Alchemy Resources Limited
ACN 124 444 122

ASX ANNOUNCEMENT

24 FEBRUARY 2015

CODE: ALY

BOARD OF DIRECTORS

ISSUED CAPITAL

SHARES 185,454,701

OPTIONS 3,975,000 (Unlisted)

PROJECTS

BRYAH BASIN (80-100%)

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Purchase of Reserve Payment from Troy

Alchemy Resources Limited (ASX: **ALY**) ("**Alchemy**") is pleased to announce that it has agreed to purchase the Reserve Payment over the Three Rivers gold project ("Three Rivers") held by Troy Resources Limited (ASX: TRY) ("Troy"). Three Rivers is a part of Alchemy's Bryah Basin Project, which contains gold resources at the Hermes and Wilgeena gold deposits and significant gold and base metal exploration upside.

In 2008 Alchemy and Troy entered into an Asset Sale Agreement whereby Alchemy acquired Troy's interest in Three Rivers for $2 million, with $1,310,000 paid at the time in cash and Alchemy shares, and the balance of $690,000 due when Alchemy makes an announcement that it has delineated gold reserves of not less than 50,000 ounces, or on the lodgement of a notice of intent to mine ("Reserve Payment").

Alchemy has agreed to purchase the Reserve Payment from Troy via the issue of 10 million fully paid ordinary Alchemy shares.

Troy retains a 1% Net Smelter Return Royalty on gold production from 50,000 ounces to 70,000 ounces from Three Rivers, and a $0.75 per tonne royalty on iron ore produced from the landholding.

The Board of Alchemy believe this to be an excellent outcome and increases the Company's flexibility to consider options to advance exploration and potential development of its gold prospective Bryah Basin landholding.

– ENDS –

Please direct enquiries to: Mr Oscar Aamodt (Chairman)

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