

**ASX
ANNOUNCEMENT**

1 MARCH 2012

CODE: ALY

BOARD OF DIRECTORS

Mr Oscar Aamodt
Non-Executive Chairman

Ms Sofia Bianchi
Non-Executive Director

Mr Lindsay Dudfield
Non-Executive Director

Mr Anthony Ho
Non-Executive Director

ISSUED CAPITAL

SHARES 156,852,955

OPTIONS 2,800,000 (Unlisted)

PROJECTS

BRYAH BASIN COPPER (100%)

GASCOYNE GOLD (100%)

MURCHISON (80-100%)

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Bryah Basin Tenement Acquisition Completed

Alchemy Resources Limited (ASX: **ALY**) is pleased to announce that it has completed the asset sale agreement with Grosvenor Gold Pty Ltd (“Grosvenor”) to acquire a substantial package of tenements immediately adjacent to Alchemy’s Bryah Basin Copper Project.

The acquisition was settled by the issue of 26,923,077 shares at a price of 13 cents per share to Grosvenor’s nominee, Bluecrest Mercantile Master Fund Limited (“Bluecrest”). Following the issue of these consideration shares, the Company has 156,852,955 shares on issue and Bluecrest has become Alchemy’s largest shareholder with 17.16% of its issued capital.

Alchemy is also pleased to announce that Ms Sofia Bianchi has been appointed to the Board of the Company. Ms Bianchi is Portfolio Manager at BlueCrest Capital Management. Ms Bianchi served as Deputy Managing Director of the Emerging Africa Infrastructure Fund with Standard Bank London from 2002 to 2007. She has previously held a senior position with the European Bank for Reconstruction & Development. Ms Bianchi has extensive experience in banking, fund management and mergers & acquisitions. She holds a BA in Economics from George Washington University, Washington, DC and an MBA from Wharton School, University of Pennsylvania.

The acquisition of the tenements from Grosvenor doubles Alchemy’s landholding in the highly prospective Bryah Basin to over 630km² and adds 25km strike length to Alchemy’s >20km of Narracoota Volcanics (Figure 1), host to Sandfire Resource’s DeGrussa copper-gold deposit (Measured, Indicated and Inferred Resources of 14.33Mt @ 4.6% Cu and 1.6g/t Au).

Following the recent successful rights issue, the Company has over \$6 million in cash to fund a highly focussed exploration programme for DeGrussa style deposits on its expanded Bryah Basin landholding.

– ENDS –

Please direct enquiries to: Mr Oscar Aamodt and Mr Lindsay Dudfield – Corporate

Dr Kevin Cassidy – Technical

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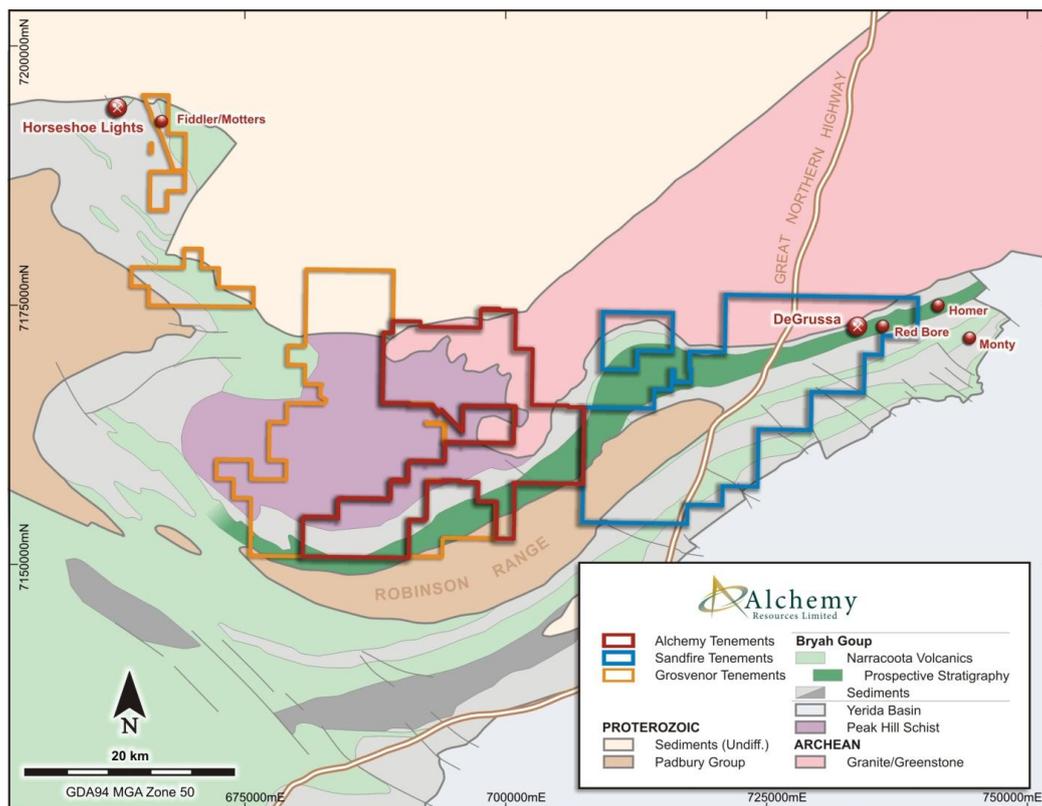


Figure 1. Prospective Narracoota stratigraphy highlighted on Alchemy and Grosvenor Gold tenements.

ABOUT ALCHEMY RESOURCES

Alchemy is actively exploring three key areas; the Bryah Basin Copper Project, the Gascoyne Gold Project, and the Murchison Project.

The Bryah Basin Copper Project contains more than 45 kilometres of strike extent of the Narracoota Volcanic Sequence, host to Sandfire’s DeGrussa copper deposit. Alchemy is part way through its systematic evaluation and it believes the expanded Bryah Basin landholding is highly prospective for the discovery of VMS-style copper deposits.

The Gascoyne Gold Project includes the Hermes and Wilgeena gold deposits and the Central Bore gold prospect. Hermes has an Indicated Resource of 2.79Mt @ 2.19g/t gold (equivalent to 196,650 ounces of gold) and Wilgeena, located 15 kilometres south of Hermes, hosts an Indicated Resource of 659,480t @ 2.34g/t (equivalent to 49,500 ounces of gold).

The Murchison Project consists of more than 700 square kilometres of tenements located in the vicinity of several large (>1Moz) gold deposits. The project is being explored for gold and base metals.

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Dr Kevin Cassidy, who is a Fellow of the Australian Institute of Geoscientists and is a full-time employee of Alchemy Resources Limited. Dr Cassidy has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration, Results, Mineral Resource and Ore Reserves'. 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 Hermes Gold Deposit and Wilgeena Gold Deposit is based on information compiled by Mr Simon Coxhell of Coxsrocks Pty Ltd, who is a Member of the Australian Institute of Geoscientists and a Member of the Australasian Institute of Mining and Metallurgy and is a consultant to Alchemy Resources Limited. Mr Coxhell has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration, Results, Mineral Resource and Ore Reserves'. 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.