

**ASX  
ANNOUNCEMENT**

**15 JULY 2011**

**CODE: ALY**

**BOARD OF DIRECTORS**

**Mr Warwick Davies**  
Non-Executive Chairman

**Mr Robert Brierley**  
Managing Director

**Mr John Arbuckle**  
Non-Executive Director

**Mr Jeffrey Moore**  
Non-Executive Director

**ISSUED CAPITAL**

SHARES 97,447,408

OPTIONS 2,800,000 (UNLISTED)

**PROJECTS**

MAGNUS COPPER (100%)

GASCOYNE GOLD (100%)

MURCHISON (80-100%)

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## Diamond drilling returns significant Gold at Central Bore Prospect

Alchemy Resources Limited ("Alchemy" or "the Company") (ASX: ALY) is pleased to advise that it has received assay results from two diamond core holes drilled in April 2011. These holes targeted gold mineralisation at the Central Bore Prospect (Figure 1), part of its Gascoyne Gold Project.

Results include best intersections (applying 1.0 g/t lower cut-off and maximum 2 metres of internal dilution) of:

- **4 metres at 25.80 g/t** gold from 125 metres, including **1 metre at 99.30 g/t** gold from 125 metres, in hole CBDD002
- **1 metre at 12.15 g/t** gold from 222 metres in hole CBDD002
- **1 metre at 6.51 g/t** gold from 119 metres in hole CBDD001

Diamond hole CBDD002 intersected a zone of mineralized quartz-sulfide lode with visible gold at 125 metres down hole (Figure 2). The interval returned an assay of 4m @ 25.80 g/t gold, including 1m @ 99.3g/t. Additional high-grade mineralisation (1m @ 12.15 g/t gold) was returned from 222 metres down hole.

The attached Figure 3 shows the location of the relevant drill holes and Table 1 lists all significant intercepts above 1 g/t gold.

These results are very encouraging and, combined with detailed structural orientation and logging of the core, have enhanced the Company's understanding of the gold mineralisation at Central Bore.

A follow-up drill program is being designed to test the strike and down-dip extent of the mineralisation.

**– ENDS –**

For further information, please contact:

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Managing Director  
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## **ABOUT ALCHEMY RESOURCES**

Alchemy is actively exploring three key areas; the Magnus Copper Project, the Gascoyne Gold Project, and the Murchison Project.

The Magnus Copper Project contains more than 20 kilometres of strike extent of the Narracoota Volcanic Sequence, host to Sandfire's DeGrussa copper deposit. Significant geophysical and geochemical data has been acquired over the project. Alchemy is part way through its evaluation and Magnus remains prospective for the discovery of VMS-style copper deposits.

The Gascoyne Gold Project includes the Hermes and Wilgeena gold deposits and the Central Bore gold prospect. Hermes has an Indicated Resource of 1.7Mt @ 2.4g/t gold (equivalent to 131,000 ounces of gold) and Wilgeena, located 15 kilometres south of Hermes, hosts an Indicated Resource of 659,480t @ 2.34g/t (equivalent to 49,500 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 Project is based on information compiled by Mr Shaun Hackett, who is a Member of the Australasian Institute of Mining and Metallurgy and is a full-time employee of Snowden Mining Industry Consultants Pty Ltd. Mr Hackett 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 Hackett 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 Wilgeena Gold Project is based on information compiled by Mr Simon Coxhell of Coxrocks 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.*

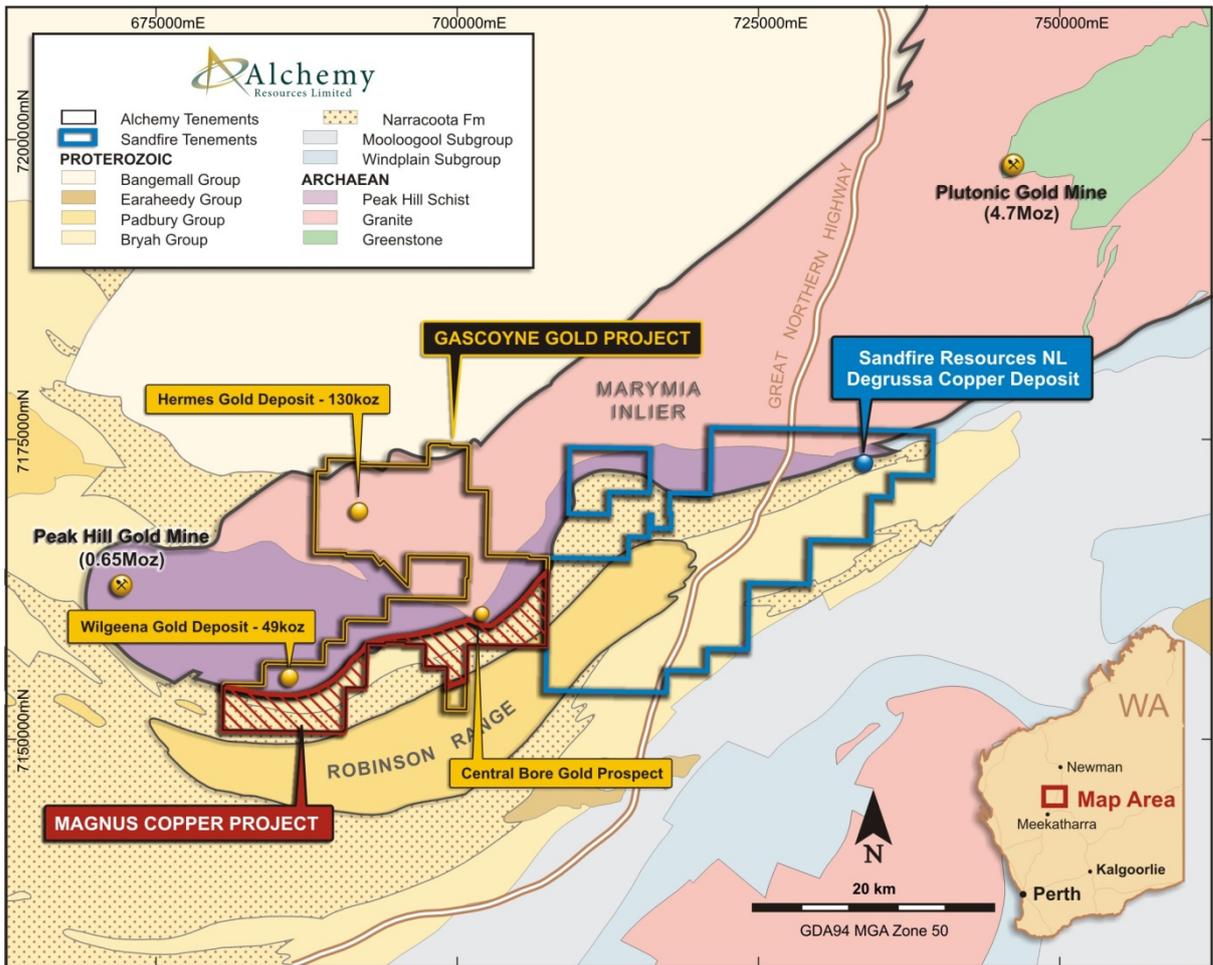


Figure 1: Location of Gascoyne Gold Project and Central Bore Gold Prospect



Figure 2: Central Bore Gold Prospect – Interval of quartz-sulfide-visible gold veining at 125m in CBDD002

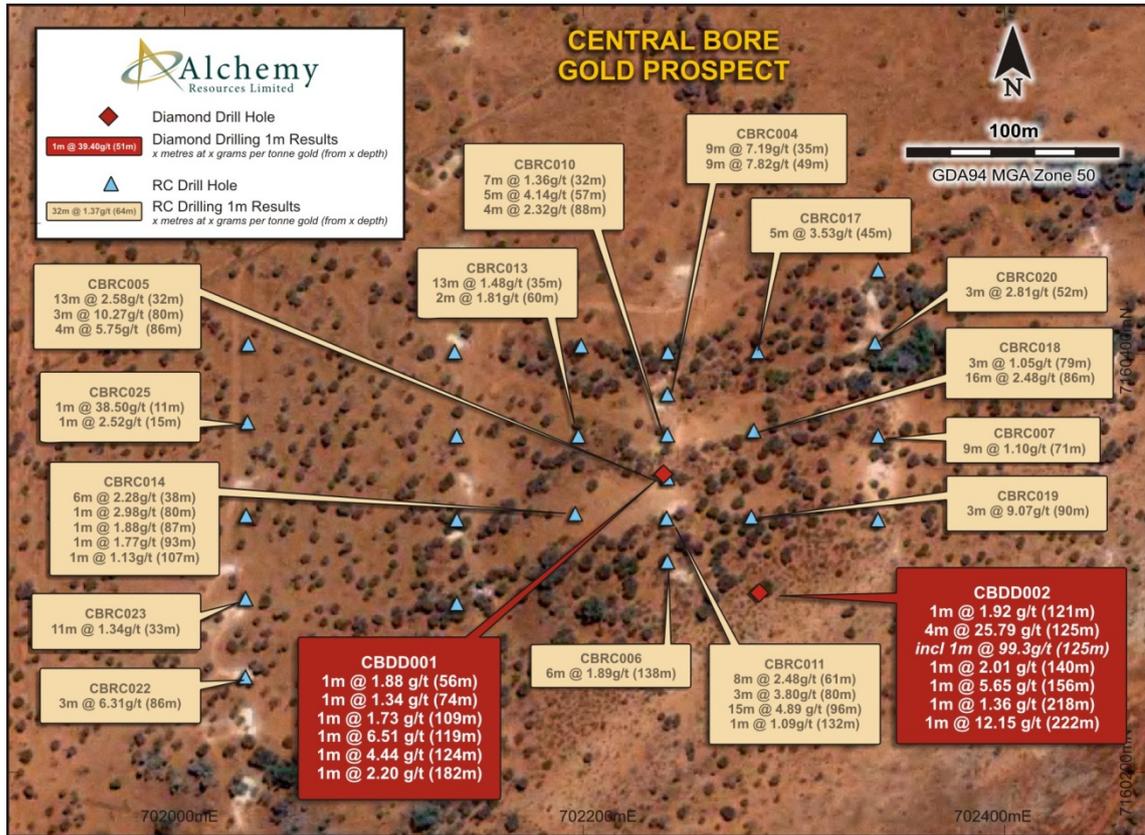


Figure 3: Central Bore Gold Prospect – Significant intervals from Diamond Drilling and previous RC drilling

Table 1: Central Bore Gold Prospect – Significant intervals from Diamond Drilling, >1.0g/t gold, April 2011

Hole ID	Easting (m)	Northing (m)	Dip/ Azimuth	From (m)	To (m)	Interval (m)	Au (g/t)	Comment
CBDD001	702239	7160342	-60/0	56	57	1	1.88	
				74	75	1	1.34	
				109	110	1	1.73	
				119	120	1	6.51	
				124	125	1	4.44	
CBDD002	702284	7160286	-60/0	121	122	1	1.92	
				125	129	4	25.80	incl. 1m @ 99.3g/t (125m)
				140	141	1	2.01	
				156	157	1	5.65	
				218	219	1	1.36	
				222	223	1	12.15	

**Calculation of Assay Results:**

Quoted drill intersections are based on a lower cut-off of 1.0g/t gold with a maximum of 2 metres of internal dilution (i.e., samples with less than 1.0g/t gold). Assay results were obtained from geochemical analysis of 1 metre samples of half NQ2 core. All samples were analysed at ALS Global Laboratories in Perth. Samples are prepared using single stage pulverization of the entire sample. Gold assays are obtained using a 30g fire assay and atomic absorption spectrometry analysis technique. Full analytical quality assurance - quality control is achieved using a suite of certified standards, laboratory standards, field duplicates, laboratory duplicates, repeats, blanks and grind size analysis.

The location of drill holes is determined using a handheld GPS achieving less than 10m accuracy and using the MGA datum (Zone 50). All drill holes were drilled at -60 degrees to 0 degrees MGA azimuth.