

## ASX ANNOUNCEMENT

18 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

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### ISSUED CAPITAL

SHARES 156,852,955

OPTIONS 2,110,000 (Unlisted)

### PROJECTS

BRYAH BASIN (80-100%)

MURCHISON (80-100%)

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A focus on exploration

## Bryah Basin exploration update

- ***Strong bedrock conductor DVT-07 returns broad zones with anomalous zinc***
- ***Drilling of conductor MT-36 abandoned – target remains untested***
- ***Extensional RC drilling at Central Bore gold prospect underway***
- ***Planning of drill testing targets directly along strike of Sandfire's North Robinson Range multi-element anomaly***

Alchemy Resources Limited (ASX: ALY) is pleased to provide an update on exploration at its Bryah Basin Project, located 130 kilometres northeast of Meekatharra, Western Australia. Alchemy's landholding 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***

Reverse circulation (RC) drilling has been undertaken on two distinct bedrock conductors, DVT-07 and MT-36, defined from ground electromagnetic (EM) surveys (*refer ASX announcement dated 5 March 2013*). A WA Government's EIS grant off-set the cost of drill testing the bedrock conductors.

Drilling of the very strong bedrock conductor (DVT-07) located in the Bullgullan Bore area intersected broad zones of sulphide-bearing sedimentary rocks. Drill spoil from one-metre samples have been tested with a portable XRF analyser (*refer to notes*) and returned readings of up to 0.1% zinc within several zones with widths of up to 10 metres. The one-metre samples from these zones are being submitted for multi-element assay with results expected within four weeks.

The drill hole was lined with PVC casing and follow up down-hole EM returned a broad, strong in-hole conductor that closely matches the position of the sulphide-bearing intervals. Modelling of the in-hole conductor indicates that the sulphide-bearing intervals are likely to be cause of the very strong bedrock conductor delineated from the ground EM survey.

Interpretation of drill cuttings suggests that the sulphide-bearing sedimentary rocks are part of the Bangemall Group, indicating that in this area this sequence is considerably thicker than previously interpreted. The broad zinc-anomalous intervals may represent the distal, weakly mineralised part of a regional base metal target. Further interpretation of the results is being undertaken prior to further exploration.

Drill testing of the bedrock conductor MT-36, located in the eastern Magnus area and associated with bleached, sulphur-bearing rocks at the surface, was unsuccessful. Difficult ground conditions prevented drilling to the target depth and in-hole collapse prevented lining the hole with PVC casing. As a result, down-hole EM could not be completed and the target remains untested. Drill spoil from one-metre samples from the uncompleted hole did not return any significant readings when tested with a portable XRF analyser. Interpretation of drill cuttings suggests intense weathering of the host rocks to at least 140 metres depth. Incorporation of these findings with the existing geological interpretation is being undertaken prior to further work.

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

A 1,000 metre targeted extensional RC drilling program is underway at the Central Bore gold prospect, located 13 kilometres to the south-east of the Hermes gold deposit, to test positions along strike and down-dip of the gold mineralisation. Drilling is expected to be completed within one week, with the assay results expected within six weeks.

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.

### ***Further Aircore drilling planned***

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.

Planning is underway for shallow aircore drill testing of a number of targets within the prospective Narracoota volcano-sedimentary sequence.

Two additional strike-extensive targets have been delineated that are directly along strike to the +7 km long multi-element anomaly recently delineated by Sandfire Resources at their North Robinson Range prospect. The first target in the eastern Magnus area, over 3 km in length, abuts the western side of the North Robinson Range anomaly and represents a priority target.

Aircore drilling will also test a target in the central Magnus area, over 8 km in length, at the same stratigraphic position within the Narracoota sequence where an extensive low-level copper anomaly was delineated by geochemical consultant Scott Halley.

The shallow aircore drilling will aim to identify secondary/oxide copper-gold anomalism within the weathered profile that will allow better delineation of primary sulphide targets to be tested by deeper RC drilling. Previous work has demonstrated strong base metal and pathfinder depletion in the transported cover and/or upper 10 to 15 metres of strongly weathered rock.

**– ENDS –**

Please direct enquiries to: Mr Oscar Aamodt (Chairman)

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## 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.

**\* Note: Hand-held portable XRF analyser – the estimates of zinc for RC samples referred to in this release are based on readings on pulverised drill-spoil samples using an InnovX portable XRF analyser. Whilst Alchemy believes that these readings are indicative of grade, the Company wishes to make clear that the InnovX results are not formal assays and are an estimate of zinc grades only. Laboratory assays are awaited.**

### **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.*