune	14BRAC034	678540	7151573	549	-90	360	48
Neptune	14BRAC035	678576	7151647	548	-90	360	101
Neptune	14BRAC036	678615	7151726	548	-90	360	147
Moby South	14BRAC037	687999	7150696	566	-90	360	70
Moby South	14BRAC038	687996	7150862	565	-90	360	75
Moby South	14BRAC039	688001	7151020	563	-90	360	37
Moby South	14BRAC040	688001	7151182	561	-90	360	31
Moby South	14BRAC041	688001	7151344	561	-90	360	108
Moby South	14BRAC042	689237	7151103	571	-90	360	53
Moby South	14BRAC043	689236	7151261	569	-90	360	27
Moby South	14BRAC044	689241	7151422	567	-90	360	23
Moby South	14BRAC045	689237	7151582	569	-90	360	69
Moby South	14BRAC046	689238	7151743	568	-90	360	154
Moby South	14BRAC047	689241	7151901	567	-90	360	69
Moby South	14BRAC048	689242	7152060	565	-90	360	162
Neptune	14BRAC049	678647	7151790	547	-90	360	100
Neptune	14BRAC050	678692	7151874	547	-90	360	55
Neptune	14BRAC051	678721	7151943	546	-90	360	95
Neptune	14BRAC052	678759	7152020	545	-90	360	41
Neptune	14BRAC053	678796	7152089	545	-90	360	17
Neptune	14BRAC054	678831	7152168	545	-90	360	97
Moby South	14BRAC055	687997	7151502	562	-90	360	92
Moby South	14BRAC056	688002	7151666	562	-90	360	46

Prospect / Area	Hole ID	Easting (MGA94 Zone 50)	Northing (MGA94 Zone 50)	RL (m)	Dip (Degr)	Azi (mag) (Degr)	Total Depth (m)
Moby South	14BRAC057	687999	7151823	561	-90	360	101
Moby South	14BRAC058	687998	7151979	561	-90	360	70
Moby South	14BRAC059	688003	7152137	560	-90	360	76
Moby South	14BRAC060	688005	7152321	561	-90	360	101
Moby South	14BRAC061	688002	7152481	562	-90	360	77
Moby South	14BRAC062	688001	7152641	563	-90	360	101
Regional	14BRAC063	690697	7153105	571	-90	360	113
Regional	14BRAC064	690710	7153258	572	-90	360	77
Regional	14BRAC065	690699	7153421	572	-90	360	101
Regional	14BRAC066	690703	7153580	574	-90	360	61
Regional	14BRAC067	690698	7153741	573	-90	360	71
Regional	14BRAC068	690699	7153902	577	-90	360	61
Regional	14BRAC069	690701	7154057	577	-90	360	80
Regional	14BRAC070	692899	7151981	598	-90	360	53
Regional	14BRAC071	692901	7152133	596	-90	360	62
Regional	14BRAC072	692897	7152305	593	-90	360	9
Regional	14BRAC073	692910	7152464	591	-90	360	11
Regional	14BRAC074	692902	7152621	588	-90	360	25
Regional	14BRAC075	692897	7152940	584	-90	360	5
Regional	14BRAC076	692895	7152779	586	-90	360	19
Regional	14BRAC077	692901	7153098	583	-90	360	10
Regional	14BRAC078	692899	7153259	582	-90	360	6
Regional	14BRAC079	692899	7153423	582	-90	360	1
Regional	14BRAC080	692899	7153580	582	-90	360	1
Regional	14BRAC081	692899	7153898	586	-90	360	1
Regional	14BRAC082	692902	7155342	586	-90	360	75
Regional	14BRAC083	692899	7155180	589	-90	360	71
Regional	14BRAC084	692899	7155020	590	-90	360	110
Regional	14BRAC085	692897	7154702	591	-90	360	80
Regional	14BRAC086	692907	7154550	592	-90	360	59
Regional	14BRAC087	692899	7154382	587	-90	360	3
Regional	14BRAC088	692898	7154060	585	-90	360	1
Regional	14BRAC089	695694	7156140	595	-90	360	91
Regional	14BRAC090	695699	7155978	596	-90	360	110
Regional	14BRAC091	695700	7155819	592	-90	360	13
Regional	14BRAC092	695698	7155667	591	-90	360	3
Regional	14BRAC093	695699	7155500	592	-90	360	1
Regional	14BRAC094	699699	7156677	587	-90	360	25
Regional	14BRAC095	699705	7156844	587	-90	360	16
Regional	14BRAC096	699700	7156998	585	-90	360	3
Regional	14BRAC097	699704	7157159	585	-90	360	20
Regional	14BRAC098	699710	7157325	582	-90	360	28
Regional	14BRAC099	699701	7157481	579	-90	360	91
Regional	14BRAC100	699695	7157653	578	-90	360	101
Regional	14BRAC101	699699	7157960	576	-90	360	73
Regional	14BRAC102	699700	7158284	573	-90	360	110
Regional	14BRAC103	699701	7158442	573	-90	360	95
Regional	14BRAC104	699704	7158598	574	-90	360	78
Regional	14BRAC105	703833	7159876	578	-90	360	3
Regional	14BRAC106	703714	7160014	575	-90	360	1
Regional	14BRAC107	703602	7160155	575	-90	360	34
Regional	14BRAC108	703485	7160284	575	-90	360	64
Regional	14BRAC109	707461	7163392	602	-90	360	1
Regional	14BRAC110	707347	7163528	602	-90	360	1
Regional	14BRAC111	707235	7163671	601	-90	360	15
Regional	14BRAC112	707116	7163811	597	-90	360	44
Regional	14BRAC113	707001	7163949	596	-90	360	86
Regional	14BRAC114	706881	7164083	598	-90	360	96
Regional	14BRAC115	706769	7164219	598	-90	360	81

## APPENDIX 2

**Table 1 – JORC Code, 2012 Edition Reporting Criteria – Bryah Basin**

### SECTION 1: SAMPLING TECHNIQUES AND DATA

Criteria	Commentary
<b>Sampling Techniques</b>	<ul style="list-style-type: none"> <li>▪ Aircore samples were collected with a scoop or spear from drill spoil piles placed on the ground as one metre samples. Sampling aimed to be as representative as possible by sampling through the entire spoil pile.</li> <li>▪ Samples were collected as 4m composite samples or smaller composites where required to complete the hole, excluding the last metre which was taken as a separate bottom-of-hole lithogeochemistry sample. If there were multiple fresh rock types within the hole more than one lithogeochemistry sample was taken and where the last metre was contaminated or weathered an interval higher up the hole may have been taken for lithogeochemistry purposes. 4m composite samples weigh approximately 3kg in total. Anomalous intercepts &gt;0.05g/t Au at early stage targets are re-sampled at 1m intervals and resubmitted for analysis.</li> </ul>
<b>Drilling Techniques</b>	<ul style="list-style-type: none"> <li>▪ Conventional aircore drilling was used for this program, utilising a Challenge Drilling Challenger R/A 150 Rig with 150psi air capacity. All samples from aircore drill holes were collected using standard 89mm (3.5”) diameter aircore bits.</li> </ul>
<b>Drill Sample Recovery</b>	<ul style="list-style-type: none"> <li>▪ Aircore sample recovery was based on visual estimates and recorded in the drill database. Wet samples were recorded in the database.</li> <li>▪ Due to the early stage of exploration, no quantitative measures were taken for sample recovery for the aircore samples.</li> <li>▪ There is no obvious relationship between sample recovery and grade. No sample bias has been observed.</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>▪ 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.</li> <li>▪ These samples have not been used for any Mineral Resource estimation, mining studies or metallurgical studies as this is early stage exploration.</li> <li>▪ Logging is both qualitative and semi-quantitative in nature.</li> <li>▪ Each hole is logged and sampled in full</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>▪ Aircore chips were sampled using a scoop or spear and were generally dry, but some wet samples were collected. Samples were initially collected as 4m composites or smaller composites where required to complete the hole, with a 1m sample at the bottom of the hole collected to enable lithogeochemistry analysis of the freshest material. If there were multiple fresh rock types within the hole more than one lithogeochemistry sample was taken and where the last metre was contaminated or weathered an interval higher up the hole may have been taken for lithogeochemistry purposes. Intervals returning &gt;0.05g/t Au at early stage targets were typically re-sampled from the cuttings pile with a scoop, on a 1m downhole interval basis.</li> <li>▪ All samples were submitted to Intertek Genalysis Laboratory in Perth for analysis. Composite samples were submitted for fire assay for gold and for four-acid analysis of 46 elements and bottom-of-hole samples submitted for fire assay for gold, platinum and palladium analysis and lithogeochemistry suite of major oxides and trace and rare earth elements (REE). 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.</li> <li>▪ The sample preparation techniques are appropriate and are standard industry practice for exploration.</li> <li>▪ Aircore samples returning &gt;0.05g/t Au are typically re-sampled at 1m intervals and assayed. Where 1m samples have been taken, these results are reported in preference to the 4m composite samples. No quality control procedures were adopted to prove sample representivity. No field duplicate samples were taken for aircore samples. The drilling completed at Bryah Basin was for exploration only and is not used in resource estimation, where more rigorous QAQC is employed.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>▪ 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).</li> <li>▪ Bottom-of-hole samples were analysed for gold, platinum and palladium using Genalysis FA25/MS technique that utilises 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. Lithogeochemistry analysis was completed using the Genalysis LITH/205OE technique, which uses a combination of lithium-borate fusion and four-acid digestion with analysis of major oxides, trace elements and REE by a combination of ICP-MS and ICP-OES.</li> <li>▪ The 25g fire assay technique used is a total extraction method for gold and the four-acid digest is a total extraction method for most elements.</li> <li>▪ Quality control procedures included insertion of certified standards (approximately 1 in 50 for composite samples and 1 in 20 samples for bottom-of-hole samples), and blanks (approximately 1 in 100 for composite samples and 1 in 40 samples for bottom-of-hole samples). No external laboratory checks have been completed and therefore precision levels have not been established. Review of the analyses of the certified standards does not indicate any accuracy issues. Review of the company blanks does not indicate any contamination. Samples with anomalously high tungsten and cobalt were determined to be due to drill bit contamination.</li> </ul>



<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>▪ No checks were made or required for this level of exploration.</li> <li>▪ No twin holes have been completed.</li> <li>▪ 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.</li> <li>▪ There has been no adjustment to assay data.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>▪ Hole collars have been surveyed using a DGPS. The dip and azimuth from the collar set-up were used for aircore holes. No downhole surveying was conducted. All holes were drilled as vertical holes.</li> <li>▪ Drillhole location data were captured in the MGA94 grid system, Zone 50.</li> <li>▪ There is no topographic control. As these holes do not form part of a resource model, it is not necessary for accurate topographic control.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>▪ Drill hole spacing across the project varies. For the recent aircore drilling, spacing varied from 80-160m along lines and from 320m to 3km between lines.</li> <li>▪ Data have not been used for a Mineral Resource estimate.</li> <li>▪ No compositing, other than preliminary sample compositing, has been applied to the data.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>▪ Orientation of mineralisation is unknown at this early stage of exploration.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>▪ Chain of custody was managed by IGO. Samples were sealed in calico bags, which were in turn grouped into larger tied polyweave bags for transport. Samples were stored at site and transported to the laboratory with a corresponding submission form and consignment note. Once submitted to the laboratory, the samples received were checked 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.</li> <li>▪ Once assaying was completed, the pulp packets, pulp residues and coarse rejects were held in their secure warehouse for 2 months. On request, the pulp packets were returned to IGO for storage in a secure compound and catalogued.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>▪ No audits or reviews have been conducted on sampling techniques or data.</li> </ul>

## SECTION 2: REPORTING OF EXPLORATION RESULTS

Criteria	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>▪ The aircore drilling mentioned in this report is located within Exploration Licences 52/1722 (Alchemy Resources (Three Rivers) Pty Ltd 80%, Jackson Minerals Pty Ltd 20%), 52/1723 (Alchemy Resources (Three Rivers) Pty Ltd 50%, PepinNini (Robinson Range) Pty Ltd 50%; Alchemy holds 100% interest in Other Minerals, being all minerals other than Iron), 52/2360 &amp; 52/2362 (Alchemy Resources (Three Rivers) Pty Ltd 100%) and Prospecting Licence 52/1323 (Alchemy Resources (Three Rivers) Pty Ltd 100%). 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.</li> <li>▪ In 2014, Independence Group NL entered into a farm-in and joint venture arrangement to earn an interest in Alchemy Resources Ltd interest in the whole or part of the tenements. Details of the agreement can be found in an ASX announcement dated 30 January 2014 (<a href="http://www.alchemyresources.com.au/images/pdf/ASX%20Releases/2014/140130%20IGO%20to%20fund%20base%20metal%20exploration%20at%20Bryah%20Basin%20Project.pdf">http://www.alchemyresources.com.au/images/pdf/ASX%20Releases/2014/140130%20IGO%20to%20fund%20base%20metal%20exploration%20at%20Bryah%20Basin%20Project.pdf</a>).</li> <li>▪ Native title interests have been extinguished in regards to Exploration Licences 52/1722 &amp; 2632, and parts of Exploration Licences 52/1723 &amp; 2360.</li> <li>▪ Exploration Licences 52/1722, 1723, 2360 &amp; 2632 and Prospecting Licence 52/1323 are within the Mount Padbury pastoral lease and WA DPaW-managed Doolgunna ex-pastoral lease.</li> <li>▪ The tenements are in good standing and no known impediments exist to operate in the area.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>▪ Prior to the discovery of the DeGrussa copper-gold deposit in 2008, 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.</li> <li>▪ 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) was completed on parts of the Project area. This work identified a number of geophysical targets that were followed up with RC and diamond drilling as well as areas of anomalism including the Neptune, Churchill and Moby prospects. Reconnaissance RAB drilling was undertaken over parts of the regional Magnus prospect in 2013 and identified minor anomalous trends.</li> <li>▪ This report is concerned solely with aircore drilling undertaken in August &amp; September 2014 that was targeted to better define the nature and extent of the Neptune and Moby South prospects as well as regional reconnaissance drilling.</li> </ul>

<b>Geology</b>	<ul style="list-style-type: none"> <li>▪ 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.</li> </ul>
<b>Drill hole information</b>	<ul style="list-style-type: none"> <li>▪ Refer to the table in Appendix 1 in the report for the easting, northing, approximate RL, dip, azimuth and total depth of the aircore drill holes that are the subject of this report.</li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>▪ Results are down-hole length-weighted averages of grades &gt;0.5g/t Au. No top cuts have been applied.</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>▪ 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, and true widths are unknown.</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>▪ Appropriate plans have been included in the body of this report. Due to the early stage of exploration, sections have not been included.</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>▪ Details of the location of all aircore drill holes are provided in Appendix 1. Drill holes with gold, base metal or pathfinder elements assays that are considered material for early stage of exploration are listed in Table 1 in Appendix 1.</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>▪ There are no other exploration data to report that are considered material.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>▪ Follow up drilling is planned in the coming quarters.</li> </ul>