

**ASX
ANNOUNCEMENT**

29 JUNE 2015

CODE: ALY

BOARD OF DIRECTORS

Mr Oscar Aamodt
Non-Executive Chairman

Ms Sofia Bianchi
Non-Executive Director

Ms Liza Carpane
Non-Executive Director

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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A focus on exploration

Independence commences RC – diamond drilling at Bryah Basin copper-gold project

- *Alchemy advised by Independence that drilling has commenced at the Neptune prospect*
- *Drilling targets geochemical anomalies and EM conductors along prospective Narracoota–Karalundi contact*
- *WA Government EIS grant to co-fund drilling*

Alchemy Resources Limited (ASX: **ALY**) (“**Alchemy**”) is pleased to announce that Independence Group NL (ASX: **IGO**) (“**Independence**”) has commenced a RC and diamond drilling program at the Bryah Basin Project (*Figure 1*). The program is part of the exploration Farm-in and Joint Venture Agreement covering Alchemy’s interests* in the whole and part tenements that cover the base metal prospective part of the Project (*see ASX announcement dated 5 November 2014*).

The Bryah Basin Project contains more than 40km of strike extent of the Narracoota volcanic sequence, host to Sandfire Resources’ DeGrussa copper-gold deposit and its announcement on 25 June 2015 of the discovery of high-grade massive sulphide (TLDD0004A: 16.5m @ 18.9% Cu, 2.1g/t Au from 409.5m) at the Monty prospect part of the Springfield Project (*Figure 1*), and is prospective for discovery of volcanic massive-sulphide (VMS)-style copper-gold deposits.

The drilling program is targeting the lower Narracoota contact at the Neptune prospect (*Figure 1*), which is the interpreted ore horizon at DeGrussa. In the Neptune area, RAB and aircore drilling has defined a 2.5km zone of strike-parallel, high-order, multi-element VMS pathfinder anomalism, localised within the underlying Karalundi Formation and on the prospective basal contact of the Narracoota Formation (*see ASX announcement dated 29 January 2015*).

These zones of anomalism are coincident with several, linear moderate to strong electromagnetic (EM) conductors returned from moving-loop EM surveys conducted over the Neptune prospect, along with several potential basin-forming growth faults. Additional linear zones of base metal anomalism are localised higher in the stratigraphy in the Narracoota Formation and, collectively, the anomalism at Neptune represents a priority target.

The size and amplitude of the geochemical and geophysical anomalism at Neptune suggests that there is considerable potential for discovery of a high-grade/tonnage copper-gold VMS deposit.

* Alchemy 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 initial program of five RC holes and three diamond drill holes is expected to take approximately four weeks to complete. The drilling is targeting mineralisation at vertical depths of between 220 and 400m.

Independence advises that its application for a WA Government EIS Co-funded Drilling program at the Bryah Basin Project was successful, and that it intends to use the funds towards the proposed drilling program.

Apart from direct testing for economic copper-gold mineralisation, the diamond drilling will also provide important stratigraphic and structural information in an area with no previous cored-drilling. Follow-up down-hole EM will also provide constraints on any off-hole EM conductors in the near vicinity.

Independence will integrate the results from the drilling program with existing data sets to identify priority exploration targets along the prospective Narracoota volcanic sequence.

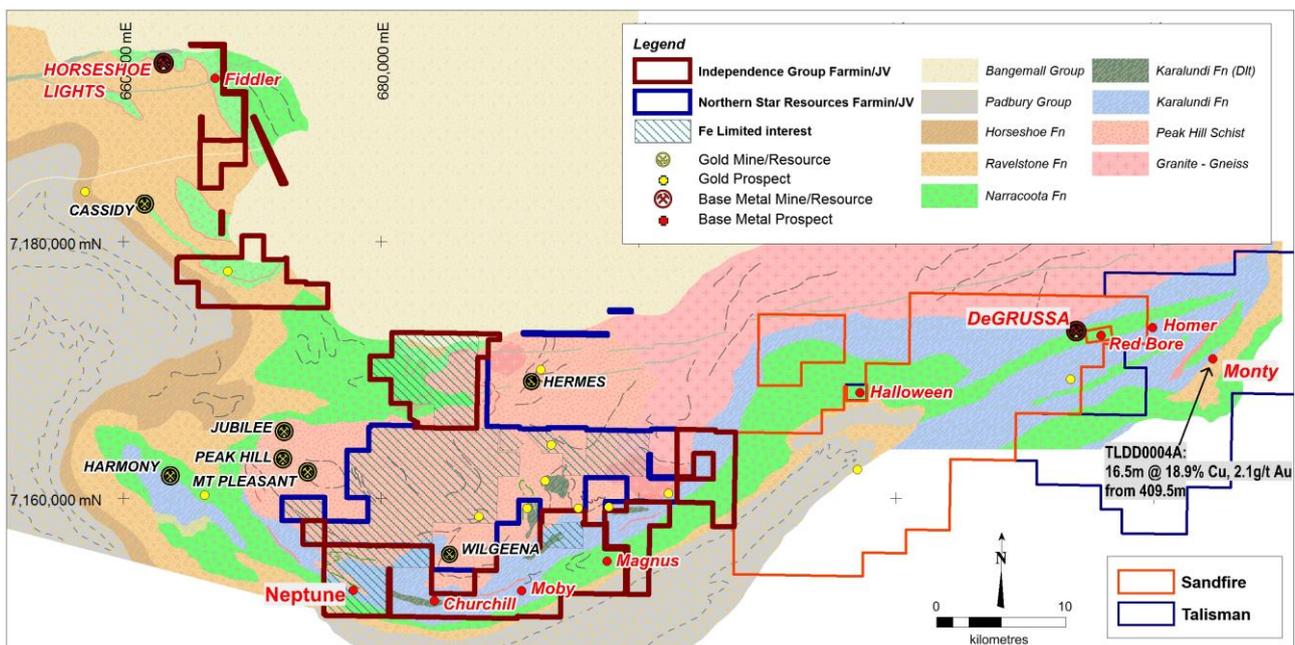


Figure 1: Bryah Basin Project showing Independence Farmin/JV area and base metal and gold prospects, and location of the recent discovery by Sandfire Resources of high-grade copper-gold at Monty over geology.

– ENDS –

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

Alchemy's Bryah Basin Project comprises over 500km² of highly prospective tenements located about 130km north of Meekatharra, Western Australia. The Bryah Basin Project contains more than 40km of strike extent of the Narracoota Volcanic Sequence, host to Sandfire's DeGrussa copper-gold deposit and highly prospective for the discovery of VMS-style base metal deposits. In January 2014 Independence Group NL (ASX: **IGO**) entered into an Agreement to explore and earn an interest in the base metal prospective part of Alchemy's Bryah Basin Project (see ASX announcement dated 30 January 2014).

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

COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results is based on information compiled by Dr Kevin Cassidy, who is an employee and security holder of Alchemy Resources Limited 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 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ('JORC 2012'). Dr Cassidy consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

The information in this report that relates to Mineral Resources at the Wilgeena Gold Deposit is based on information compiled by Simon Coxhell, who is an employee of CoxsRocks Pty Ltd, a consultant to Alchemy Resources Limited, and fairly represents this information. 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 2004'). Mr Coxhell consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

Alchemy confirms that the Exploration Results and the Indicated Mineral Resource at the Wilgeena Gold Deposit were prepared and first disclosed under JORC 2004. These have not been updated since to comply with JORC 2012 on the basis that the information has not materially changed since last reported on 22 October 2012, and 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.