

## ASX RELEASE

29 JANUARY 2016

CODE: ALY

### BOARD OF DIRECTORS

**Mr Oscar Aamodt**  
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**Mr Lindsay Dudfield**  
Non-Executive Director

**Mr Anthony Ho**  
Non-Executive Director

### ISSUED CAPITAL

SHARES 228,788,035

OPTIONS 3,000,000 (Unlisted)

### PROJECTS

BRYAH BASIN (80-100%)

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# DECEMBER 2015 QUARTERLY REPORT

## Highlights

### BRYAH BASIN PROJECT

#### *Base Metal Exploration*

- Independence Group NL (ASX: **IGO**) received final results from broad-spaced diamond/RC drilling at Neptune targeting geochemical anomalism and electromagnetic conductors over 2km strike of prospective Narracoota – Karalundi volcano-sedimentary sequence
- Drilling intersected 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 diamond core and RC samples from these zones return copper and/or gold anomalism at multiple stratigraphic horizons, including broad zones of gold anomalism extending over 1km strike
- Review of all data at Neptune has highlighted five target areas that require follow-up drilling, including an untested off-hole conductor between two drill sections and projected down-dip position of a copper-rich horizon in 15BRRC002

#### *Gold Exploration*

- Northern Star Resources Ltd (ASX: **NST**) Farm-in and Joint Venture exploration continued with completion of a regional airborne geophysical survey and auger geochemical drilling of selected areas
- Auger geochemical drilling returned multiple areas with gold anomalism, including the Flamel, Henry, Jones, Pelorus, Troy prospects

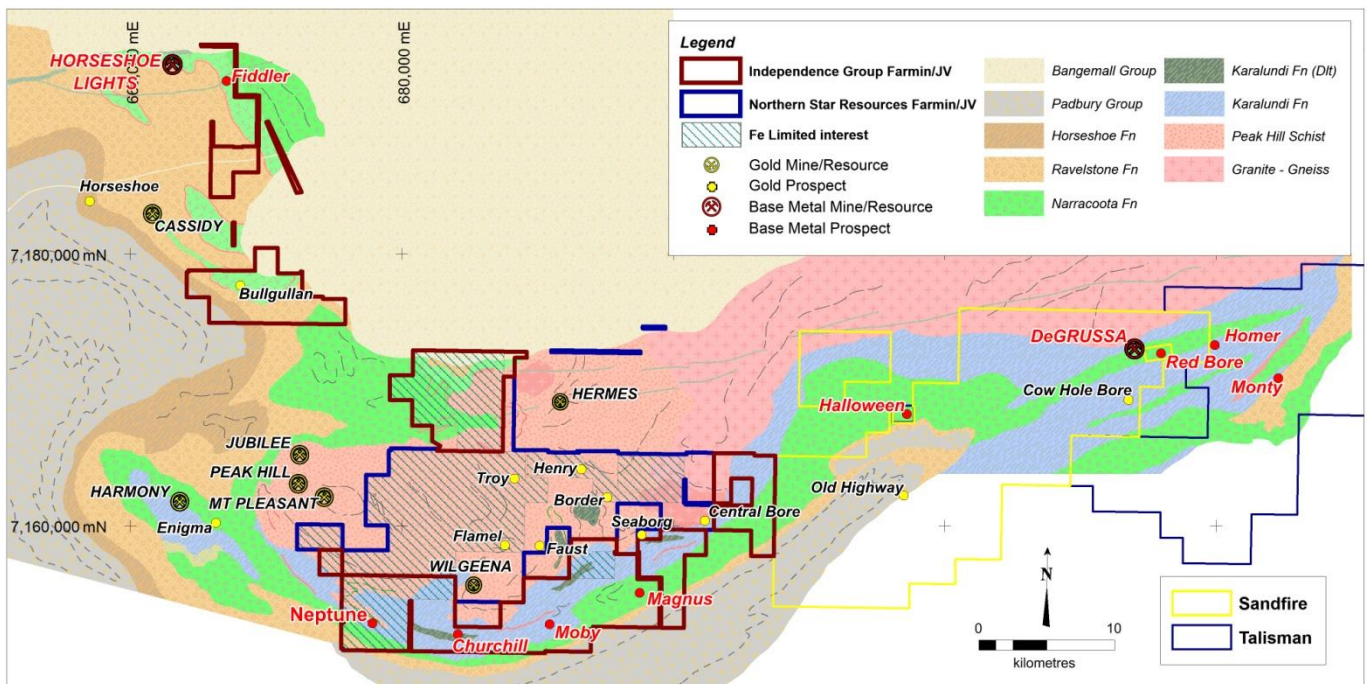
### CORPORATE

- Cash at 31 December 2015 – \$1.52M
- Alchemy actively seeking and assessing potential high-value gold and base metal opportunities in Australia and abroad

## Bryah Basin Project

Alchemy’s Bryah Basin Project comprises a 500km<sup>2</sup> ground package located 130km NE of Meekatharra, Western Australia. The project is located along strike and west of Sandfire Resources’ DeGrussa copper-gold mine and its discovery of high-grade copper-gold mineralisation at the Monty prospect, and adjacent to Peak Hill where about 1Moz of gold has been mined from several deposits (*Figure 1*). Alchemy holds 100% interest in the project with the exception of several tenements held in joint-venture with Fe Ltd (ASX: **FEL**).

Alchemy retains its interests in the base metal and gold prospective Bryah Basin Project through farm-in and joint venture agreements with Independence Group NL (ASX: **IGO**) (“**IGO**”) (see ASX announcement dated 5 November 2014) and Northern Star Resources Ltd (ASX: **NST**) (“**Northern Star**”) (see ASX announcement dated 24 February 2015). Should a high-value base metal or gold discovery be made by IGO or Northern Star, Alchemy retains the right to participate as a 20% partner, an equity position that may deliver significant value to shareholders.



**Figure 1:** Bryah Basin Project – IGO JV and Northern Star JV areas and gold and base metal prospects.

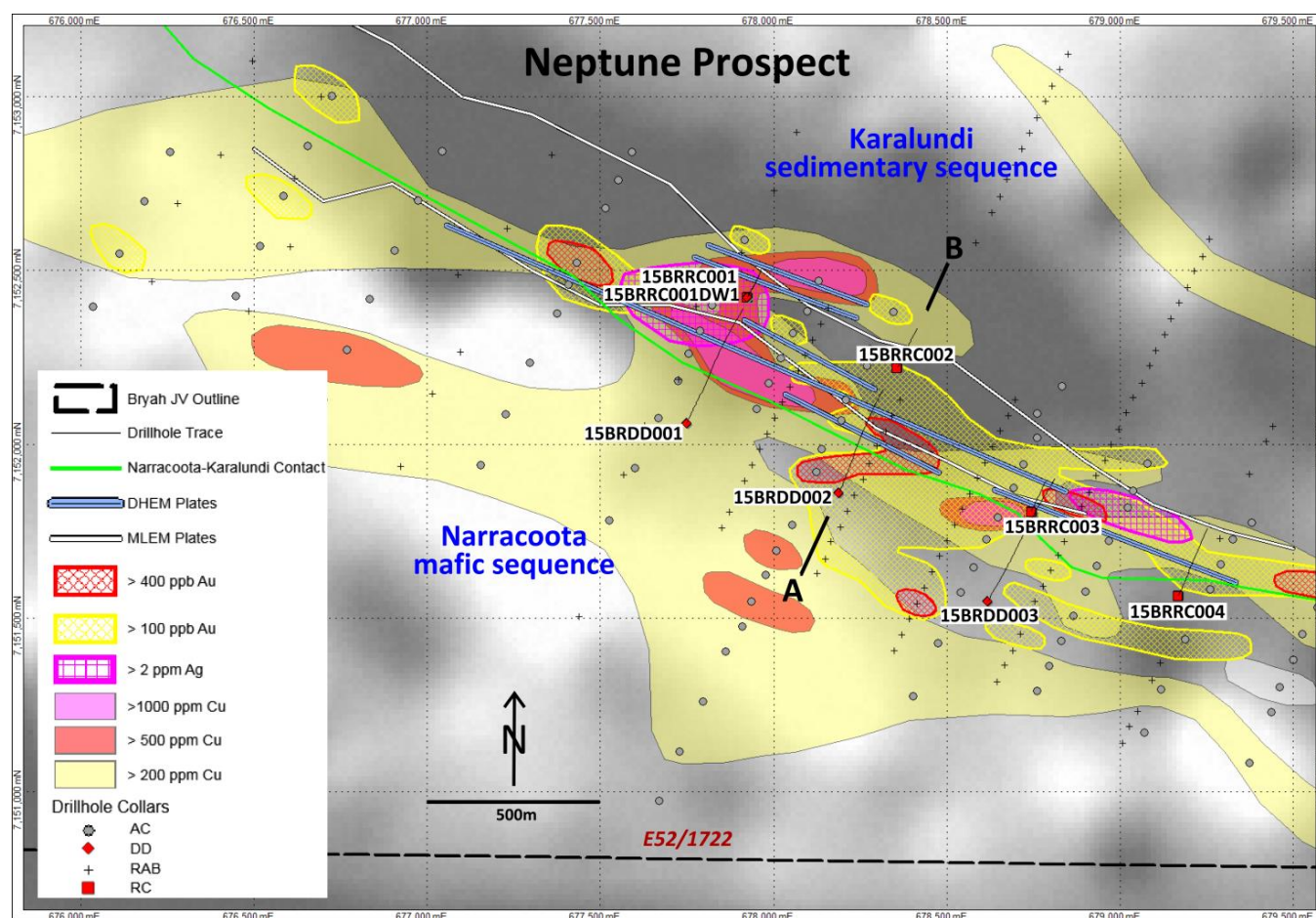
### Base Metals Exploration – IGO earning up to 80%

Leading Australian base metal and gold producer Independence Group NL is exploring and earning an interest (“**IGO JV**”) 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). Under the terms of the IGO JV, IGO can earn up to 80% in Alchemy’s interests (excluding iron ore rights) through Earn-In Expenditure of \$6M within five years, with Alchemy free-carried on further exploration 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.

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

In the Neptune area (Figure 1), 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.

During the December 2015 Quarter, IGO received results of broad-spaced diamond and RC drilling undertaken at the Neptune prospect (see ASX announcements dated 2 October 2015 and 27 January 2016). 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 200m and 400m along 2km of strike of the prospective zone. Funds from a successful WA Government Exploration Incentive Scheme Co-funded Drilling Initiative grant were used towards the drilling program.



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

Anomalous stringer-style to heavy disseminated/blebby, pyrite-dominant sulfide mineralisation is present 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.

Diamond core assays from the mineralised horizons indicate strong copper and/or gold anomalism associated with multiple mineralised horizons within the prospective Narracoota – Karalundi volcano-sedimentary sequence (see ASX announcement dated 27 January 2016), including:

<b>15BRDD001</b>	5.2m at 241 ppb Au, 71 ppm Cu	(from 326.6m)
<b>15BRDD002</b>	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)
<b>15BRRC001DW1</b>	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:

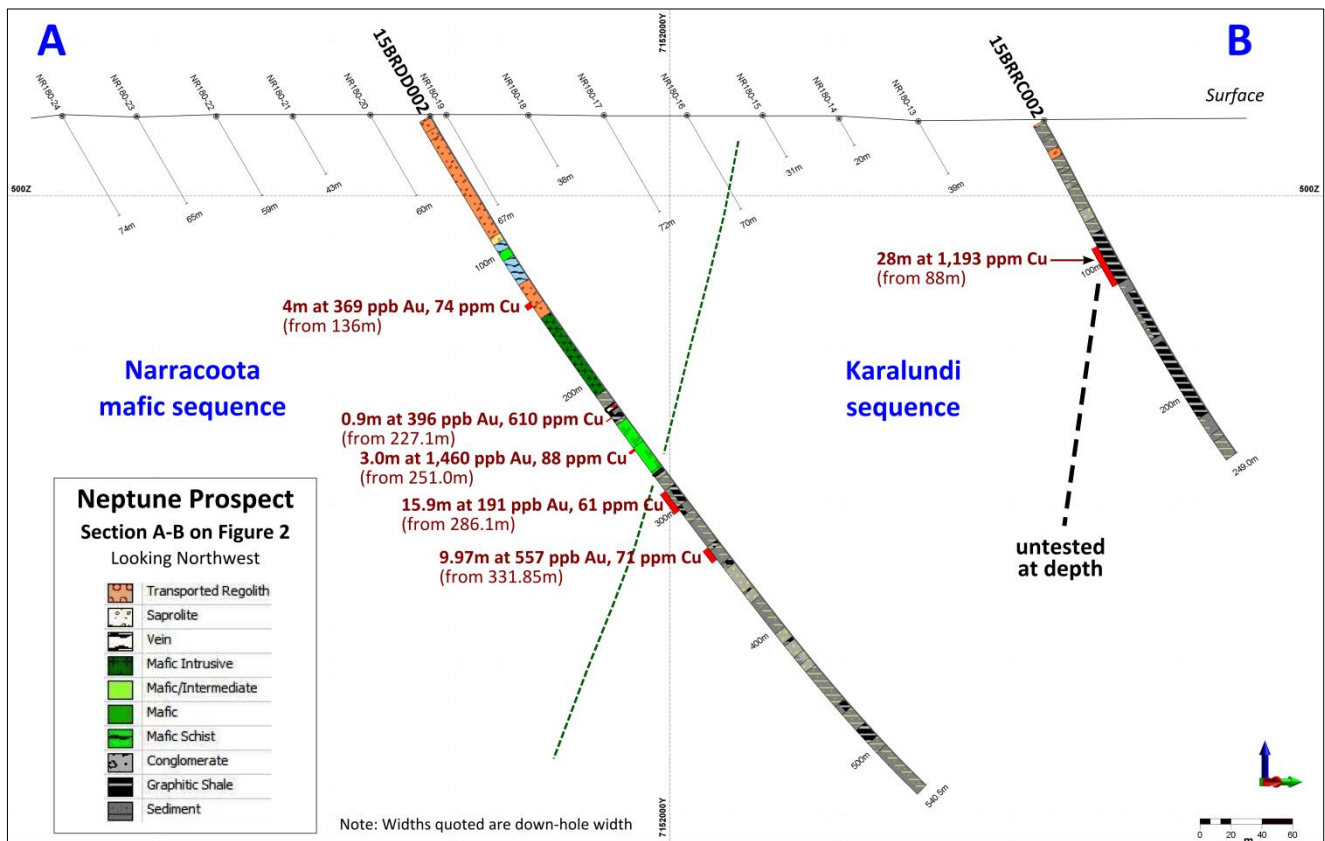
<b>15BRRC002</b>	28m at 1,193 ppm Cu	(from 88m)
<b>15BRRC003</b>	4m at 536 ppm Cu, 829 ppm Zn	(from 28m)
	12m at 118 ppb Au, 224 ppm Cu	(from 72m)
	16m at 133 ppb Au, 193 ppm Cu	(from 100m)
<b>15BRRC004</b>	48m at 130 ppb Au, 174 ppm Cu	(from 172m)

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 remains untested at depth (Figure 3).

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.



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

IGO has advised that a review of all data relating to the broad spaced diamond/RC drilling program at Neptune 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.

### **Gold Exploration – Northern Star earning up to 80%**

During the June 2015 Quarter, leading Australian gold producer Northern Star Resources Ltd commenced a Farm-in and Joint Venture (“**Northern Star JV**”) (see ASX announcement dated 24 February 2015). The Northern Star JV is to explore and earn up to 80% of Alchemy’s interests in the whole and part tenements that cover the gold prospective part of the Bryah Basin Project (Figure 1), 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).

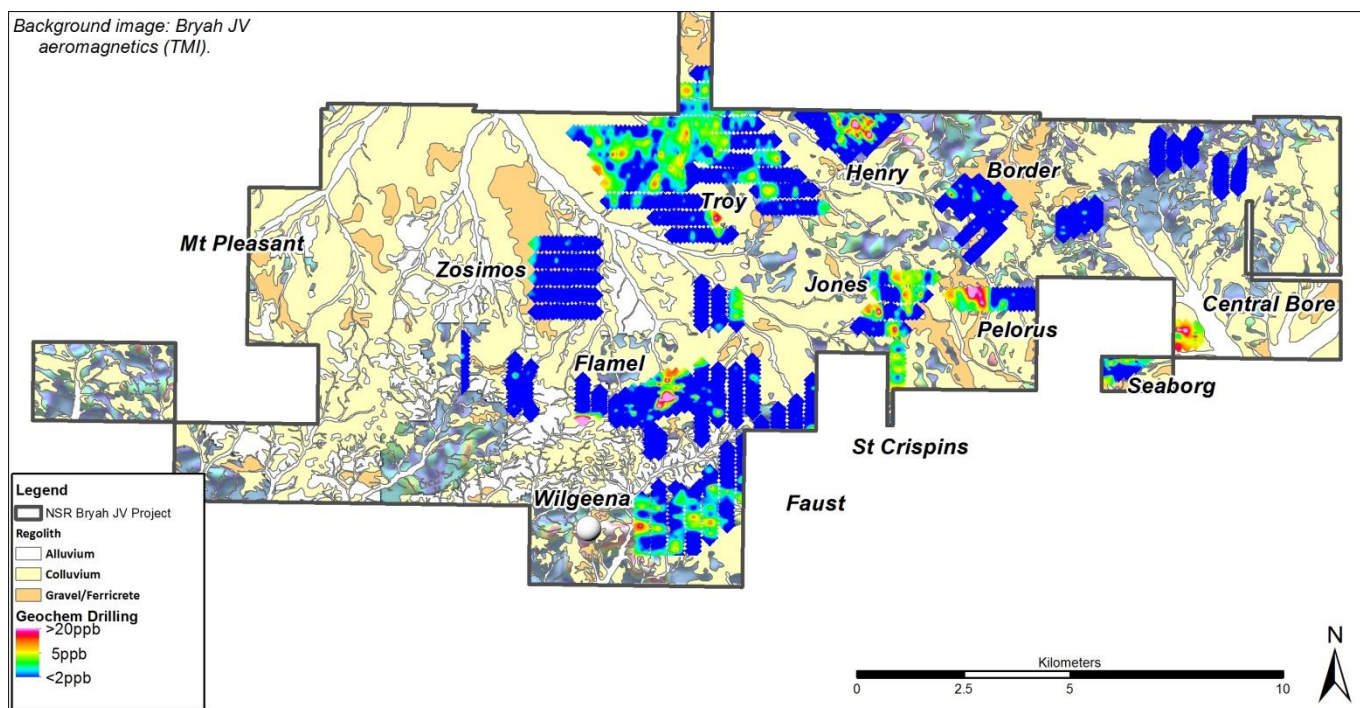
Under the terms of the Northern Star JV, Northern Star can earn up to 80% in Alchemy’s interests through Earn-In Expenditure of \$1.2M within three years on the gold prospective tenements. Upon Northern Star fulfilling its Earn-In Expenditure, Alchemy’s interest is carried on an interest-free deferred basis to production, with Alchemy to repay Northern Star the deferred amount at the rate of 50% of its share of free cash flow from production following commencement of mining.

The Northern Star JV is enabling near-term exploration of a number of advanced to grass roots gold targets identified over the gold prospective landholding in the Bryah Basin Project.

Northern Star advises that on-ground exploration commenced during the December 2015 Quarter, with completion of a regional geophysical survey and auger geochemical drilling on selected target areas. New high-resolution aeromagnetic and radiometric data were acquired over parts of the Northern Star JV area to complement existing datasets of similar detail covering part of the western Bryah Basin Project. In addition, high-resolution satellite imagery was acquired covering the entire Northern Star JV area.

Auger geochemical drilling programs were completed on selected target areas in the Border, Flamel, Henry, Jones, Pelorus, Troy and Zosimos prospects. Previous studies have shown that auger geochemical drilling is an effective method to obtain a meaningful geochemical response in areas of the Project area with widespread hardpanised colluvium.

Northern Star has advised that the results of the geochemical drilling returned multiple areas with low-order (+6ppb Au) gold anomalism in the Flamel, Henry, Jones, Pelorus and Troy areas (Figure 4), with a peak result of 60.2ppb Au returned from the Pelorus prospect.



**Figure 4:** Northern Star JV area – Auger geochemical drilling results (Au ppb, gridded) on interpreted regolith cover. Note widespread colluvial cover.

Northern Star further advised that results of work undertaken during the December 2015 Quarter are being used to plan further in-fill and extension auger geochemical drilling in the coming months as well as possible aircore/RC drilling traverses to test identified trends.

## Corporate

At 31 December 2015, the Company retained a cash balance of \$1.52M.

The Company is actively seeking and assessing potential opportunities to acquire high-value gold and base metal projects, both in Australia and abroad. These range from greenfields exploration prospects to more advanced projects with significant mineral resources, with due diligence studies ongoing on a number of these opportunities.

Please direct enquiries to:      Mr Oscar Aamodt – Chairman  
   Dr Kevin Cassidy – Chief Executive Officer  
   Telephone: +61 8 9481 4400

*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 CocksRocks 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 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.*

## APPENDIX 1 Schedule of Mining Tenements as at 31 December 2015

Project/Tenement	Location	Interest	Co-holder	Notes
<b>Bryah Basin Project</b>	Western Australia			
E52/1668		80%	Jackson Minerals Pty Ltd	1, 2, 3
E52/1678		80%	Jackson Minerals Pty Ltd	1, 2, 3
E52/1722		80%	Jackson Minerals Pty Ltd	1, 2
E52/1723-I		100%	PepinNini Robinson Range Pty Ltd	2, 4, 5
E52/1730		80%	Jackson Minerals Pty Ltd	1, 2, 3
E52/1731		100%		2, 4
E52/1810		100%		2
E52/1852		100%		4
E52/2360		100%		2, 4, 6
E52/2362		100%		2, 4, 6
E52/3292		100%		2, 7
M52/722		100%		2, 4, 6
M52/723		100%		2, 4, 6
M52/737		100%		4, 6
M52/795		100%		2, 4, 6
M52/844-I		100%		2, 6
M52/1049		100%		4, 6
P52/1195		80%	Jackson Minerals Pty Ltd	1, 3
P52/1196		80%	Jackson Minerals Pty Ltd	1, 3
P52/1199		100%		2
P52/1200		100%		2
P52/1314		100%		4, 6
P52/1315		100%		4, 6
P52/1316		100%		4, 6
P52/1317		100%		2, 6
P52/1318		100%		2, 6
P52/1320		100%		2, 6
P52/1321		100%		4, 6
P52/1322		100%		4, 6
P52/1323		100%		2, 6
P52/1327		100%		4, 6
P52/1365		100%		4, 6
P52/1425		100%		2
P52/1427		100%		2
P52/1428		100%		2
P52/1429		100%		4
P52/1467		100%		2
P52/1468		100%		2
P52/1469		100%		2
P52/1470		100%		2
<b>SE Yilgarn Project</b>	Western Australia			
E28/2475		100%		
E28/2476		100%		

### Notes:

1. Jackson Minerals Pty Ltd, a subsidiary of Fe Ltd (ASX: FEL), retains a 20% interest free-carried to a decision to mine.
2. Independence Group NL (ASX: IGO) has a right to explore and earn a 70-80% interest (excludes iron ore) in whole or part tenement free-carried to a pre-feasibility study.
3. Northern Star Resources Ltd (ASX: NST) has a right to explore and earn a 70% interest in whole or part tenement by sole funding a total \$1,200,000 on exploration expenditure over tenements or parts of tenements marked (3) & (4).
4. Northern Star Resources Ltd (ASX: NST) has a right to explore and earn a 80% interest in whole or part tenement by sole funding a total \$1,200,000 on exploration expenditure over tenements or parts of tenements marked (3) & (4).
5. 100% "Other" mineral rights (excludes iron ore); Robinson Range Iron Ore JV – 100% iron ore.
6. 100% minerals rights for all minerals, excluding iron ore; Carey Mining Iron Ore JV – Alchemy Resources 50%, Carey Mining 50% iron ore.
7. 100% interest acquired from Flatrock Resources Pty Ltd.



## APPENDIX 2

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

### Section 1: Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
<b>Sampling Techniques</b>	<ul style="list-style-type: none"> <li>Auger geochemical drilling is essentially a modified surface or soil sample collected using shallow drilling methods. Samples were collected using an open-hole percussion drill rig mounted to the tray of a 4WD light vehicle, with samples retrieved on 1m intervals down-hole to obtain a nominal 2kg sample that was laid out on the ground and from which assay samples were split for assay. 1m or 2m-composite samples were collected from drill-spoil by spearing &amp; sieving approximately 200g samples into pre-numbered paper geochemistry bags for super-trace aqua regia gold assay by the laboratory.</li> <li>Samples were taken by Northern Star staff to ALS Geochemistry Laboratory Perth for preparation (drying, crushing &amp; pulverizing) before a 25g charge was split from the samples for aqua regia assay with an ICPMS analysis.</li> </ul>
<b>Drilling Techniques</b>	<ul style="list-style-type: none"> <li>Auger geochemical drilling was carried-out utilising a low-impact 4WD light vehicle-mounted Mantis open-hole percussion rig, with a 3.25" face-sampling hammer.</li> <li>A total of 976 samples were collected from holes that varied in depth from one metre to a maximum of six metres and averaged 3.1 metres over the program.</li> </ul>
<b>Drill Sample Recovery</b>	<ul style="list-style-type: none"> <li>The sample collected during the auger geochemical drilling is from residual regolith immediately below transported cover material.</li> <li>Sample quality was assessed by the geologist by visual approximation of sample recovery and if the sample is dry, damp or wet. The contractor adjusted their drilling approach to the specific conditions to maximise sample recovery. Equipment was cleaned after each hole to minimise cross-hole contamination.</li> <li>Sample recoveries are not recorded nor considered relevant to the style of sampling. No relationship between grade &amp; recovery was identified.</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>For each 1m interval of auger geochemical drilling, a representative sample was geologically logged, by a qualified geologist, in 1m intervals recording characteristics such as regolith, lithology, etc for the entire length of each hole.</li> <li>The logging is qualitative, with visual estimates of the various characteristics.</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>All auger geochemical drilling samples were spear-sampled to collect a 1m or 2m-composite sample, and sieved to - 1/32" sizing to collect a nominal 200g sample (considered appropriate for this method of drilling) for assay. These samples were submitted to the lab from any <i>in-situ</i> regolith zones immediately underlying transported overburden.</li> <li>Sample preparation was conducted at ALS Geochemistry Laboratory Perth, commencing with sorting, checking and drying at less than 110°C to prevent sulphide breakdown. Samples were then pulverised to 85% passing 75µm, using a bowl pulveriser, and sub-sample of 100g retained and stored in labeled pulp packets.</li> <li>No field QA-QC samples are collected.</li> <li>This is a modified surface or soil sample and only a small amount of material is required to measure the quantitative level of gold anomalism at a single sample point.</li> <li>Sample sizes are considered appropriate to give an indication of low level gold anomalism to be used to identify cohesive prospect scale low level gold anomalies.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>Sampled for analysed for gold at ALS Geochemistry Laboratory Perth using method Au-ST43, which is considered to be appropriate to detect anomalous gold mineralisation. For these 1m or 2m-composite samples, a 25g aqua regia assay charge was digested before Inductively-Coupled Plasma Mass Spectrometry (ICPMS) determination for gold analysis.</li> <li>Laboratory QA-QC sampling included insertion of internal lab standards using CRM material, blanks, splits and replicates as part of the in-house procedures. This data is reported for each sample submission.</li> </ul>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>All significant assays were verified by both the geologist and database administrator during the validation process, and later by the Competent Person to be signed off.</li> <li>Geological, survey and sample logging was captured at site using Field Marshall<sup>®</sup> templates and field notes, and loaded into the Company's exploration database using automatic Maxwell's<sup>®</sup> loaders. Assay files are received from the laboratory in CSV format and automatically loaded directly into the database by the Database Administrator with verification procedures in place. Digital copies of Certificates of Analysis are stored in a central database with regular backup. Hardcopies are also kept.</li> <li>No adjustments were made to this assay data.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>The planned auger geochemical drilling locations were located using GPS by the geologist and the final collars were picked up after drill hole completion by the geologist by hand-held GPS, with an accuracy of 5m in northing and easting.</li> <li>The grid system is GDA94 MGA Zone 50. As there is currently no good quality topographic control, the GPS-derived RL has been assigned to each collar.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>Auger geochemical drilling spacing across the prospects sampled by this campaign is on a nominal 50-100m hole-spacing on 200-400m spaced lines.</li> <li>Results from the auger geochemical drilling are used to define a modified surface anomaly in a single plane at the interface of residual regolith immediately below transported cover material and representing the potential signature above primary gold mineralisation.</li> <li>No compositing has been applied to these exploration results.</li> </ul>

<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>No orientation-based sampling has been identified in the data at this point.</li> <li>The orientation of the sampling lines (north-south or east-west) is approximately orthogonal to the regional strike of the targeted mineralization.</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>Chain of custody was managed by Northern Star. All samples were stored in pre-numbered paper geochemistry bags, and grouped into larger cardboard boxes for transport. Samples were stored at site and transported to the assay laboratory under Northern Star staff supervision. Once submitted to the laboratory they were stored in a secure fenced compound, and tracked through their chain of custody via audit trails.</li> <li>Sample pulps are returned to Northern Star and stored in a secure compound for an appropriate length of time (minimum 3 years).</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 listed in the preceding section also apply to this section.)

Criteria	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>The auger geochemical drilling mentioned in this report is located wholly within Exploration Licences E52/1668, 1678, 1723, 1730, 1731 and 1852, Mining Leases M52/795 and 1049 and Prospecting Licence P52/1195, 1196 and 1321 held 100-80% by Alchemy Resources (Three Rivers) Pty Ltd, a wholly-owned and managed subsidiary of Alchemy Resources Ltd, and 0-20% by Jackson Minerals Pty Ltd, a subsidiary of Fe Limited. Native title interests have been extinguished in regards to the Exploration Licences, Mining Leases and Prospecting Licences.</li> <li>In 2015, Northern Star Resources Ltd (Northern Star) 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 24 February 2015 (<a href="http://www.alchemyresources.com.au">http://www.alchemyresources.com.au</a>). Northern Star is the manager of the farm-in and joint venture.</li> <li>Exploration Licences E52/1668, 1678, 1723, 1730, 1731 and 1852, Mining Leases M52/795 and 1049 and Prospecting Licences P52/1195, 1196 and 1321 are partly located within the 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>Troy Resources Ltd conducted reconnaissance surface sampling (BLEG gold-in-soil) and limited RAB/AC/RC drilling in the project area between 1996 and 2000. Alchemy Resources conducted regolith geochemical sampling and limited RAB/AC/RC drilling in the project area between 2010 and 2014.</li> <li>This report is concerned solely with auger geochemical drilling undertaken by Northern Star between October and December 2015 that was targeted to define the nature and extent of any potential gold mineralisation trends through the project area.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>The Bryah Basin JV project area is located within the Proterozoic Peak Hill Schist sequence (overlying the Archean Marymia terrane and basement to the subsequent Proterozoic Bryah Basin). Gold mineralisation within the Peak Hill sequence is hosted within highly deformed (multi-phase deformation) amphibolite-facies metasediments within zones of high metamorphic &amp; deformation gradient, and is thought to represent an early shear-hosted mineralisation style.</li> <li>Significant gold mineralisation has been defined within the Peak Hill schist in the Bryah Basin Project area (Hermes &amp; Wilgeena gold deposits) and mined historically from the nearby Peak Hill mining centre (including the Peak Hill Main/Five Ways, Harmony, Jubilee and Mount Pleasant Deposits).</li> </ul>
<b>Drill hole information</b>	<ul style="list-style-type: none"> <li>Refer to text and figures within the body of text. Drill locations are identified in Figure 4. All auger geochemical drill holes are vertical. Assay values are reported as a single gold value in each individual hole taken from residual regolith immediately below transported cover material.</li> <li>The geochemical information is used to identify anomalous trends and 'footprints' rather than reporting of individual values and is considered appropriate and of industry standard. The detailed coordinates for each sample's collar, and sample hole depth information is not considered material to this report.</li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>All reported assay results are single 1m or composited 2m samples. Grade contours at specific values are identified as anomalous against local background levels. For gold, &gt;6ppb is considered anomalous.</li> <li>No top cuts have been applied to the reporting of the assay results.</li> <li>No metal-equivalent values have been used for the reporting of these exploration results.</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>Gold anomalism is determined in a single plane and contoured to produce anomalous trends.</li> <li>The geometry of any mineralisation is not known at this stage due to the lack of deeper drilling and the early stage of exploration. All results are based on 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.</li> </ul>

<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>▪ All results are reported. Absolute values are not considered material in using low level geochemical assays to identify low level anomalism.</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>▪ Detailed airborne geophysical survey data (collected by Northern Star) has been used to assist delineation of exploration targets and further test work is planned.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>▪ Northern Star has advised that results of work undertaken during the December 2015 Quarter are being used to plan further in-fill and extension auger geochemical drilling in the coming months as well as possible aircore/RC drilling traverses to test identified trends.</li> </ul>