

**Alchemy Resources Establishes a Solid Foundation that will Enable its Transition from a Gold Explorer to a Gold Producer to Generate Value for its Shareholders**

*Since Alchemy Resources Limited successful ASX listing in November 2007, it has diligently worked towards its goal of growing quickly from a gold explorer to a gold producer to generate value for its shareholders.*

Reflecting its progress to date, the Company has entered into an agreement with Troy Resources NL to acquire the Three Rivers Gold Project, located approximately 120 km north of Meekatharra in the Gascoyne Region of Western Australia.

Furthermore, demonstrating its commitment to rewarding its shareholders, Alchemy Resources will undertake a pro-rata, non renounceable entitlements issue of options to shareholders as foreshadowed in its IPO prospectus.

The entitlement issue is to existing shareholders (registered as at 5:00 pm on 11 June 2008) of up to 19,800,000 options on a one-for-two basis at an issue price of 1 cent per option. The options will have an exercise price of 25 cents per option prior to the expiry date of 31 August 2010. The closing date for acceptances is anticipated to be 5:00 pm WST on 9 July 2008.

Mr. Michael Hannington, Alchemy Resources' Managing Director informed the Australian Investor, "Alchemy Resources was founded to explore a large ground holding in the Murchison region by utilizing the expertise of our team and maintaining our focus on efficiently exploring to discover large tonnage gold deposits in the Murchison".

The Company's main priority has been on developing a 3D model of the Murchison district covering 180 km north-south and 150 km east-west. This model contains every piece of data that has been collected in the area.

"We have formed an alliance with the Geological Survey of Western Australia ("GSWA"), which has provided us with access to the GSWA's entire Murchison sample database which allows us to combine previous explorers' sampling with the GSWA's samples to provide a district wide picture of the results from all sampling undertaken in the district," Mr. Hannington told the Australian Investor.

Mr. Hannington noted that the Company realized that one of the major issues of looking at advanced projects was that it took a substantial amount of time to properly explore the ground. As a result, Alchemy Resources' work in thoroughly exploring the Murchison region was considered its long term objective.

“We knew that to secure support from our shareholders we needed to develop a short term objective that would enable us to fast-track our development from a gold explorer into a producer,” Mr. Hannington explained to the Australian Investor, “As a result, we actively evaluated a number of advanced projects through the region and the surrounding district, which led us to the Three Rivers Gold Project.”

The Company put in a competitive bid for the Project and was successful in the tender for the Project as it was able to demonstrate to Troy that it has the professional, technical and operational skills to develop the Project and commence mining quickly and efficiently.

“The Three Rivers Gold project represents the first tangible result of our strategy to acquire or develop projects in the Murchison and surrounding districts of Western Australia,” Mr. Hannington commented, “We believe it has the potential to quickly allow Alchemy to convert known resources into reserves and transform the Company into a gold producer. Additionally, the remainder of the tenements have the potential to host several large mineralised gold systems similar to Peak Hill located 25 km west of the Project.”

The Three Rivers Gold Project comprises 7 exploration licences and 31 mining lease applications covering approximately 350 sq km.

Alchemy Resources was attracted to the Project because of the Hawkeye and Trapper deposits that contain a JORC code compliant potentially open pitatable Indicated Mineral Resource of 1.7Mt at 2.4 g/t Au, which equates to 131,000 ounces of contained gold.

The Company was also attracted to the iron ore prospectivity of the tenements, which are located in the Robinson Range, adjacent to land currently being explored by Midwest Corporation Limited.

Furthermore, the exploration upside of the Project is supported by recent drill results published by Sandfire Resources NL in April 2008, on its Doolgunna Project which is directly adjacent to the Three Rivers Gold Project.

Alchemy Resources intends to mobilise a diamond drilling rig to the Hawkeye and Trapper deposits and convert these indicated resources into JORC-compliant reserves as soon as possible.

“One of the key attributes of Alchemy Resources is that we have formed some important alliances with a variety of companies that will de-risk the cost of our exploration and provide us with a solid foundation for our transition from an explorer to a producer,” Mr. Hannington informed the Australian Investor.

These alliances included its appointment of Alliance Drilling Pty Ltd to conduct all drilling services at the Three Rivers Gold Project a partnership that was secured at favourable rates. Additionally, the Company has engaged Carey Mining Pty Ltd to provide contract mining services to the Project.

“We have retained Mr. Daniel Tucker, CEO of Carey Mining, a well respected indigenous businessman and community leader, to assist in negotiating and bringing to a satisfactory conclusion all required agreements with indigenous stakeholders,” Mr. Hannington told the Australian Investor, “Mr. Tucker has a proven track record of fostering close working relations between indigenous stakeholders and exploration and mining companies. We know these relationships are very important and are honoured to have Mr. Tucker on board.”

According to Mr. Hannington, Alchemy Resources’ strong board and management team who have a broad range of skill sets will be an integral part to the Company’s future development.

He concluded, “We intend to utilise these skills to maximise the potential of our position as one of the only companies focused on exploring under the extensive soil cover in the Murchison region. We will continue with our behind the scenes work to ensure that we have a solid foundation that will allow us to fast-track Alchemy Resources transition from a gold explorer to producer to generate value and reward our shareholders.”