

2 October 2009

## ALCHEMY COMMENCES DRILLING AT HERMES GOLD PROJECT

### HIGHLIGHTS

- **Commencing 34 hole reverse circulation (RC) drilling program targeting high grade extensions that remain open at depth at Hermes Gold Project**
- **Drilling aims to extend existing indicated JORC-code compliant gold resource of 131,000 ounces and test areas outside the existing gold resource**

Alchemy Resources Limited (ASX Code: ALY) ("Alchemy") is pleased to advise that it has today recommenced drilling at the Hermes Gold Project in the Gascoyne district of Western Australia (Fig. 1 & 2). The drilling program aims to extend Alchemy's existing JORC-code compliant, open pittable, indicated resource of **1.7Mt at 2.4 g/t gold**.

Alchemy Managing Director, Michael Hannington said, "Based on the positive results of our initial drilling campaign Alchemy has moved quickly to undertake field mapping of the Hermes Gold Project and is pleased to get back on the ground to recommence drilling from now until Christmas".

In June 2009, Alchemy reported the discovery of two high-grade gold zones from the first 12 RC holes of a planned 46 hole RC program. Best results from this drilling included **5m @ 34.0g/t gold** from 34m (including **1m @ 118.2 g/t gold**) and **8m @ 10.3g/t gold** from 156m (including **1m @ 64.9g/t gold**).

Field mapping undertaken by Mr Jon Standing in September 2009 has confirmed that the 34 RC holes remaining to be drilled from the 46 hole RC program will test areas prospective for additional gold mineralisation outside the Hawkeye and Trapper gold deposits (Fig. 3). Alchemy intends to use the RC rig and an aircore drill rig to follow up on these prospective targets.

- **Alchemy has completed a thorough review of the further gold potential at the Hermes Gold Project**
- **Exploration program funded after raising \$2.75 million from placement and exercise of options**
- **Ability to rapidly evaluate and undertake extensive drilling since extinguishment of native title over the Hermes Gold Project**

A return to first principles field mapping has identified highly deformed, altered and mineralised outcrop which has provided Alchemy with the impetus to propose drilling programs some distance away from the Hawkeye and Trapper deposits.

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Alchemy Managing Director, Michael Hannington said, "In addition to the potential identified at the Hermes Gold Project, Alchemy has planned an aggressive program of additional field mapping and soil sampling over the greater Three Rivers tenements and will follow up prospective areas with early drilling."

### *History*

The Hermes Gold Project contains an existing JORC code compliant indicated resource of **1.7Mt @ 2.4g/t gold** for **131,000 oz** of gold. A RC drill program conducted in May 2009 reported assay results from drilling outside of the existing JORC indicated resource of **8m @ 2.2g/t gold** from 21m, **5m @ 34g/t gold** from 34m, **9m @ 5.1g/t gold** from 108m and **12m @ 7.3g/t gold** from 152m. A follow up air core drilling program discovered shallow gold mineralisation along strike and on both sides of the existing resource and included results of **5m @ 6.4g/t gold** from 3m and **15m @ 3.2g/t gold** from 34m.

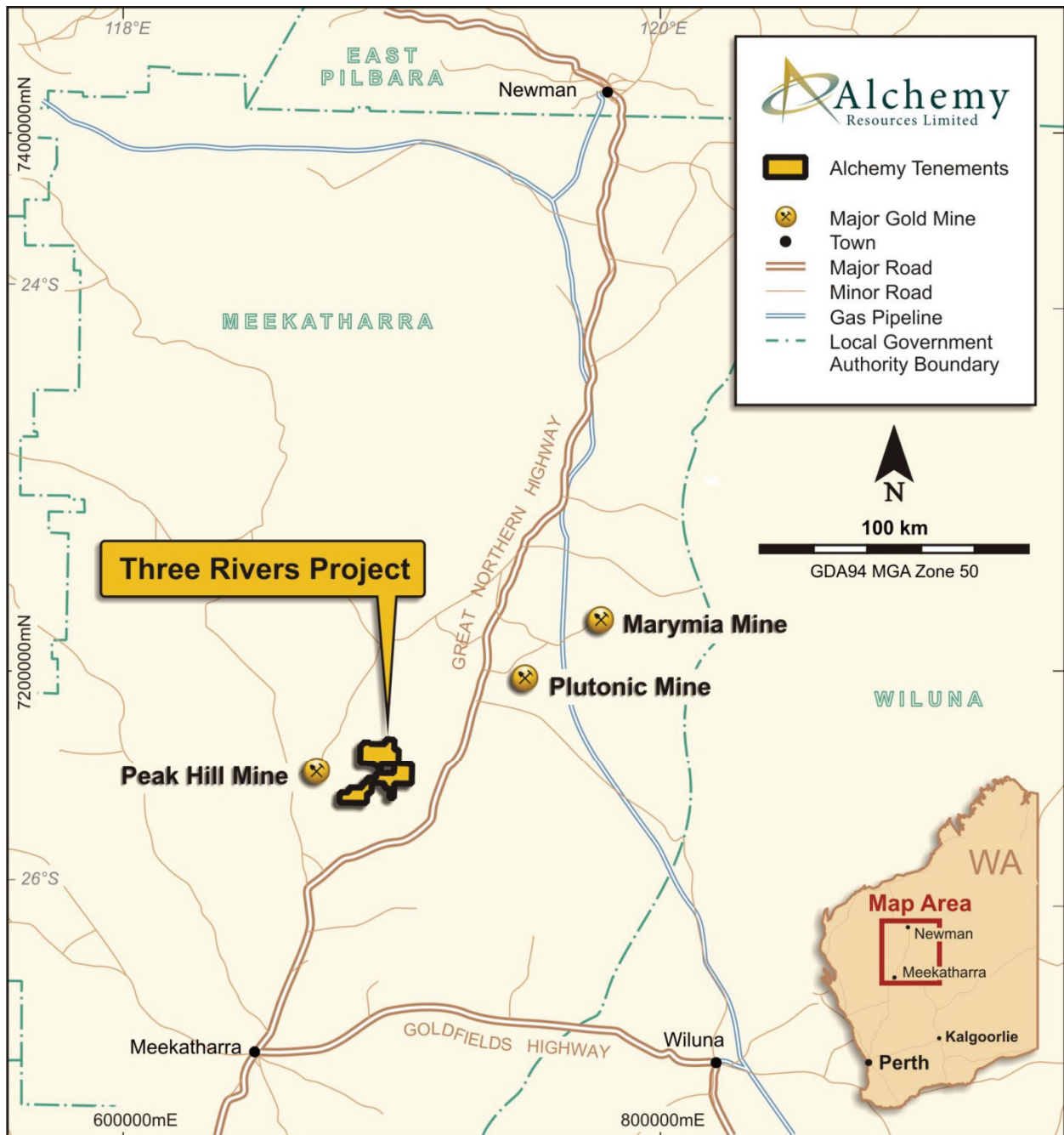
### **ENDS**

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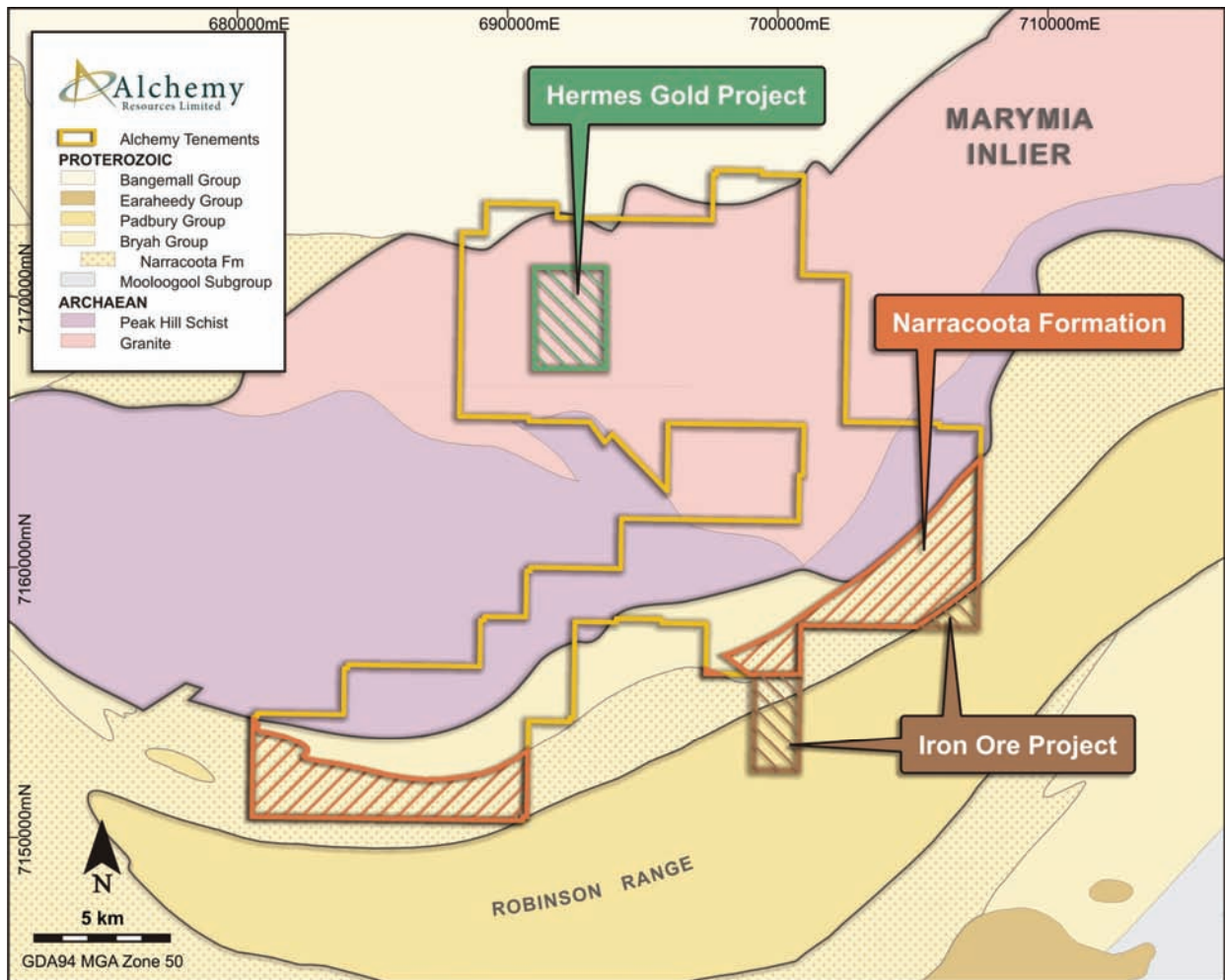
*The information in this report that relates to Exploration Results is based on information compiled by Mr Michael Cowin, who is a Member of the Australasian Institute of Geoscientists and is an employee of Cowin Holdings Pty Ltd which consults to Alchemy Resources Limited. Mr Cowin has sufficient experience 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 2004 edition of the 'Australasian Code for Reporting of Exploration, Results, Mineral Resource and Ore Reserves'. Mr Cowin consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

Figure 1. - Three Rivers Project Location Map



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Figure 2. - Location of Alchemy's Three Rivers Projects



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Figure 3. - Aircore Drilling May 2009

