

## ASX ANNOUNCEMENT

9 FEBRUARY 2017

CODE: ALY

### BOARD OF DIRECTORS

**Mr Oscar Aamodt**  
Non-Executive Chairman

**Mr Leigh Ryan**  
Managing Director

**Ms Liza Carpene**  
Non-Executive Director

**Mr Lindsay Dudfield**  
Non-Executive Director

**Mr Anthony Ho**  
Non-Executive Director

### ISSUED CAPITAL

SHARES 230,788,035

OPTIONS 10,500,000 (Unlisted)

### PROJECTS

BRYAH BASIN (80-100%)

KARONIE (100%)

LACHLAN (earning up to 80%)

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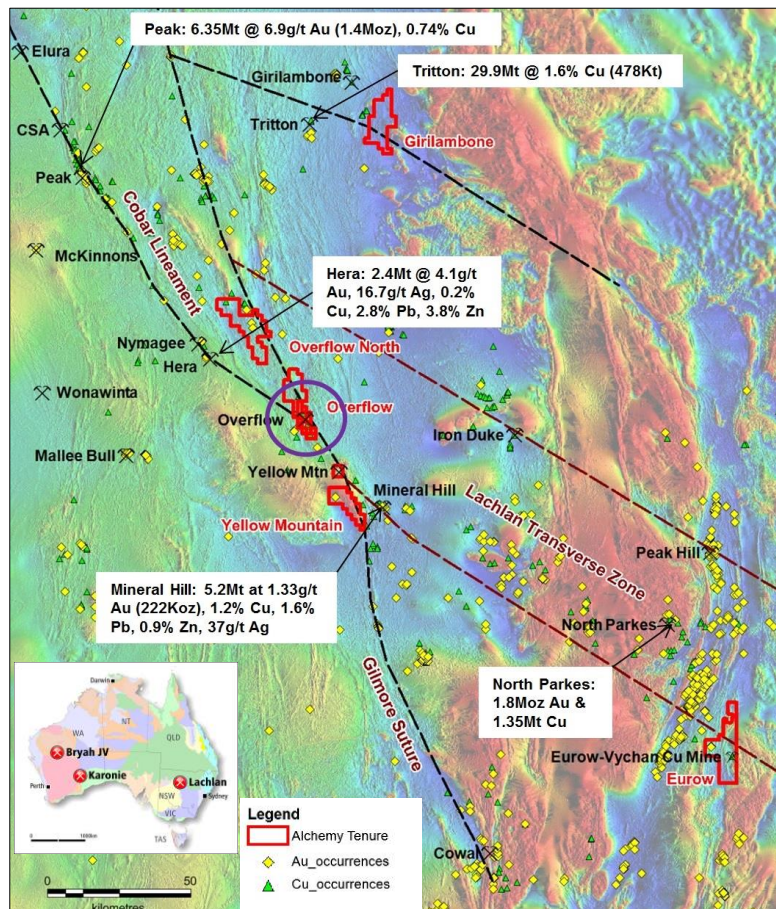


## Alchemy commences drilling at Overflow Historic Gold and Base Metal Mine, NSW

### HIGHLIGHTS

- **Diamond drilling underway at Overflow** to confirm continuity of high grade Cobar style gold-silver-lead-zinc mineralisation
- An **initial 350m diamond drill hole** will provide structural, physical and geophysical information to aid drill targeting of a strong electromagnetic (EM) conductivity anomaly down plunge of known mineralisation

Alchemy Resources Limited (ASX: ALY) ("Alchemy") is pleased to announce the commencement of diamond drilling within the Overflow gold and base metal project in the Cobar Basin, NSW (Fig. 1). The Project forms part of the farm-in and joint venture agreement with Heron Resources Ltd (ASX: HRR) (*ref. ASX announcement dated 30 May 2016*).



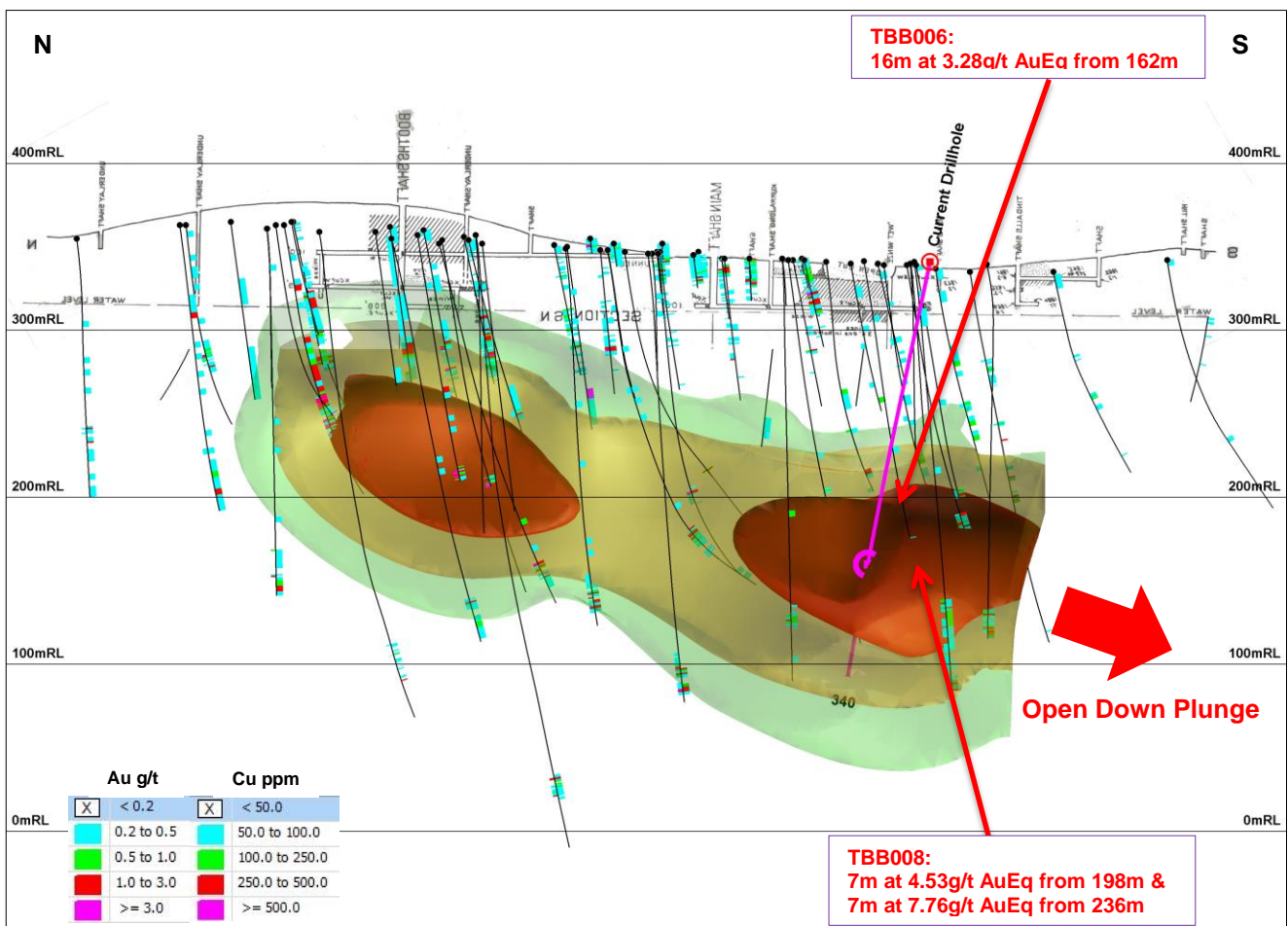
**Figure 1:** Cobar Basin / Lachlan Projects, major deposits, Au and Cu occurrences, and major structures over aeromagnetics

An initial targeted 350m deep diamond hole has been planned to confirm the continuity of high grade gold-silver-lead-zinc mineralisation (within >50gmx AuEq\* grade shell - Fig. 2), and provide structural, physical, and geophysical information via a planned downhole EM survey. Subject to further geophysical modelling of both airborne and downhole EM data a 600m deep diamond hole is planned to test a strong EM conductivity anomaly identified at ~350m below surface, and ~250m down plunge of known high grade mineralisation at Overflow (Fig. 3).

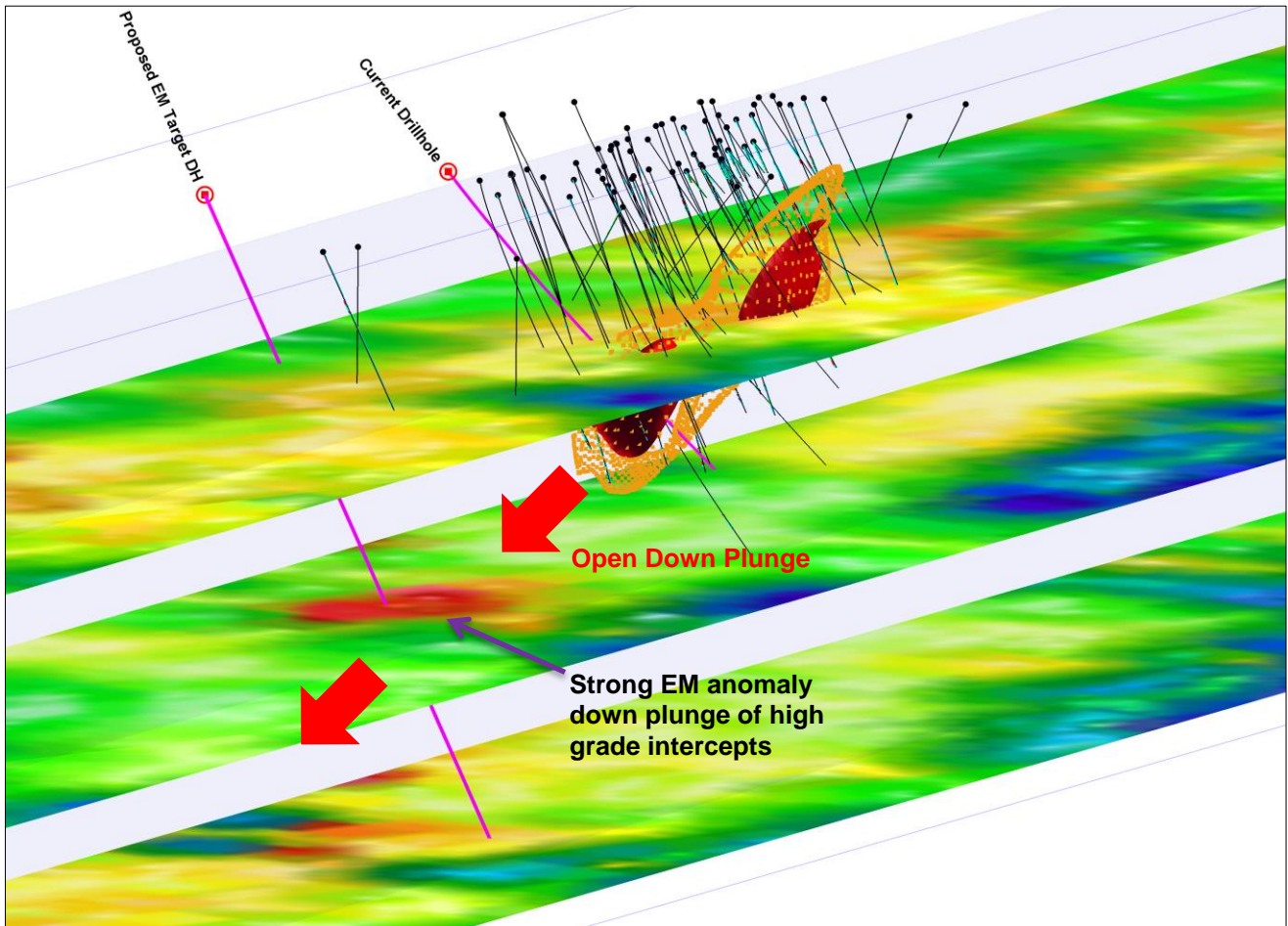
The Overflow mineralisation is located at the northern end of a 6km long, sparsely tested ironstone gossan. The mineralisation is structurally-controlled, shows distal chlorite-sericite and proximal silica alteration, and displays metal zonation typical of Cobar-style mineralisation. The current drill hole is testing beneath two significant drill intercepts encountered in historic drilling by Triako Resources Limited (Fig. 2):

<b>TBB006</b>	<b>16m at 3.28g/t AuEq*</b> from 162m	(1.13g/t Au, 88g/t Ag, 1.15% Zn, 0.43% Pb, 0.09% Cu)
<b>TBB008</b>	<b>7m at 4.53g/t AuEq*</b> from 198m	(1.67g/t Au, 135g/t Ag, 1.3% Zn, 0.5% Pb, 0.04% Cu) &
	<b>7m at 7.76g/t AuEq*</b> from 236m	(5.46g/t Au, 19g/t Ag, 1.9% Zn, 1.4% Pb, 0.32% Cu)

\* Gold equivalent (AuEq g/t) values used in this report refer to the calculated Au equivalent grade based on the Au, Ag, Cu, Zn and Pb grades assigned to each drilling intersection using the following formula (based on metal prices at the time):  $AuEq (g/t) = Au (g/t) + Ag * 0.014 (g/t) + Cu * 1.11 (\%) + Zn * 0.54 (\%) + Pb * 0.46 (\%)$ . The AuEq calculation takes into account the following metal prices: Au US\$1325/oz, Ag US\$19/oz, Cu US\$2.15/lb, Zn US\$1.05/lb and Pb US\$0.90/lb.



**Figure 2:** Overflow Prospect long section looking east showing historic workings, drill intercept AuEq grade x metre shells (red = >50gmx AuEq, yellow = >30gmx AuEq, green = >20gmx AuEq), historic drilling (traces coloured by Aug/t (left) and Cu ppm (right)) and current diamond drilling (magenta line) with drill target pierce point (magenta circle).



**Figure 3:** Overflow Mine 3D view looking down to the NW showing grade x thickness shells of AuEq intersections (red = >50gxm AuEq, orange dots = >30gxm AuEq), historic drilling (traces coloured by Au and Cu grades), current and planned diamond drilling (magenta lines) over VTEM conductivity slices (150m, 350m and 550m below surface).

Alchemy's Managing Director, Leigh Ryan said:

"Alchemy is pleased to have commenced drilling at Overflow, and subject to the results of this initial hole and the downhole EM surveys, looks forward to drill testing the strong EM target down plunge of the Overflow mineralisation as soon as possible."

For further information please contact:

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