

**ASX
ANNOUNCEMENT**

27 MARCH 2014

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 185,454,701

OPTIONS 975,000 (Unlisted)

PROJECTS

BRYAH BASIN (80-100%)

MURCHISON (80-100%)

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Drilling underway at Bryah Basin

- ***RC drilling to test high-grade gold targets at Seaborg has commenced***
- ***Aircore and shallow geochemical drilling of priority areas at Winchester, Seaborg and Central Bore West planned***

Alchemy Resources Limited (ASX: ALY) ("Alchemy") is pleased to announce the commencement of an initial RC drilling program at the Seaborg gold prospect in its Bryah Basin Project, located 130 km north of Meekatharra, Western Australia. Alchemy holds 100% interest in the drill targets.

Targeted RC drilling is being undertaken to determine the orientation and plunge of the interpreted high-grade gold mineralisation shoot as well as the potential strike and depth extent of mineralisation at Seaborg. This drilling will incrementally step-out both along-strike and down-plunge from existing defined high-grade gold mineralisation.

The drilling follows-up high-grade gold assay results (**51m @ 3.71 g/t** from surface in CBRB001 and **23m @ 3.16 g/t** from 16m in CBRB002) returned from initial RAB drilling at Seaborg that confirmed and extended a high-grade gold intersection (**27m @ 5.43 g/t** from 15m) in a historic drill hole (see *Quarterly Report for period ending 30 September 2013*). The results indicate a significant level of continuity in gold grade down-hole and that drilling stopped within the gold mineralised zone. The results also indicate that there are intervals with higher gold grade within the mineralised zone, including **5m @ 6.03 g/t** from 1m and **14m @ 6.59 g/t** from 23m in CBRB001.

Drilling to date indicates that gold mineralisation at Seaborg is associated with quartz veins in sheared and fuchsite-pyrite altered wall-rock and is possibly a high grade shoot that plunges steeply to the east. The drilling suggests the shoot may lie within an east-northeast-trending gold mineralised zone, interpreted from field mapping and images of ground magnetic surveys.

Future work programs

As previously reported in the December 2013 Quarterly Report, reappraisal of the Bryah Basin Project has highlighted the potential of the district to host large gold deposits and established a pipeline of advanced to grass roots gold targets requiring further systematic exploration and targeted drilling campaigns.

In addition to the RC drilling at Seaborg, Alchemy continues to focus its near-term exploration on testing a number of priority targets along mineralised corridors where the previous exploration has been ineffective due to widespread, typically thin,

transported cover.

Shallow geochemical drilling designed to track the north-east extensions of the Hermes mineralised corridor under cover will commence shortly. This 4 km long zone, referred to as the Winchester prospect, is situated in an area of structural complexity with favourable lithological contacts and represents a high priority target.

Additional structural targets have been delineated from interpretation of detailed ground magnetic surveys completed across the Seaborg – Central Bore corridor. Many of these targets have coincident zones of demagnetisation and targeted Aircore drilling is planned to assist delineation of robust deeper drilling targets in this area.

Exploration to date on the Central Bore prospect has shown that the mineralised corridor is also open to the east and west and much of the historic drilling may not have tested below the transported and/or leached regolith profiles. Aircore and RC drill testing of gold targets to the west of the Central Bore prospect has delineated several areas that also require further evaluation.

– ENDS –

Please direct enquiries to: Mr Oscar Aamodt (Chairman)

Dr Kevin Cassidy (Chief Executive Officer)

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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 45km of strike extent of the Narracoota Volcanic Sequence, host to Sandfire's DeGrussa copper 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 whole and part tenements that cover the base metal prospective part of Alchemy's Bryah Basin Project (*see ASX announcement dated 29 January 2014*). The Agreement allows base metal exploration of the Bryah Basin Project to be accelerated with IGO to apply its proprietary state-of-the-art geophysical tools and renowned in-house geological team to comprehensively evaluate the prospective Narracoota stratigraphy on the farm-in tenements.

Alchemy retains and is focusing its near-term exploration on the remaining gold prospective Bryah Basin landholding, including existing gold resources at the Hermes and Wilgeena gold deposits and significant exploration upside. Hermes has an Indicated Resource of 3.34 Mt @ 1.98g/t gold (equivalent to 212,687 ounces of gold) and Wilgeena, located 15km south of Hermes, hosts an Indicated Resource of 1.36 @ 1.99g/t (equivalent to 87,373 ounces of gold) (*see ASX announcement dated 22 October 2012*).

The Murchison Project consists of more than 300km² 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 and security holder 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 2012 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.

Alchemy confirms that the Exploration Results and the Indicated Mineral Resource at the Hermes Gold Deposit and Wilgeena Gold Deposit were prepared and first disclosed under JORC 2004. These have not been updated since to comply with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('JORC 2012') on the basis that the information has not materially changed since it was last reported. Alchemy further confirms that since announcing the Indicated Mineral Resource at the Hermes Gold Deposit and Wilgeena Gold Deposit on 22 October 2012, it 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.