

**ASX  
ANNOUNCEMENT**

**5 MARCH 2013**

**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 2,110,000 (Unlisted)

**PROJECTS**

BRYAH BASIN (80-100%)

MURCHISON (80-100%)

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## Bryah Basin drilling underway

- ***RC drilling underway to test bedrock conductors DVT-07 and MT-36***
- ***Down-hole EM surveys to be undertaken in conjunction with drill testing of conductors***
- ***Further drilling at Central Bore gold prospect to follow***

Alchemy Resources Limited (ASX: ALY) is pleased to announce the commencement of Reverse Circulation (RC) drilling at its Bryah Basin Project, located 130 kilometres northeast of Meekatharra, Western Australia. Alchemy holds 100% interest in the drill targets.

Alchemy's landholding, covering over 45km of strike length of volcanic and sedimentary rocks in the highly prospective Bryah Basin, is uniquely located along strike and west of Sandfire Resources' high-grade DeGrussa copper-gold deposit and southeast of Horseshoe Metals' Horseshoe Lights copper-gold project.

### ***Drill testing of bedrock conductors***

Targeted RC drilling is being undertaken on two bedrock conductors defined from ground EM surveys completed in late 2012. Both conductors are located within the Narracoota volcano-sedimentary sequence, the sequence hosting the DeGrussa and Horseshoe Lights deposits (*refer ASX announcement dated 13 December 2012*).

Drilling will initially test a very strong bedrock conductor (DVT-07), located in the Bullgullan Bore area. This conductor is interpreted to be within the Narracoota sequence, overlain by younger rocks of the Bangemall Group. Modelling of the conductor indicates that it is at approximately 200m depth and shallow dipping to the southwest (Figure 1).

Drilling will also test a bedrock conductor (MT-36), located in the eastern Magnus area, that is associated with bleached, sulphur-bearing rocks at the surface. The stratigraphic position and the location of the bedrock conductor place this target at the lower contact of the Narracoota sequence, interpreted to be a prospective VMS mineralised horizon.

Down-hole EM surveys will be undertaken on each drill hole to refine the position and orientation of the conductor. Alchemy is the recipient of a WA Governments' EIS grant (*reported in ASX announcement dated 8 June 2012*) that will be used to off-set the cost of drill testing the bedrock conductors.

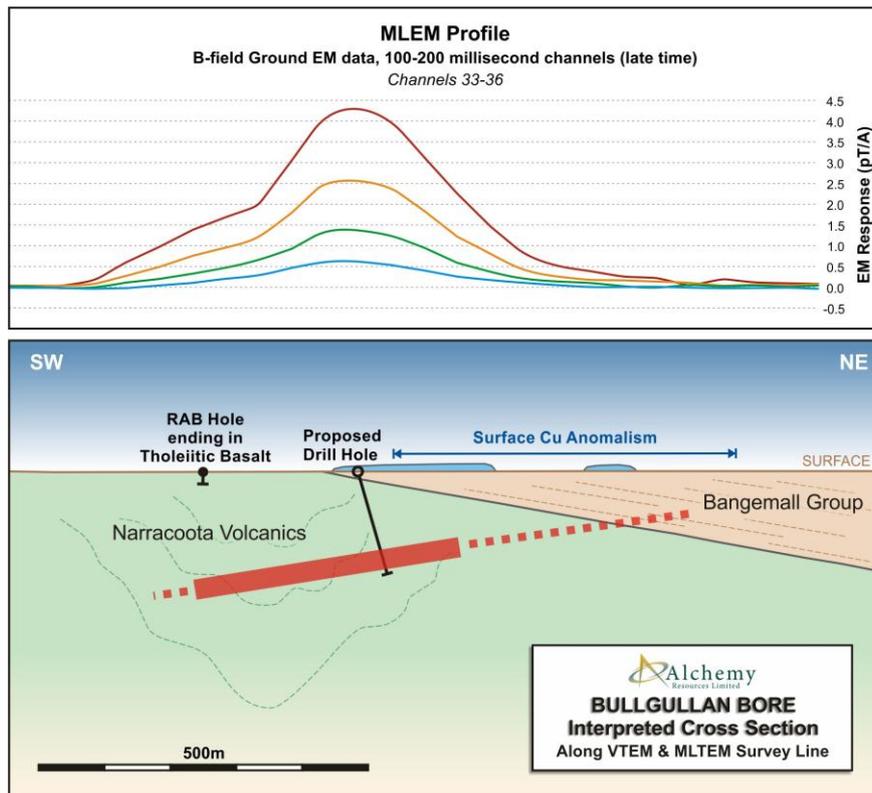


Figure 1. Bryah Basin Project – Bullgullan Bore – very strong bedrock conductor (DVT-07) target & interpreted geology.

### **Extensional drilling at Central Bore gold prospect**

Targeted extensional RC drilling to test positions along strike and down-dip extent of the gold mineralisation at the Central Bore gold prospect, located 13 kilometres to the south-east of the Hermes gold deposit, will commence following completion of the drill testing of the bedrock conductors.

Gold mineralisation at Central Bore is in high grade zones of up to an ounce-per-tonne (including 4 metres @ 25.8 g/t Au from 125 metres in CBDD002) within a broad (40-60 metre thick) lower grade gold envelope, associated with a series of northeast-trending veins and structures. The high-grade intervals appear to have some continuity within the low-grade mineralisation.

### **Future work programs**

Alchemy remains focussed on unlocking the copper – gold potential of its expanded Bryah Basin landholding with targeted drilling, geophysical surveys and geochemical sampling continuing across the project area.

The commencement of the RC drilling program targeting distinct bedrock conductors at Bullgullan Bore and at MT36 in combination with targeted extensional drilling at Central Bore represents the start of the next phase of systematic copper – gold exploration of the Bryah Basin, with drill testing of additional targets planned in 2013.

– ENDS –

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

## **ABOUT ALCHEMY RESOURCES**

Alchemy is actively exploring two key areas; the Bryah Basin Project and the Murchison Project.

The Bryah Basin Project contains more than 45 kilometres of strike extent of the Narracoota Volcanic Sequence, host to Sandfire's DeGrussa copper deposit. Alchemy is undertaking systematic evaluation of its Bryah Basin landholding, which is highly prospective for the discovery of VMS-style copper deposits.

The Bryah Basin Project includes the Hermes and Wilgeena gold deposits and the Central Bore gold prospect. Hermes has an Indicated Resource of 3.34 Mt @ 1.98g/t gold (equivalent to 212,687 ounces of gold) and Wilgeena, located 15 kilometres south of Hermes, hosts an Indicated Resource of 1.36 @ 1.99g/t (equivalent to 87,373 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.*