

## ASX RELEASE

30 JULY 2015

CODE: ALY

### BOARD OF DIRECTORS

**Mr Oscar Aamodt**  
Non-Executive Chairman

**Ms Sofia Bianchi**  
Non-Executive Director

**Ms Liza Carpene**  
Non-Executive Director

**Mr Lindsay Dudfield**  
Non-Executive Director

**Mr Anthony Ho**  
Non-Executive Director

### ISSUED CAPITAL

SHARES 228,788,035

OPTIONS 3,000,000 (Unlisted)

### PROJECTS

BRYAH BASIN (80-100%)

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# JUNE 2015 QUARTERLY REPORT

## Highlights

### BRYAH BASIN PROJECT

#### *Base Metal Exploration*

- Independence Group (ASX: **IGO**) commences RC and diamond drilling at Neptune
- Drilling targets geochemical anomalies and EM conductors along prospective Narracoota–Karalundi sequence
- WA Government EIS grant to co-fund drilling

#### *Gold Exploration*

- Northern Star Resources (ASX: **NST**) commences Farm-in and Joint Venture of gold prospective landholding at Bryah Basin
- Multiple gold targets delineated along Seaborg – Central Bore, Flamel, Henry and Troy corridors

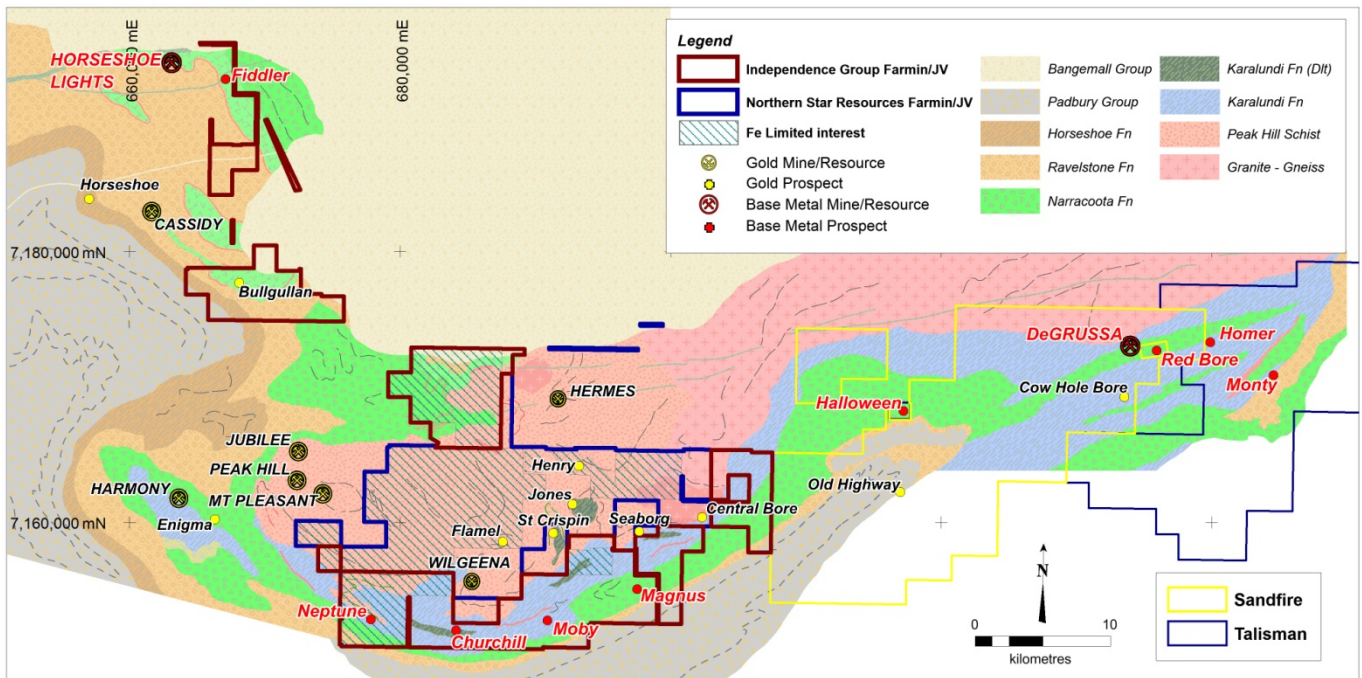
### CORPORATE

- Cash at 30 June 2015 – **\$1.82M**
- Alchemy targeting high quality projects in Australia and abroad to evaluate and explore

## Bryah Basin Project

Alchemy’s Bryah Basin Project comprises a 500km<sup>2</sup> ground package located 130km NE of Meekatharra, Western Australia. The project is located along strike and west of Sandfire Resources’ DeGrussa copper-gold mine and its recent discovery of high-grade copper-gold mineralization at the Monty prospect, and adjacent to Peak Hill where about 1Moz of gold has been mined from several deposits (*Figure 1*). Alchemy holds 100% interest in the project with the exception of several tenements held in joint-venture with Jackson Minerals Pty Ltd (20%), a subsidiary of Fe Ltd (ASX: **FEL**).

Alchemy retains its interests in the base metal and gold prospective Bryah Basin Project through farm-in and joint venture agreements with Independence Group NL (ASX: **IGO**) (“**Independence**”) (see ASX announcement dated 5 November 2014) and Northern Star Resources Ltd (ASX: **NST**) (“**Northern Star**”) (see ASX announcement dated 24 February 2015). Should a high-value base metal or gold discovery be made by Independence or Northern Star, Alchemy retains the right to participate as a 20% partner, an equity position that should deliver significant value to shareholders.



**Figure 1:** Bryah Basin Project – Independence JV and Northern Star JV areas and gold and base metal prospects.

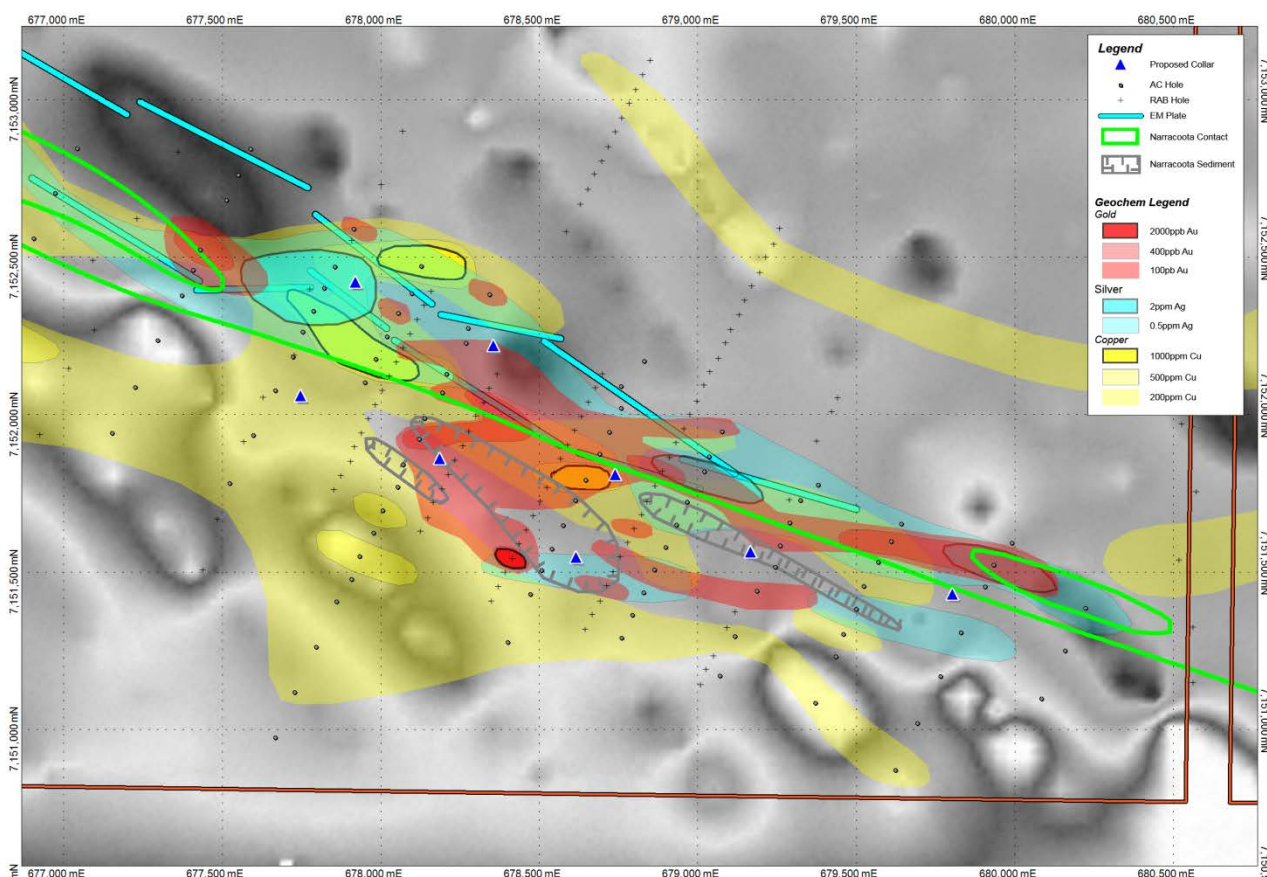
### Base Metals Exploration – Independence Group earning up to 80%

Leading Australian base metal and gold producer Independence Group NL is exploring and earning an interest (“**Independence JV**”) in the whole and part tenements that cover the base metal prospective part of the Bryah Basin Project (see ASX announcement dated 5 November 2014). Under the terms of the Independence JV, Independence can earn up to 80% in Alchemy’s interests (excluding iron ore rights) through Earn-In Expenditure of \$6M within five years, with Alchemy free-carried on further exploration to completion of a Pre-Feasibility Study and then carried on an interest-free deferred basis for a further \$5M of Definitive Feasibility Study expenditure.

The Independence JV area contains more than 40km of strike extent of the Narracoota volcanic sequence, host to Sandfire Resources’ DeGrussa copper-gold deposit and its recent copper-gold discovery at the Monty prospect (*Figure 1*), and is prospective for discovery of volcanic massive-sulphide (VMS)-style copper-gold deposits.

During the Quarter, Independence commenced a RC and diamond drilling program at the Bryah Basin Project (see ASX announcement dated 29 June 2015). The drilling program of five RC holes and three diamond drill holes is targeting the lower Narracoota contact at the Neptune prospect (Figure 1), which is the interpreted ore horizon at DeGrussa. The drilling is targeting mineralisation at vertical depths of between 220 and 400m.

In the Neptune area, RAB and aircore drilling has defined a 2.5km zone of strike-parallel, high-order, multi-element VMS pathfinder anomalism (see ASX announcement dated 29 January 2015), localised within the underlying Karalundi Formation and on the prospective basal contact of the Narracoota Formation (Figure 2), and represents a priority target.



**Figure 2:** Bryah Basin Project – Neptune prospect – planned RC/DD drilling over geochemical anomalies and EM conductors over gravity image.

The anomalism is coincident with several, linear moderate to strong electromagnetic (EM) conductors (Figure 2) returned from moving-loop EM surveys conducted over the Neptune prospect, along with several potential basin-forming growth faults. Additional linear zones of base metal anomalism are localised higher in the stratigraphy in the Narracoota Formation.

The size and amplitude of the geochemical and geophysical anomalism at Neptune suggests that there is considerable potential for discovery of a high-grade/tonnage copper-gold VMS deposit.

Independence was successful in obtaining a WA Government EIS grant for co-funded drilling at the Bryah Basin Project, and intends to use the funds towards the program. The diamond drilling component of the program will also provide important stratigraphic and structural information in an area with no previous cored-drilling. Follow-up down-hole EM will also provide constraints on any off-hole EM conductors in the near vicinity.



*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 an 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 which 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 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 Indicated Mineral Resource at the Wilgeena Gold Deposit was 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 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.*

**Appendix 1: Schedule of Mining Tenements as at 30 June 2015**

| <b>Project/Tenement</b>    | <b>Location</b>   | <b>Interest</b> | <b>Co-holder</b>                 | <b>Notes</b> |
|----------------------------|-------------------|-----------------|----------------------------------|--------------|
| <b>Bryah Basin Project</b> | Western Australia |                 |                                  |              |
| E52/1668                   |                   | 80%             | Jackson Minerals Pty Ltd         | 1, 2, 3      |
| E52/1678                   |                   | 80%             | Jackson Minerals Pty Ltd         | 1, 2, 3      |
| E52/1722                   |                   | 80%             | Jackson Minerals Pty Ltd         | 1, 2         |
| E52/1723-l                 |                   | 100%            | PepinNini Robinson Range Pty Ltd | 2, 4, 5      |
| E52/1730                   |                   | 80%             | Jackson Minerals Pty Ltd         | 1, 2, 3      |
| E52/1731                   |                   | 100%            |                                  | 2, 4         |
| E52/1810                   |                   | 100%            |                                  | 2            |
| E52/1852                   |                   | 100%            |                                  | 4            |
| E52/2360                   |                   | 100%            |                                  | 2, 4, 6      |
| E52/2362                   |                   | 100%            |                                  | 2, 4, 6      |
| M52/722                    |                   | 100%            |                                  | 2, 4, 6      |
| M52/723                    |                   | 100%            |                                  | 2, 4, 6      |
| M52/737                    |                   | 100%            |                                  | 4, 6         |
| M52/795                    |                   | 100%            |                                  | 2, 4, 6      |
| M52/844-l                  |                   | 100%            |                                  | 2, 6         |
| M52/1049                   |                   | 100%            |                                  | 4, 6         |
| P52/1195                   |                   | 80%             | Jackson Minerals Pty Ltd         | 1, 3         |
| P52/1196                   |                   | 80%             | Jackson Minerals Pty Ltd         | 1, 3         |
| P52/1199                   |                   | 100%            |                                  | 2            |
| P52/1200                   |                   | 100%            |                                  | 2            |
| P52/1314                   |                   | 100%            |                                  | 4, 6         |
| P52/1315                   |                   | 100%            |                                  | 4, 6         |
| P52/1316                   |                   | 100%            |                                  | 4, 6         |
| P52/1317                   |                   | 100%            |                                  | 2, 6         |
| P52/1318                   |                   | 100%            |                                  | 2, 6         |
| P52/1320                   |                   | 100%            |                                  | 2, 6         |
| P52/1321                   |                   | 100%            |                                  | 4, 6         |
| P52/1322                   |                   | 100%            |                                  | 4, 6         |
| P52/1323                   |                   | 100%            |                                  | 2, 6         |
| P52/1327                   |                   | 100%            |                                  | 4, 6         |
| P52/1365                   |                   | 100%            |                                  | 4, 6         |
| P52/1425                   |                   | 100%            |                                  | 2            |
| P52/1427                   |                   | 100%            |                                  | 2            |
| P52/1428                   |                   | 100%            |                                  | 2            |
| P52/1429                   |                   | 100%            |                                  | 4            |
| P52/1467                   |                   | 100%            |                                  | 2            |
| P52/1468                   |                   | 100%            |                                  | 2            |
| P52/1469                   |                   | 100%            |                                  | 2            |
| P52/1470                   |                   | 100%            |                                  | 2            |
| <b>Murchison Project</b>   | Western Australia |                 |                                  |              |
| E51/1476                   |                   | 100%            |                                  |              |
| <b>SE Yilgarn Project</b>  | Western Australia |                 |                                  |              |
| E28/2475                   |                   | 100%            |                                  |              |
| E28/2476                   |                   | 100%            |                                  |              |

**Notes:**

1. Jackson Minerals Pty Ltd, a subsidiary of Fe Ltd (ASX: FEL), retains a 20% interest free-carried to a decision to mine.
2. Independence Group NL (ASX: IGO) has a right to explore and earn a 70-80% interest (excludes iron ore) in whole or part tenement free-carried to a pre-feasibility study.
3. Northern Star Resources Ltd (ASX: NST) has a right to explore and earn a 70% interest in whole or part tenement by sole funding a total \$1,200,000 on exploration expenditure over tenements or parts of tenements marked (3) & (4).
4. Northern Star Resources Ltd (ASX: NST) has a right to explore and earn a 80% interest in whole or part tenement by sole funding a total \$1,200,000 on exploration expenditure over tenements or parts of tenements marked (3) & (4).
5. 100% "Other" mineral rights (excludes iron ore); Robinson Range Iron Ore JV – 100% iron ore.
6. 100% minerals rights for all minerals, excluding iron ore; Carey Mining Iron Ore JV – Alchemy Resources 50%, Carey Mining 50% iron ore.