Alchemy Resources Limited
ACN 124 444 122

ASX ANNOUNCEMENT

17 APRIL 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 delivers high grade gold at Seaborg

- ***High-grade gold returned in RC drilling program, including***
  - ***6m at 4.17 g/t gold*** *from 9m in CBRC062*
  - ***10m @ 1.49 g/t gold*** *from 38m &* ***2m at 6.23 g/t gold*** *from 65m in CBRC063*
  - ***2m @ 14.46 g/t gold*** *from 27m in CBRC064*
- ***High-grade gold intervals within broad +1g/t mineralised envelope that extends from surface***
- ***Further targeted extensional drilling planned***

Alchemy Resources Limited (ASX: **ALY**) ("**Alchemy**") is pleased to announce high-grade gold results from the reverse circulation (RC) drilling program completed in March 2014. These holes targeted gold mineralisation at the Seaborg Prospect in its Bryah Basin Project, located 130 km north of Meekatharra, Western Australia. Alchemy holds 100% interest in the drill targets.

The targeted RC drilling program consisting of 4 holes for 434 metres was designed to test the continuity of mineralisation intersected by initial RAB drilling in 2013.

Assay results for 1m samples returned intervals of high grade gold mineralisation (*applying a 1.0 g/t gold lower cut-off and maximum 2m of internal dilution*), and include best intersections of:

CBRC062	**6m @ 4.17 g/t gold** from 9m
CBRC063	**10m @ 1.49 g/t gold** from 38m, and **2m @ 6.23 g/t gold** from 65m, *including* **1m @ 11.05 g/t gold** from 65m
CBRC064	**2m @ 14.46 g/t gold** from 27m, *including* **1m @ 27.2 g/t gold** from 27m
CBRC065	**1m @ 7.75 g/t gold** from 37m, and **2m @ 5.07 g/t gold** from 53m

The attached ***Figure 1*** shows the location of the drill holes and ***Table 1*** lists all significant intercepts above 1.0 g/t gold.

Gold mineralisation at Seaborg is in high grade (>5 g/t gold) zones within a broad (20-50 metre thick) lower grade gold mineralised envelope (***Figure 2***), associated with a series of northeast-trending veins and structures in meta-sedimentary rocks.

Applying a 0.2 g/t gold cut-off (and internal 'waste' of up to 4m) the mineralised 'envelopes' return **51m @ 1.04g/t** from 24m in CBRC063 and **26m @ 1.43g/t** from 37m in CBRC065.

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*). These results indicated 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.

The gold mineralisation occurs from surface, and to date has been intersected by drilling in the 'near-surface' environment, to a vertical depth of approximately 75m, within the oxidised zone.

Based on results to date, gold mineralisation remains open along strike to the southwest and northeast as well as at depth. Further drilling has the potential to expand the area of gold mineralisation outside of the known mineralised area and is planned.

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 northeast extension 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.

– ENDS –

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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 full-time 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 (JORC) 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. 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 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 2012 Edition of the Joint Ore Reserves Committee (JORC) 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Coxhell consents to the inclusion in this report of the matters based on information in the form and context in which it appears. The information that refers to Mineral Resources in this announcement was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 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.

Exploration results are based on standard industry practices, including sampling, assay methods, and appropriate quality assurance quality control (QAQC) measures. Reverse circulation (RC), Aircore (AC) and Rotary Air Blast (RAB) drilling samples are collected as composite samples of 4m and as 1m splits (stated in results). Mineralised intersections derived from composite samples are subsequently re-split to 1m samples to better define grade distribution. The quality of AC & RC drilling samples is optimised by the use of riffle or cone splitters, dust collectors, logging of various criteria designed to record sample size, recovery and contamination, and use of field duplicates to measure sample representivity. Core samples are taken as half NQ core or quarter HQ core and sampled to geological boundaries where appropriate. Gold assays are based on sample decomposition using fire assay fusion with Atomic Absorption Spectrometry (AAS) finish or an aqua regia digest with gold in solution determined by Inductively-Coupled Plasma Mass Spectrometry (ICPMS) and base metal assays may be based on four-acid digest with Inductively-Coupled Plasma Optical Emission Spectrometry (ICPOES) finish. Sample preparation and analysis is undertaken at ALS Global Laboratories in Perth, Western Australia. The quality of analytical results is monitored by the use of internal laboratory procedures and standards together with certified standards, duplicates and blanks and statistical analysis where appropriate to ensure that results are representative and within acceptable ranges of accuracy and precision. Where quoted, gold intersections are based on a minimum gold threshold grade of 1.0g/t Au, unless otherwise stated. Intersections are length and density weighted where appropriate as per standard industry practice. All sample and drill-hole co-ordinates are based on the GDA/MGA grid and datum unless otherwise stated. Exploration results obtained by other companies and quoted by Alchemy have not necessarily been obtained using the same methods or subjected to the same QAQC protocols. These results may not have been independently verified because original samples and/or data may no longer be available.

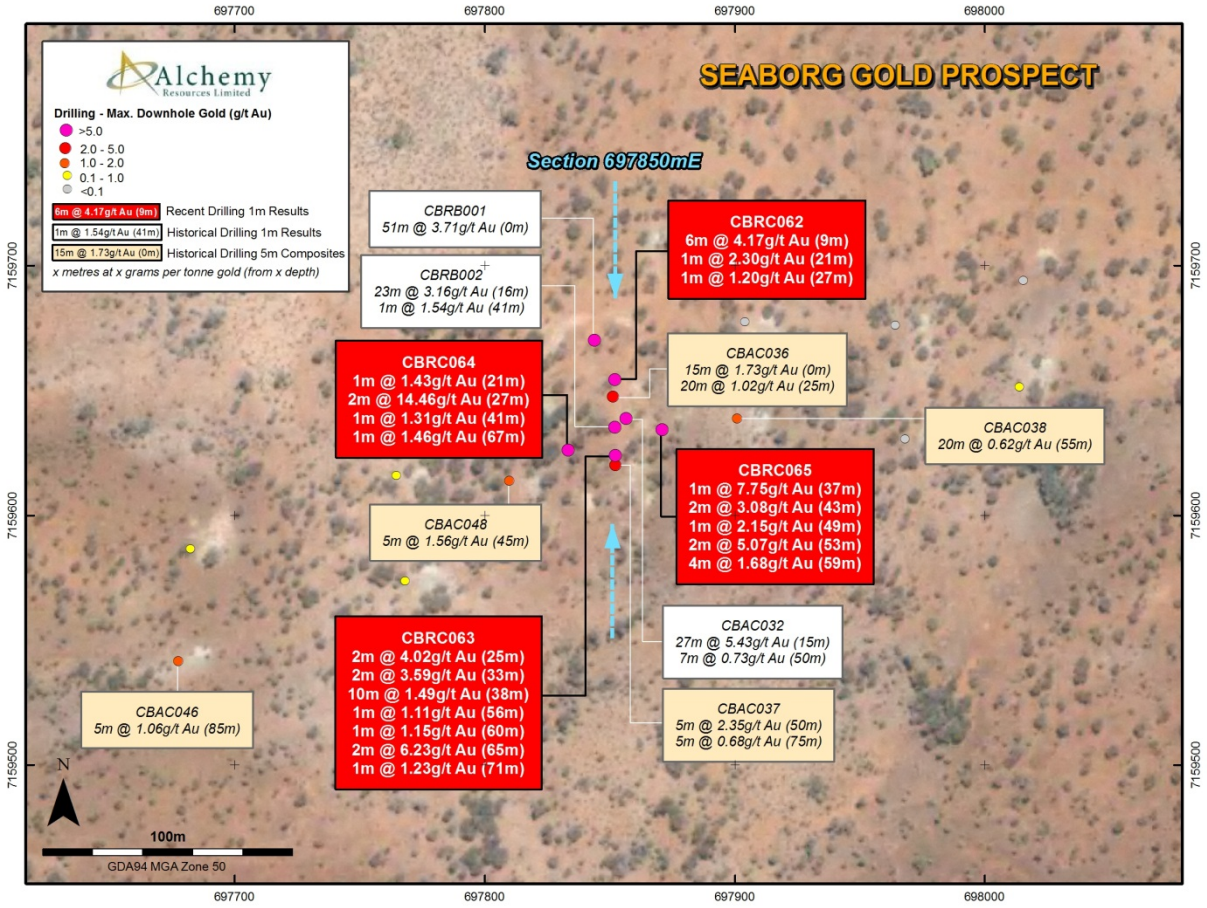

Figure 1: Bryah Basin Project – Seaborg gold prospect – Plan showing recent & historic drilling results.

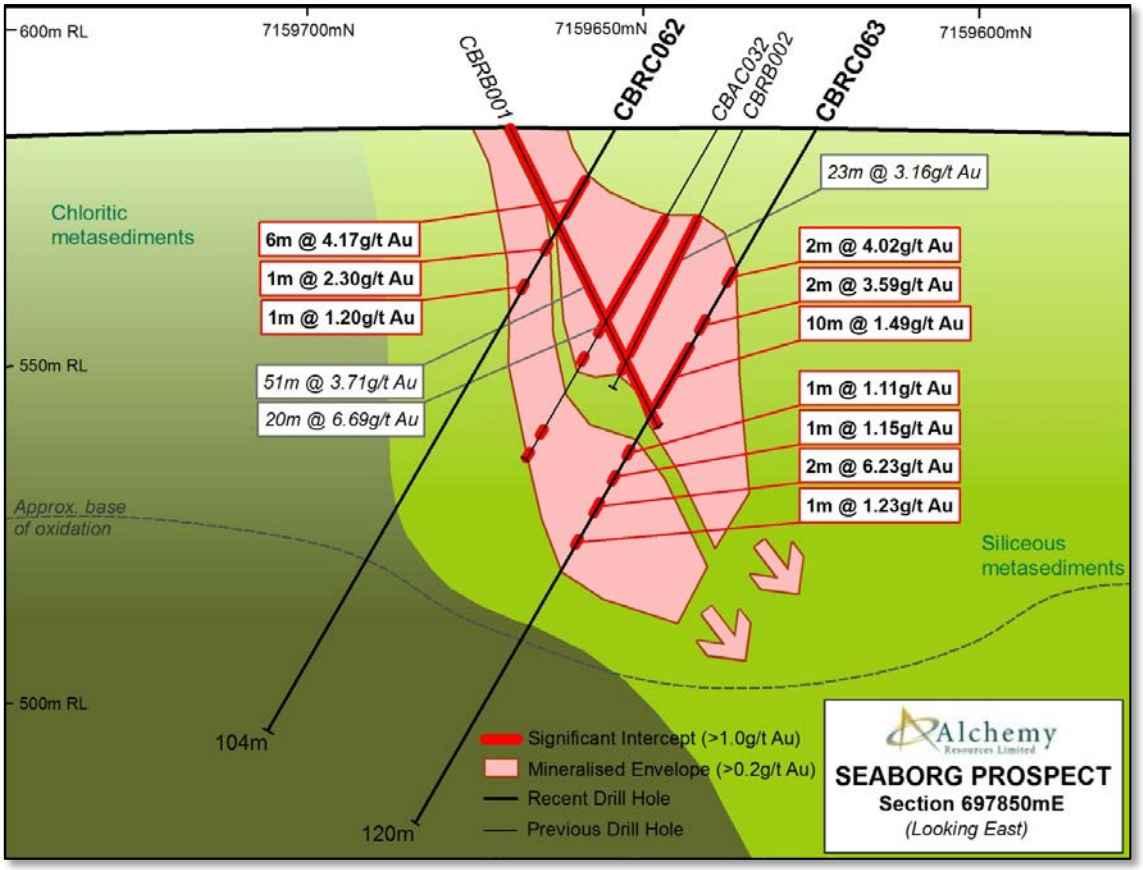

Figure 2: Bryah Basin Project – Seaborg gold prospect – Section 697850mE showing gold mineralised drill hole intercepts (>1.0g/t gold) and significant historic gold intercepts within the mineralised envelope (composited +1.0g/t gold envelope using a >0.2g/t gold cut-off).

APPENDIX 1: Drilling Results – Seaborg

***Table 1**: Summary of significant intercepts – 1m samples (1.0g/t Au cut-off, maximum 2m internal waste)*

Hole No.	Prospect	Total Depth	North	East	RL (m)	Dip	Azim	From (m)	To (m)	Width (m)	Au (g/t)	Comment
CBRB001	Seaborg	51	7159670	697844	595	-60	150	0	51	51	3.71	End of Hole
							(incl.	*1*	*6*	*5*	*6.03*	
							and	*23*	*37*	*14*	*6.59)*	
CBRB002	Seaborg	45	7159635	697852	595	-60	330	16	39	23	3.16	
							(incl.	*36*	*38*	*2*	*6.11)*	
								41	42	1	1.54	
CBRC062	**Seaborg**	**104**	**7159654**	**697852**	**595**	**-60**	**360**	**9**	**15**	**6**	**4.17**	
							(incl.	***10***	***11***	***1***	***6.22)***	
								21	**22**	**1**	**2.30**	
								27	**28**	**1**	**1.20**	
CBRC063	**Seaborg**	**120**	**7159624**	**697852**	**595**	**-60**	**360**	**25**	**27**	**2**	**4.02**	
							(incl.	***25***	***26***	***1***	***6.38)***	
								33	**35**	**2**	**3.59**	
							(incl.	***34***	***35***	***1***	***5.62)***	
								38	**48**	**10**	**1.49**	
								56	**57**	**1**	**1.11**	
								60	**61**	**1**	**1.15**	
								65	**67**	**2**	**6.23**	
							(incl.	***65***	***66***	***1***	***11.05)***	
								71	**72**	**1**	**1.23**	
CBRC064	**Seaborg**	**110**	**7159626**	**697833**	**595**	**-60**	**360**	**21**	**22**	**1**	**1.43**	
								27	**29**	**2**	**14.46**	
							(incl.	***27***	***28***	***1***	***27.20)***	
								41	**42**	**1**	**1.31**	
								67	**68**	**1**	**1.46**	
CBRC065	**Seaborg**	**100**	**7159634**	**697871**	**595**	**-60**	**360**	**37**	**38**	**1**	**7.75**	
								43	**45**	**2**	**3.08**	
								49	**50**	**1**	**2.15**	
								53	**55**	**2**	**5.07**	
							(incl.	***54***	***55***	***1***	***6.59)***	
								59	**63**	**4**	**1.68**	

***Notes*:**
New RC drilling results in bold, all assay results determined by fire assay & AAS finish.

APPENDIX 2

Table 1 – JORC Code, 2012 Edition Reporting Criteria - Seaborg

Section 1: Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
Sampling Techniques	▪ Sampling was completed using a Reverse Circulation (RC) drill rig, with samples split using a rig-mounted cone splitter on 1m intervals to obtain a nominal 3kg sample into pre-numbered calico bags for fire assay by the laboratory. 4m composite samples were collected from bagged drill-spoils by spearing 2-3kg samples into pre-numbered calico bags for aqua regia assay by the laboratory. The 1m spoils (and cone-splits) remain bagged at the drill-site for further selective 1m sampling if required. ▪ Samples were taken by Alchemy staff to ALS Geochemistry Laboratory Perth for preparation (drying, crushing & pulverizing) before a 30g charge was split from the 1m samples for fire assay with an AAS analysis, and a 25g charge split from the 4m composite samples for aqua regia assay with an AAS analysis. ▪ A handheld portable XRF device (Olympus Innov-X Delta-Premium pXRF) was used on drill-spoil every metre, with the device set to (3-beam) soil mode to capture low level multi-element data, to assist in geological analysis and interpretation
Drilling Techniques	▪ Conventional RC drilling was used at the Seaborg Prospect for this program, utilising a Challenge Drilling KWL350 Rig with 1100cfm/350psi air capacity & 1000cfm/1000psi auxiliary/booster, with a 5.25" face-sampling hammer and cone splitter.
Drill Sample Recovery	▪ Sample quality is assessed by the geologist by visual approximation of sample recovery and if the sample is dry, damp or wet. RC drilling contractors adjusted their drilling approach to the specific conditions to maximise sample recovery. Drill cyclones were cleaned between rod-changes and after each hole to minimise downhole/crosshole contamination. Any issues were communicated back to the drilling contractor. ▪ Use of an RC rig with high air capacity assisted in keeping samples dry, and moisture content and sample recovery was recorded for samples. Recovery was excellent (>90%) for this RC drilling, and no relationship between grade & recovery was identified.
Logging	▪ For each 1m interval of RC drilling, a representative sample was taken which was sieved & washed through 1.8mm mesh and stored in plastic chip-trays for further analysis, reference & cataloguing in Perth. RC drilling is geologically logged, by a qualified geologist, in 1m intervals recording characteristics such as regolith, lithology, alteration (type, character & intensity), veining (type, character & intensity), mineralisation (type, character & volume-percentage), visible textures and interpreted structures for the entire length of each hole. ▪ The logging is qualitative, with visual estimates of the various characteristics, and is carried out to a standard suitable for Mineral Resource estimation purposes.
Sub-sampling techniques and sample preparation	▪ All RC samples were split using a rig-mounted cone splitter to collect a 1m sample nominally 3kg in size (considered appropriate for this method of drilling). These samples were submitted to the lab from any zones approaching known gold mineralisation and from other intervals with visual characteristics associated with known mineralisation. Outside of the mineralised zones spear samples were taken over a 4m interval for composite sampling. ▪ Field duplicates were taken for RC samples at a rate of 1 in 25 samples. ▪ Sample preparation was conducted at ALS Geochemistry Laboratory Perth, commencing with sorting, checking and drying at less than 110°C to prevent sulphide breakdown. Samples were jaw crushed to a nominal -6mm particle size. If the sample was greater than 3kg a crusher with rotary splitter was used to reduce the sample size to less than 3kg (typically 1.5kg) at a nominal <3mm particle size. The entire crushed sample (if less than 3kg) or sub-sample was then pulverised to 90% passing 75µm, using a bowl pulveriser. 300g pulp subsamples were then taken with an aluminium scoop and stored in labelled pulp packets. Grind checks were performed at both the crushing stage(3mm) and pulverising stage (75µm), requiring 90% of material to pass through the relevant size.
Quality of assay data and laboratory tests	▪ For the 1m split samples, a 30g fire assay charge was fused with a lead flux in the furnace. The resulting prill was then totally digested by HCl and HNO_3 acids before Atomic Absorption Spectroscopy (AAS) determination for gold analysis. ▪ For the 4m composite samples, a 25g aqua regia assay charge was digested before Inductively-Coupled Plasma Mass Spectrometry (ICPMS) determination for gold analysis, with any over-limit assays returned (>1g/t Au) re-assayed with an aqua regia digest and AAS analysis. This method is appropriate to detect anomalous gold mineralisation. Composite samples greater than 0.5g/t Au are re-taken as 1m split samples. ▪ Commercially prepared Certified Reference Materials (CRM's) were inserted into the sample sequence randomly at a rate of 1 per 25 samples to ensure correct calibration. Any values outside of 3 standard deviations were re-assayed with a new CRM and any issues are communicated back to the lab. ▪ Field Duplicates were taken for all RC samples (1 in 25 samples). ▪ Laboratory QAQC sampling included insertion of internal lab standards using CRM material, blanks, splits and replicates as part of the in-house procedures. This data is reported for each sample submission. ▪ A handheld portable XRF instrument (Olympus Innov-X Delta Premium) was used on drill-spoil every metre, with the device set to (3-beam) soil mode (10sec count per beam) to capture low level multi-element data, to assist in geological analysis and interpretation only (this data being considered a qualitative technique not appropriate for Mineral Resource estimation purposes).

Verification of sampling and assaying	▪ All significant intersections were verified by both the geologist and database administrator during the drill hole validation process, and later by the Competent Person to be signed off. ▪ No twinned holes have been drilled at Seaborg at this early stage of exploration. ▪ Geological, survey and sample logging was captured at site using Field Marshall© templates and field notes, and loaded into the Company's exploration database using automatic Maxwell's© loaders. Assay files are received from the laboratory in CSV format and automatically loaded directly into the database by the Database Administrator with verification procedures in place. Digital copies of Certificates of Analysis are stored in a central database with regular backup. Hardcopies are also kept. ▪ No adjustments were made to this assay data.
Location of data points	▪ The planned drill holes were laid-out using tape and compass measurements off previous drill holes by the geologist and the final collars were picked up after drill hole completion by the geologist by hand-held GPS. ▪ The grid system is GDA94 MGA Zone 50. As there is currently no good quality topographic control, an assumed RL (averaged from GPS readings at this prospect) has been assigned to each collar. ▪ During drilling down-hole single-shot orientation surveys were taken every 50m and at end of hole, using the Reflex Instruments Ez-Trac© survey instrument.
Data spacing and distribution	▪ Drill hole spacing across the prospect varies. For the recent RC drilling, spacing was approximately 20m x 20m, suitable to establish geological and grade continuity for Mineral Resource estimation. ▪ No compositing has been applied to these exploration results.
Orientation of data in relation to geological structure	▪ The orientation of the gold mineralisation at the Seaborg Prospect is interpreted from historic work to dip steeply to the south. To target this orientation, the drill hole dips of 60° towards 360° achieve high angle intersections on all mineralised structures. ▪ No orientation-based sampling has been identified in the data at this point.
Sample security	▪ Chain of custody was managed by Alchemy. All samples were bagged & tied in pre-numbered calico bags, grouped into larger tied polyweave bags and in turn placed in large bulka-bags for transport. Samples were stored at site and transported to the assay laboratory under Alchemy staff supervision. Once submitted to the laboratory they were stored in a secure fenced compound, and tracked through their chain of custody via audit trails. ▪ Sample pulps are returned to Alchemy and stored in a secure compound for an appropriate length of time (minimum 3 years).
Audits or reviews	▪ No audits or reviews have been conducted on sampling techniques or data.

Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
Mineral tenement and land tenure status	▪ The RC drilling mentioned in this report is located wholly within Exploration Licence E52/2362 held 100% by Alchemy Resources (Three Rivers) Pty Ltd, a wholly-owned and managed subsidiary of Alchemy Resources Ltd. Native title interests have been extinguished in regards to Exploration Licence E52/2632. ▪ Exploration Licence E52/2632 is located within the WA DPaW-managed Doolgunna ex-pastoral lease. ▪ The tenement is in good standing and no known impediments exist to operate in the area.
Exploration done by other parties	▪ Troy Resources Ltd (Troy) conducted limited reconnaissance RAB/AC drilling in the general Seaborg Prospect area in 2000 targeting a patchy soil-in-gold anomaly. Detailed records of this work however, cannot be found and this drilling has been discounted and not used for ongoing work by Alchemy. Limited follow-up angled AC drilling (CBAC032 onwards) was carried by Troy in 2001, which returned some significant gold mineralised intercepts that were considered worthy of follow-up drilling by Alchemy, and are referred to in this report. Collar positions of these AC holes have been located in the field and verified by GPS by Alchemy. The original assay samples however, (5m composite aqua regia assays with AAS finish), cannot be verified as the original laboratory certificates are not available. No further historic work was carried out. ▪ To check the previous AC drilling results by Troy at Seaborg, Alchemy drilled two scissored check RAB holes in 2013 (CBRB001 & 002), which both returned significant gold mineralised intercepts (CBRB001 drilled down-dip and CBRB002 drilled cross-dip). ▪ This report is concerned solely with RC drilling undertaken in March 2014 that was targeted to better define the nature and extent of this gold mineralisation.

Geology	▪ The Seaborg Prospect is located within the Paleoproterozoic Peak Hill Schist sequence (overlying the Archean Marymia terrane and basement to the subsequent Proterozoic Bryah Basin). Gold mineralisation within the Peak Hill sequence is hosted within highly deformed (multi-phase deformation) amphibolite-facies metasediments within zones of high metamorphic & deformation gradient, and is thought to represent an early shear-hosted mineralisation style. The Seaborg gold mineralisation is associated with quartz veins in sheared and fuchsite-pyrite altered psammites and amphibolites and is possibly a high grade shoot that plunges steeply to the east. ▪ Significant gold mineralisation has been defined within the Peak Hill schist in Alchemy's Bryah Basin Project (Hermes & Wilgeena gold deposits) and mined historically from the nearby Peak Hill mining centre (including the Peak Hill Main/Five Ways, Harmony, Jubilee and Mount Pleasant Deposits).
Drill hole information	▪ Refer to table in Annexure 1 in the body of text.
Data aggregation methods	▪ All reported assay results are down-hole length weighted averages of grades above 1.0g/t gold, with a maximum internal dilution of 2m. Short intervals of high grade (>5.0g/t gold) internal to the broader zones of gold mineralisation are reported as included intervals with from and to depths recorded. ▪ No top cuts have been applied to the reporting of the assay results. ▪ No metal-equivalent values have been used for the reporting of these exploration results.
Relationship between mineralisation widths and intercept lengths	▪ The geometry of the primary mineralisation is not known at this stage due to the lack of deeper drilling and the early stage of exploration. All results are based on down-hole lengths and true widths are unknown.
Diagrams	▪ Appropriate plans and section have been included in the body of this report. Also refer to table in Annexure 1 in the body of text.
Balanced reporting	▪ All results are reported.
Other substantive exploration data	▪ Detailed ground magnetic survey data (completed in late 2013 by Alchemy) has been used to assist interpretation of the mineralised zone through this area and in addition to the immediate Seaborg Prospect, the delineation of exploration targets along this structure and further test work is planned.
Further work	▪ On the basis of exploration to date, gold mineralisation is only indicative and requires further work, in particular additional drilling to test for lateral extensions or depth extensions is required.