

ASX ANNOUNCEMENT

11 JULY 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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Independence commences ground EM at Bryah Basin copper-gold project

- *Alchemy advised by Independence that moving-loop electromagnetic (MLEM) surveys have commenced over Neptune and Churchill prospects*
- *MLEM surveys designed to cover broad geochemical anomalies and follow up previously defined EM anomalies*
- *Aircore drilling planned for current Quarter*

Alchemy Resources Limited (ASX: **ALY**) (“Alchemy”) is pleased to announce that Independence Group NL (ASX: **IGO**) (“Independence”) has commenced the first phase of ground-based exploration activities at the Bryah Basin Project as part of the exploration farm-in Agreement (see ASX announcement dated 30 January 2014) covering Alchemy’s interests* in the whole and part tenements that cover the base metal prospective part of the Project (*Figure 1*).

The Bryah Basin Project contains more than 45km of strike extent of the Narracoota Volcanic Sequence, host to Sandfire Resource’s DeGrussa copper-gold deposit and Resource and Investment NL’s Forrest copper-gold prospect, and is highly prospective for the discovery of VMS-style base metal deposits. Independence is undertaking base metal exploration of the Bryah Basin Project through application of its state-of-the-art geophysical tools and renowned in-house geological team to comprehensively evaluate the prospective Narracoota stratigraphy on the farm-in tenements.

The extensive MLEM survey covers the Neptune and Churchill prospects (*Figure 2*) where previous limited exploration has returned broad base metal anomalism and targets defined from single lines of MLEM.

Approximately 43 line km of MLEM covering about five (5) strike-kilometres of the prospective Narracoota sequence will be acquired by Independence over the two areas utilizing its proprietary EM system. Survey lines will be spaced 200m apart, with stations every 50m along-line, and using a 200m x 200m transmitter loop in a sling-ram configuration. This configuration potentially couples better with steeply dipping units to identify bedrock conductors, which may represent massive sulphide bodies, and may combat possible surficial induced-polarisation effects.

The surveys are expected to take approximately five (5) weeks to complete and may provide important vectors towards potential base metal mineralisation. Identified conductors will be followed up while the geophysical crew are in the area.

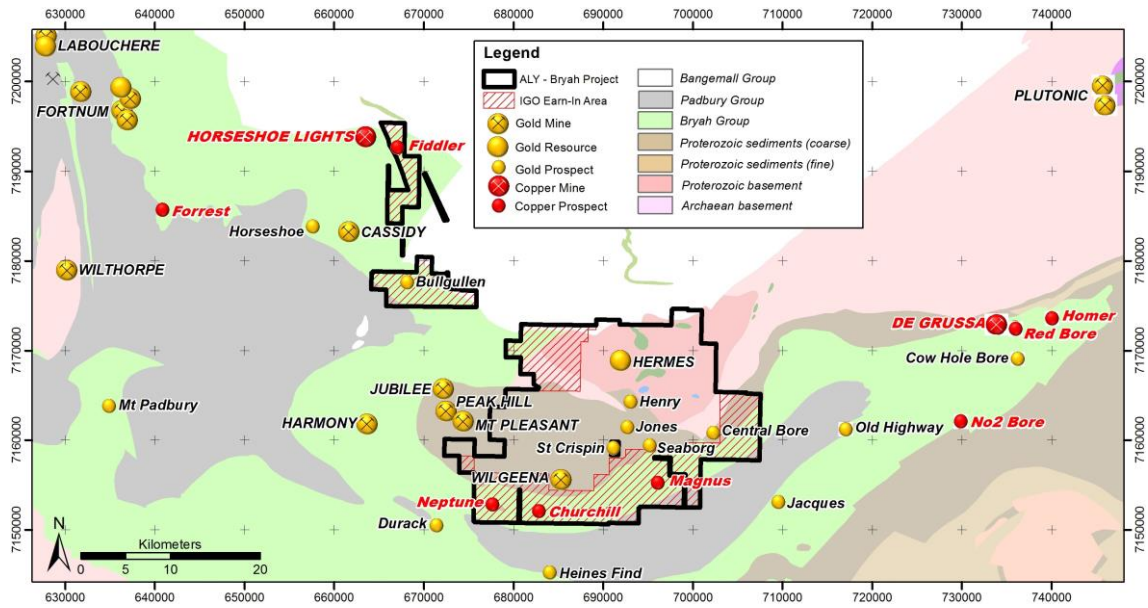


Figure 1: Bryah Basin Project showing Independence Farm-in Area.

Interpretation of the results from the MLEM surveys will be integrated with existing data sets by Independence to identify potential priority exploration targets along the prospective Narracoota volcanic sequence.

Independence have advised that an initial aircore drilling program testing a number of geochemical and geophysical targets are planned to commence in the current Quarter, once access approvals are in place.

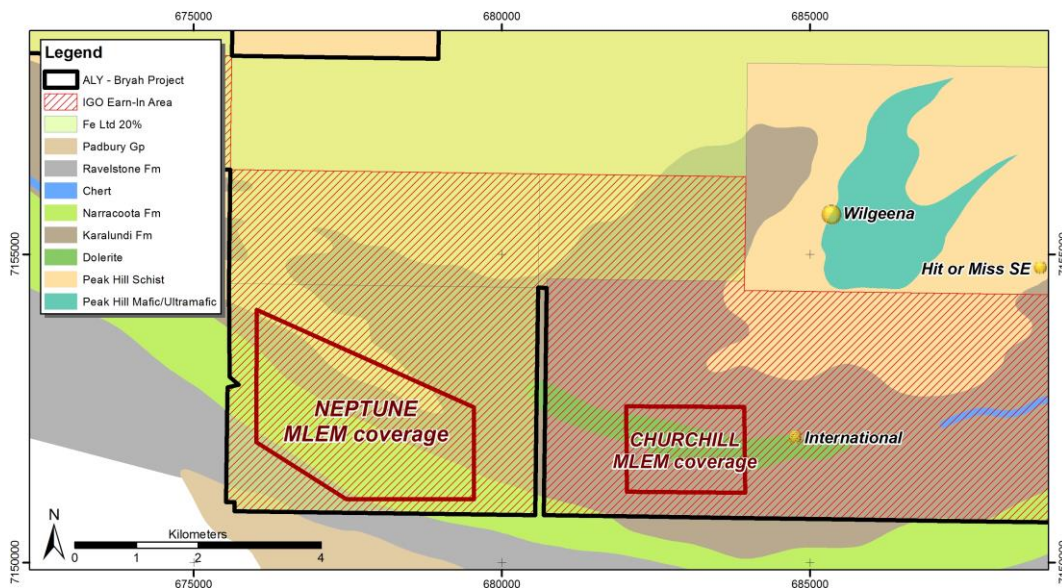


Figure 2: Bryah Basin Project – location of moving-loop electromagnetic surveys at Neptune and Churchill prospects.

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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 over 600km² Bryah Basin Project*, 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-gold 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).

** 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**).*

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.