



Report for Quarter Ended 30 June 2008

Alchemy executes corporate strategy to acquire gold assets

Highlights

- Alchemy acquires Three Rivers Gold Project from Troy Resources NL comprising a JORC compliant resource of 1.7Mt at 2.4g/t Au which equates to 131,000oz of contained gold, completion of acquisition due early next quarter.
- Alchemy continues to evaluate advanced projects for potential acquisition and on 2 July 2008 announced the acquisition of Polymetals (WA) Pty Ltd comprising the Boorara Gold project, the Nimbus Silver deposit and the Nimbus processing plant.
- Alchemy investigated the iron ore potential on southern portion of Three Rivers Gold Project tenements over the Robinson Range and undertook a field program to sample iron formations identified within its tenements.
- Drill targets over Alchemy's Murchison tenements have been generated using the 3D model and analysis of previous drilling. A drilling program to test these targets is planned for the next quarter.
- Alchemy announces issue of a Loyalty Option based on a rights entitlement issue of one option for every two shares held at 11 June 2008.
- \$3.51 million cash at hand for evaluation of tenements in the Murchison and reserve definition drilling at the Three Rivers Gold Project. Tight control on costs. \$468,000 spent during the June 2008 quarter.

Details

Acquisition of Three River Gold Project

Alchemy Resources Limited (ASX Code: ALY) ("Alchemy") announced the acquisition of the Three Rivers Gold Project from Troy Resources NL ("Troy") on 29 May 2008. Completion of this acquisition is scheduled for late July 2008 pending a due diligence review of the tenements and confirmation of the gold resource at the Trapper and Hawkeye deposits.

Iron Ore potential in the Robinson Range

Alchemy has identified portions of the Three Rivers Gold Project tenements that extend south into the Robinson Range. Alchemy has prepared a field program to be undertaken in early July 2008 to sample and map any prospective iron formation identified within the tenements.

Assessment of Murchison tenements (Alchemy 80%, Jindalee Resources Ltd 20%)

Analysis of 2,150 samples from reassessment of previous drilling over Alchemy's Murchison tenements and samples from the Geological Survey of Western Australia Murchison sample database has been completed and integrated with a 3D geological model of the Murchison District compiled in the last quarter. The samples were analysed using a spectroradiometer commonly referred to as an ASD (Analytical Spectral Device).

The results have identified mineral alteration systems known to be associated with gold mineralisation. Twenty Nine (29) prospective target areas on Alchemy's tenements have been identified. A drill program to evaluate these targets is planned for the next quarter.

Acquisition of Polymetals (WA) Pty Ltd

Alchemy announced the acquisition of Polymetals (WA) Pty Ltd ("Polymetals") on 2 July 2008. Alchemy entered into a Letter of Intent dated 29 June 2008 to acquire Polymetals, whose assets comprise: the Boorara Gold project, the Nimbus Silver deposit and the Nimbus processing plant, all located 15 kilometres east of Kalgoorlie in Western Australia. Completion of this acquisition is scheduled for late next quarter pending a due diligence review of Polymetals and its tenements.

Issue of Loyalty Options

Alchemy announced the issue of Loyalty Options to shareholders registered as at 11 June 2008, as contemplated in the IPO Prospectus. Issue and quotation of these options will occur in mid July 2008.

Tight control on costs

As identified in Alchemy's March 2008 quarterly report, Alchemy has sought to maximise the amount of field work undertaken while minimising corporate overheads. Alchemy has evaluated its Murchison tenements in the last 6 months to the point of generating drilling targets with the highest chance of identifying gold mineralisation. Alchemy will diligently use its cash during the next quarter on a drilling program to evaluate these targets.

Corporate activity

Alchemy remains focussed on implementing its strategy to acquire advanced gold exploration projects with near term potential to develop a mining operation and to explore its tenements for large tonnage gold deposits. Alchemy's acquisition of two advanced gold projects this quarter highlights its opportunistic strategy and the Company will continue to be vigilant for similar acquisition opportunities in the future. Alchemy will also actively evaluate the iron ore prospects in the Robinson Range in the next quarter to investigate value adding options on tenements controlled by Alchemy.

At 30 June 2008, Alchemy has approximately \$3.51 million in cash.

Contact Details: Mr Michael Hannington
 Telephone: 61 8 9481 4400