

ASX ANNOUNCEMENT

20 NOVEMBER 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 3,975,000 (Unlisted)

PROJECTS

BRYAH BASIN (80-100%)

MURCHISON (100%)

Suite 8, 8 Clive Street
WEST PERTH WA 6005

Phone: +61 8 9481 4400
Facsimile: +61 8 9481 4404

www.alchemyresources.com.au



Strong gold geochemical anomalies identified within Bryah Basin

- *Regolith geochemical sampling returns multiple areas of gold anomalism along Flamel, Henry and Troy corridors*
- *Strong anomalism up to 910ppb gold returned from Flamel*
- *Discrete parallel trends coincident with magnetic anomalies and structural targets; anomalies remain open along strike*
- *Further regolith sampling and targeted Aircore drilling planned*

Alchemy Resources Limited (ASX: **ALY**) ("**Alchemy**") is pleased to announce anomalous gold results from a regolith geochemical sampling program completed in October 2014. The program targeted gold mineralisation at four areas in its Bryah Basin Project, located 130 km north of Meekatharra, Western Australia. Alchemy holds 100% interest in the landholding with the exception of several tenements held in joint-venture with Jackson Minerals Pty Ltd (20%), a subsidiary of Fe Ltd (ASX: **FEL**).

The regolith geochemical sampling program covered four target areas ranging 1 to 3 km in length by 400-1000m along interpreted mineralised corridors (*Figure 1*) and collected a single 1m or 2m-composite sample of the residual regolith immediately below transported cover. The program comprising 270 samples, varying between one to six metres in depth (average three metres), was undertaken using a sampling pattern of 500-200m spaced traverses with samples spaced 100-50m along each traverse. This method is more effective than traditional surface soil surveys in areas with thin transported cover.

The results of the regolith sampling program outline multiple, coherent gold anomalies in the Flamel, Henry and Troy areas (*Figures 2 & 3*), with peak results of 910 and 460ppb gold at Flamel and Henry, respectively. Anomalous trends are best defined by +4ppb gold contour, that define host mineralised structures, against a background regolith with <1.5ppb gold.

At Flamel, a cohesive +6ppb gold anomaly is returned over 1km in length (*Figure 2*). Within the broad anomaly, multiple sub-parallel, linear +10ppb gold anomalies are apparent with several +30ppb gold results returned. The anomaly is in the vicinity of a historic RAB hole that returned elevated gold (18m @ 0.26g/t gold) and arsenic and represents a priority drill target.

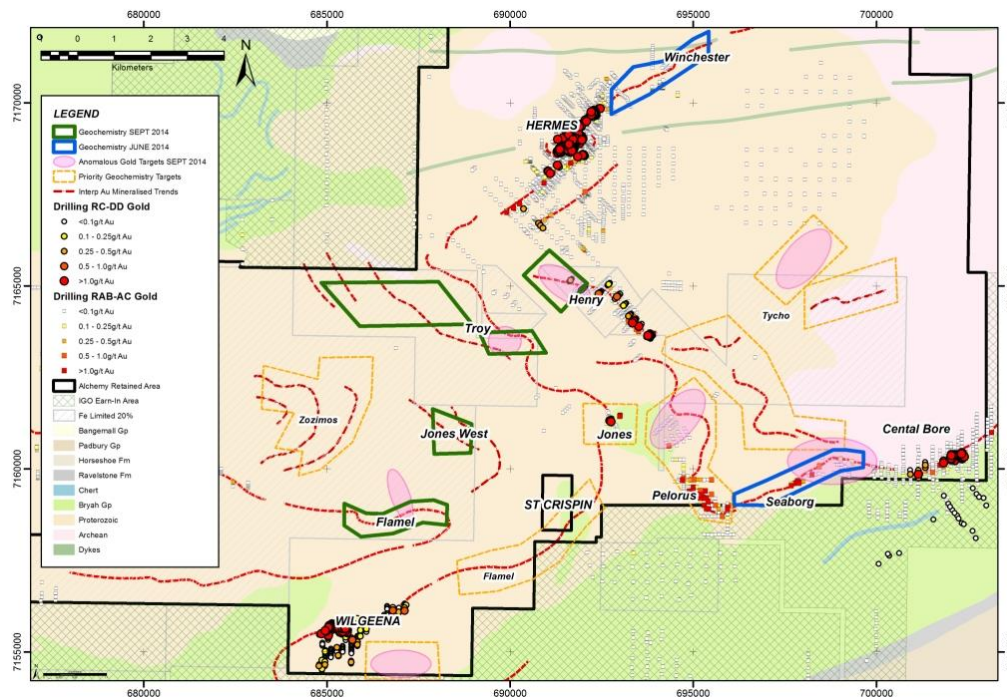


Figure 1: Bryah Basin Project – location of regolith geochemical sampling at Flamel, Henry, Troy and Jones West, geochemical and Aircore drilling targets and historic drilling over interpreted geology.

Based on results to date, the gold anomalous structures in the Flamel area remain open along strike to the north and potentially to the east. Further regolith geochemical sampling has the potential to expand the area of gold anomalism outside of the known mineralised corridor and is planned.

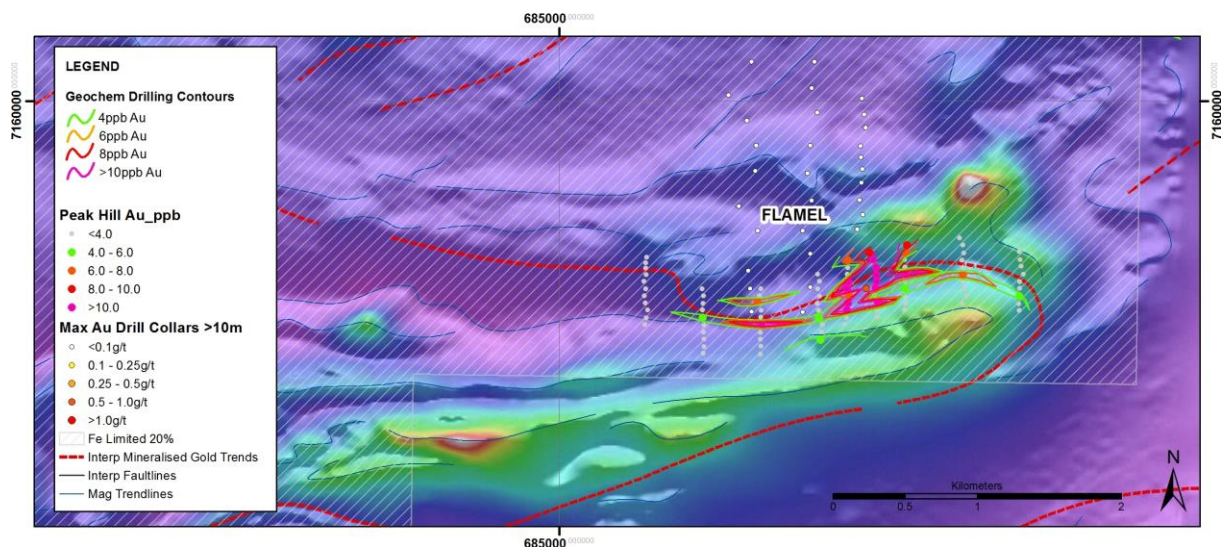


Figure 2: Flamel – regolith geochemical sampling locations and gold contours over magnetic image.

At Henry, the sampling program successfully identified the continuation of geochemically anomalous host-structures to the northwest of previously identified gold mineralisation. The results show that a broad +10ppb gold anomaly extends for over 1km and is open to the north and east (Figure 3), with further regolith geochemical sampling planned.

Along the Troy mineralised corridor, regolith sampling of two areas returned multiple, cohesive, but weak, +6ppb gold anomalies passing the length of the sampling area, peaking at 16ppb gold (Figure 3). The

anomalies are open to the north and south continuing under blanketing cover. In the Jones West area, a weak (+4ppb) gold anomaly is developed along the eastern edge of the sampling pattern (*Figure 3*).

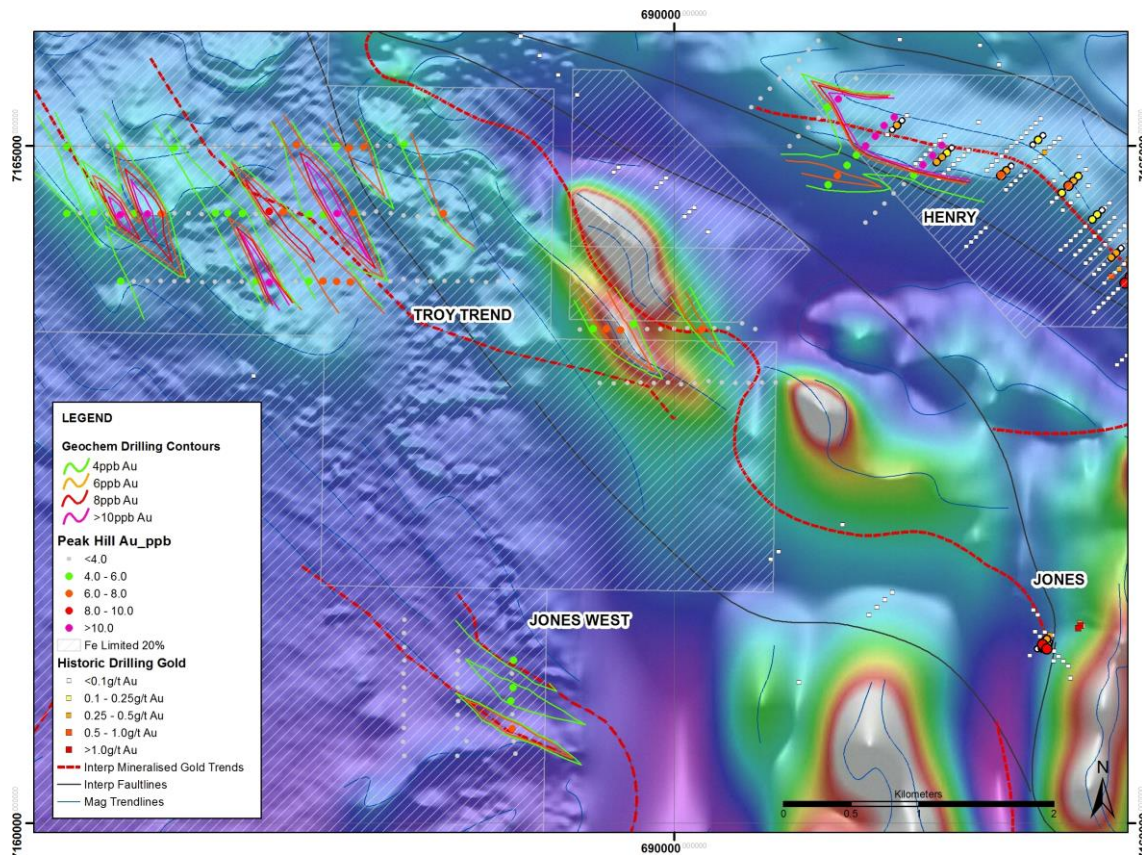


Figure 3: Henry, Troy and Jones West – regolith geochemical sampling locations & gold contours over magnetic image.

Future work programs

The results of the regolith geochemical sampling program reported here as well as previous programs at Seaborg and Winchester (*see ASX announcement dated 14 July 2014*) indicate the effectiveness of the technique to delineate drill targets in areas with thin transported cover. Alchemy plans to undertake additional sampling programs along interpreted mineralised structures throughout the Project (*Figure 1*).

Alchemy is also planning Aircore drilling over the gold anomalies delineated in the Flamel, Henry and Troy areas as well as at the previously identified Seaborg and Winchester prospects to test for gold and pathfinder elements in the bedrock below the currently defined footprint, with anomalies identified in the Aircore program to be followed up with RC drilling.

– 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 the 600km² Bryah Basin Project, located about 130km north of Meekatharra, Western Australia. 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 30 January 2014).

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).

COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results is based on information compiled by Dr Kevin Cassidy, who is an 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. Surface samples, including soil, lag and interface regolith samples, are collected as single or composite samples and are subsequently sieved to retain fine or coarse fractions (stated in results). 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.

APPENDIX 1

Table 1 – JORC Code, 2012 Edition Reporting Criteria – Regolith geochemical sampling – Flamel, Henry, Jones West & Troy

Section 1: Sampling Techniques and Data

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

Criteria	Commentary
Sampling Techniques	<ul style="list-style-type: none"> Regolith geochemical sampling is essentially a modified surface or soil sample collected using shallow drilling methods. Samples were collected using an open-hole percussion drill rig mounted to the tray of a 4WD light vehicle, with samples retrieved on 1m intervals down-hole to obtain a nominal 2kg sample that was laid out on the ground and from which assay samples were split for assay. 1m or 2m-composite samples were collected from drill-spoil by spearing & sieving approximately 200g samples into pre-numbered paper geochemistry bags for super-trace aqua regia gold assay by the laboratory. Samples were taken by Alchemy staff to ALS Geochemistry Laboratory Perth for preparation (drying, crushing & pulverizing) before a 25g charge was split from the samples for aqua regia assay with an ICPMS analysis.
Drilling Techniques	<ul style="list-style-type: none"> Regolith geochemical sampling was carried-out utilising a low-impact 4WD light vehicle-mounted Mantis open-hole percussion rig, with a 3.25" face-sampling hammer. A total of 270 samples were collected from holes that varied in depth from one metre to a maximum of six metres and averaged three metres. Holes were drilled vertically and in this program totalled 844m.
Drill Sample Recovery	<ul style="list-style-type: none"> The sample collected during the regolith geochemical sampling is from residual regolith immediately below transported cover material. Sample quality was assessed by the geologist by visual approximation of sample recovery and if the sample is dry, damp or wet. The contractor adjusted their drilling approach to the specific conditions to maximise sample recovery. Equipment was cleaned after each hole to minimise cross-hole contamination. Sample recoveries are not recorded nor considered relevant to the style of sampling. No relationship between grade & recovery was identified.
Logging	<ul style="list-style-type: none"> For each 1m interval of regolith geochemical sampling, a representative sample was geologically logged, by a qualified geologist, in 1m intervals recording characteristics such as regolith, lithology, etc for the entire length of each hole. The logging is qualitative, with visual estimates of the various characteristics.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> All regolith geochemical samples were spear-sampled to collect a 1m or 2m-composite sample, and sieved to -1/32" sizing to collect a nominal 200g sample (considered appropriate for this method of drilling) for assay. These samples were submitted to the lab from any <i>in-situ</i> regolith zones immediately underlying transported overburden. 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 then pulverised to 85% passing 75µm, using a bowl pulveriser, and sub-sample of 100g retained and stored in labelled pulp packets. No field QA-QC samples are collected. This is a modified surface or soil sample and only a small amount of material is required to measure the quantitative level of gold anomalism at a single sample point. Sample sizes are considered appropriate to give an indication of low level gold anomalism to be used to identify cohesive prospect scale low level gold anomalies.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> Sampled for analysed for gold at ALS Geochemistry Laboratory Perth using method Au-ST43, which is considered to be appropriate to detect anomalous gold mineralisation. For these 1m or 2m-composite samples, a 25g aqua regia assay charge was digested before Inductively-Coupled Plasma Mass Spectrometry (ICPMS) determination for gold analysis. Laboratory QA-QC 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.
Verification of sampling and assaying	<ul style="list-style-type: none"> All significant assays were verified by both the geologist and database administrator during the validation process, and later by the Competent Person to be signed off. 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	<ul style="list-style-type: none"> The planned regolith geochemical sampling locations were located using GPS by the geologist and the final collars were picked up after drill hole completion by the geologist by hand-held GPS, with an accuracy of 5m in northing and easting. The grid system is GDA94 MGA Zone 50. As there is currently no good quality topographic control, the GPS-derived RL has been assigned to each collar.

Data spacing and distribution	<ul style="list-style-type: none"> Regolith geochemical sample spacing across the prospects sampled by this campaign is on a nominal 50-100m hole-spacing on 200-500m spaced lines. Results from the regolith geochemical sampling are used to define a modified surface anomaly in a single plane at the interface of residual regolith immediately below transported cover material and representing the potential signature above primary gold mineralisation. No compositing has been applied to these exploration results.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> No orientation-based sampling has been identified in the data at this point. The orientation of the sampling lines (north-south or east-west) is approximately orthogonal to the regional strike of the targeted mineralization.
Sample security	<ul style="list-style-type: none"> Chain of custody was managed by Alchemy. All samples were stored in pre-numbered paper geochemistry bags, and grouped into larger cardboard boxes 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> The regolith geochemical sampling mentioned in this report is located wholly within Exploration Licences E52/1668, 1678, 1852 and 2361 and Prospecting Licence P52/1167 held 100-80% by Alchemy Resources (Three Rivers) Pty Ltd, a wholly-owned and managed subsidiary of Alchemy Resources Ltd, and 0-20% by Jackson Minerals Pty Ltd, a subsidiary of Fe Limited. Native title interests have been extinguished in regards to the Exploration Licences and Prospecting Licence. Exploration Licences E52/1668, 1678, 1852 and 2361 and Prospecting Licence P52/1167 are located within the WA DPaW-managed Doolgunna ex-pastoral lease. The tenements are in good standing and no known impediments exist to operate in the area.
Exploration done by other parties	<ul style="list-style-type: none"> Troy Resources Ltd (Troy) conducted reconnaissance surface sampling (BLEG gold-in-soil) and limited RAB/AC/RC drilling in the general Henry & Troy Prospect areas between 1996 and 2000. This previous data was not used in the generation of the data the subject of this report. This report is concerned solely with regolith geochemical sampling undertaken in September and October 2014 that was targeted to define the nature and extent of any potential gold mineralisation trends through the greater Flamel, Henry, Jones West & Troy areas.
Geology	<ul style="list-style-type: none"> The Flamel, Henry, Jones West & Troy areas are 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. 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	<ul style="list-style-type: none"> Refer to text and figures within the body of text. Sample locations are identified in Figures 2 and 3 for the Flamel area and Henry, Jones West & Troy areas, respectively. All regolith geochemical sampling holes are vertical. Assay values are reported as a single gold value in each individual hole taken from residual regolith immediately below transported cover material. The geochemical information is used to identify anomalous trends and 'footprints' rather than reporting of individual values and is considered appropriate and of industry standard. The detailed coordinates for each sample's collar, and sample hole depth information is not considered material to this report.
Data aggregation methods	<ul style="list-style-type: none"> All reported assay results are single 1m or composited 2m samples. Grade contours at specific values are identified as anomalous against local background levels. For gold, >4ppb and >10ppb are considered anomalous. 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	<ul style="list-style-type: none"> ▪ Gold anomalism is determined in a single plane and contoured to produce anomalous trends. ▪ The geometry of any 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	<ul style="list-style-type: none"> ▪ Appropriate plans have been included in the body of this report.
Balanced reporting	<ul style="list-style-type: none"> ▪ All results are reported. Absolute values are not considered material in using low level geochemical assays to identify low level anomalism.
Other substantive exploration data	<ul style="list-style-type: none"> ▪ Detailed ground magnetic survey data (collected by Alchemy) has been used to assist interpretation of the mineralised zone through the Flamel, Henry, Jones West & Troy areas to assist in the delineation of exploration targets along these structures and further test work is planned.
Further work	<ul style="list-style-type: none"> ▪ 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.