

9 November 2009

## SECOND ADVANCED GOLD PROJECT IDENTIFIED AT THREE RIVERS PROJECT

### HIGHLIGHTS

- **Non-JORC code compliant gold resource of 553,000t @ 2.5g/t gold identified as being hosted within sheared Narracoota Formation rocks at Wilgeena Mining Centre**
- **Potential for exploration upside**
- **Alchemy considers fast track application for Mining Lease at Wilgeena Mining Centre**

Alchemy Resources Limited (ASX Code: ALY) (the "Company" or "Alchemy") is pleased to advise that it has identified a total non-JORC code compliant gold resource of **553,000t @ 2.5g/t gold** representing **44,075oz** of contained gold at the historic Wilgeena Mining Centre ("Wilgeena"). Wilgeena is located 15km southwest of the Hermes Gold Project on Alchemy's granted Exploration Licence E52/2360 (Fig. 1) and is hosted within sheared Narracoota Volcanic rocks.

The gold resource is contained within three well defined zones that extend from surface to 130m in depth. Two test pits were developed in early 1988 by Esmeralda Exploration Ltd over two of the zones (Fig. 2) and **2,722oz** of gold was produced from **28,500t @ 2.97g/t gold**.

Potential for additional gold mineralisation remains down plunge and to the west of the western pit (Fig. 2). Work to validate the estimated gold resource and explore the periphery of the three mineralised zones will commence in early December 2009.

Alchemy intends to undertake a field trip to map the Narracoota Formation both within and surrounding the test pits and will design a drilling program to confirm and potentially extend the area of gold mineralisation. A decision on the area to make application for a mining lease will be made in 2010.

Importantly, the identification that Wilgeena is hosted within sheared volcanic rocks of the Narracoota Formation was only made by Plutonic Operations Ltd geologists in 1997 and if Alchemy confirms this to be correct, it will significantly increase the area of Narracoota Formation rocks on Alchemy's tenements. Alchemy's diagrams currently reflect the Geological Survey of Western Australia's mapping and will be modified following its own mapping of the rocks at Wilgeena.

Alchemy Managing Director, Michael Hannington said, "With drilling continuing at the Hermes Gold Project and with the addition of the Wilgeena Mining Centre as a possible satellite resource for Hermes, Alchemy is working hard to increase its gold resource base".

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## *History of Wilgeena Mining Centre*

The gold resource at Wilgeena, which was reported in an internal report by Plutonic Operations Ltd dated 19 January 1995, estimated a total non-JORC code compliant gold resource of **553,000t @ 2.5g/t gold** representing **44,075oz** of contained gold.

The ore from the two test pits developed by Esmerelda Exploration Ltd was hauled and processed at the Horseshoe Lights Gold Mine located approximately 40km north and operated by Barrack Mine Management Pty Ltd ("Barrack"). Barrack declined to treat further ore from Wilgeena due to capacity constraints at the Horseshoe Lights processing plant.

Wilgeena has remained undeveloped since operations ceased in 1988. However, Plutonic Operations Ltd (now owned by Barrick Gold Australia Ltd) undertook further drilling and resource estimation and have provided Alchemy with the complete Wilgeena database. Alchemy will incorporate all this information into its systematic study of the Narracoota Formation (Magnus Copper/Gold Project).

### **ENDS**

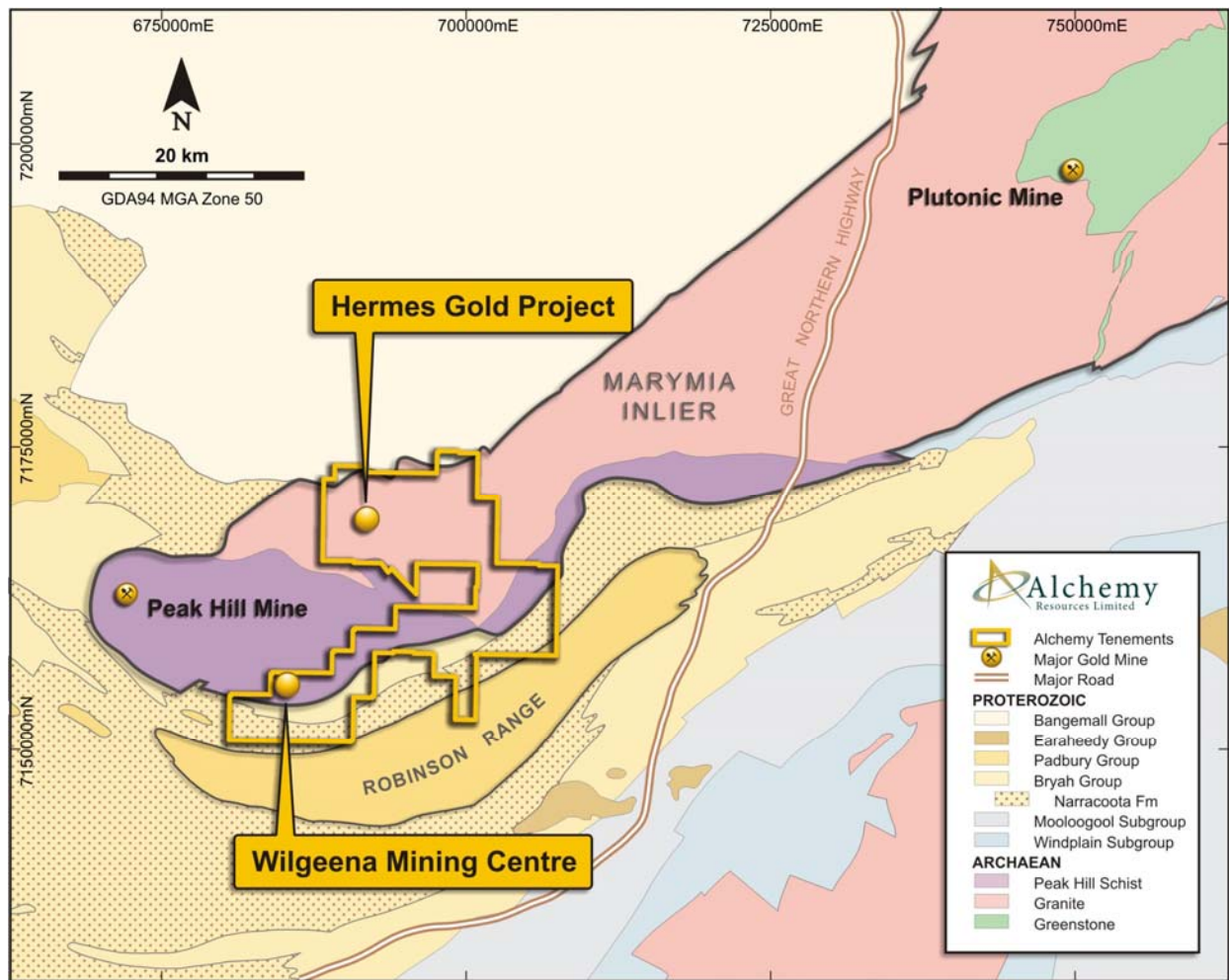
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*The information in this report that relates to Exploration Results is based on information compiled by Mr Lyndon Hopkins, who is a Member of the Australasian Institute of Geoscientists and a Member of the Australian Institute of Mining & Metallurgy, is a part-time employee of Alchemy Resources Limited. Mr Hopkins 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 Hopkins consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

*Alchemy Resources Limited has not yet reported resources from the Wilgeena Mining Centre Project. While the company remains optimistic it will report resources in the future, any discussion in relation to targets, resources, reserves or 'ore' is only conceptual in nature, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.*

Figure 1. - Location of Wilgeena Mining Centre at Alchemy's Three Rivers Tenements



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Figure 2. - Aerial Photograph of the Wilgeena Mining Centre

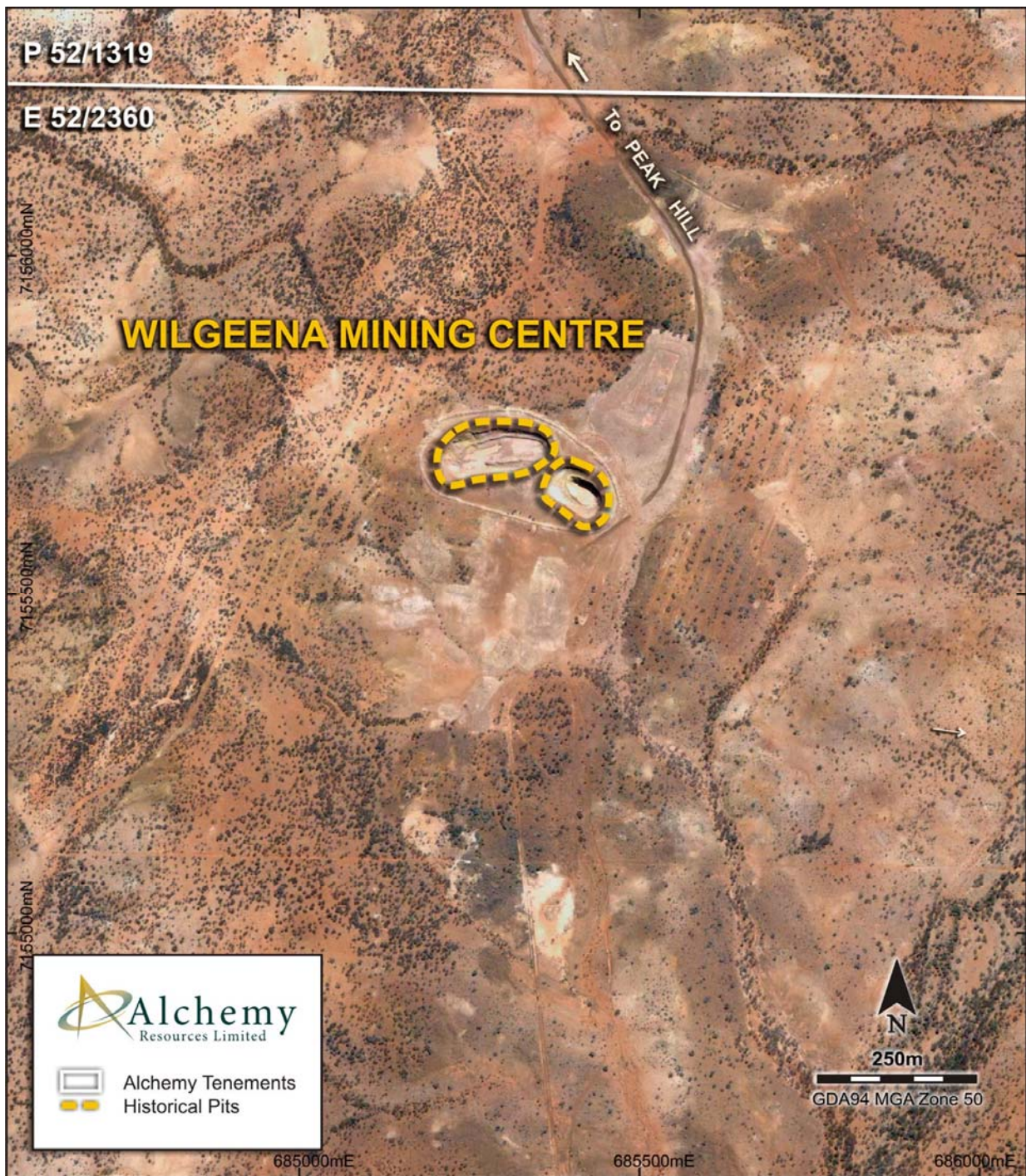
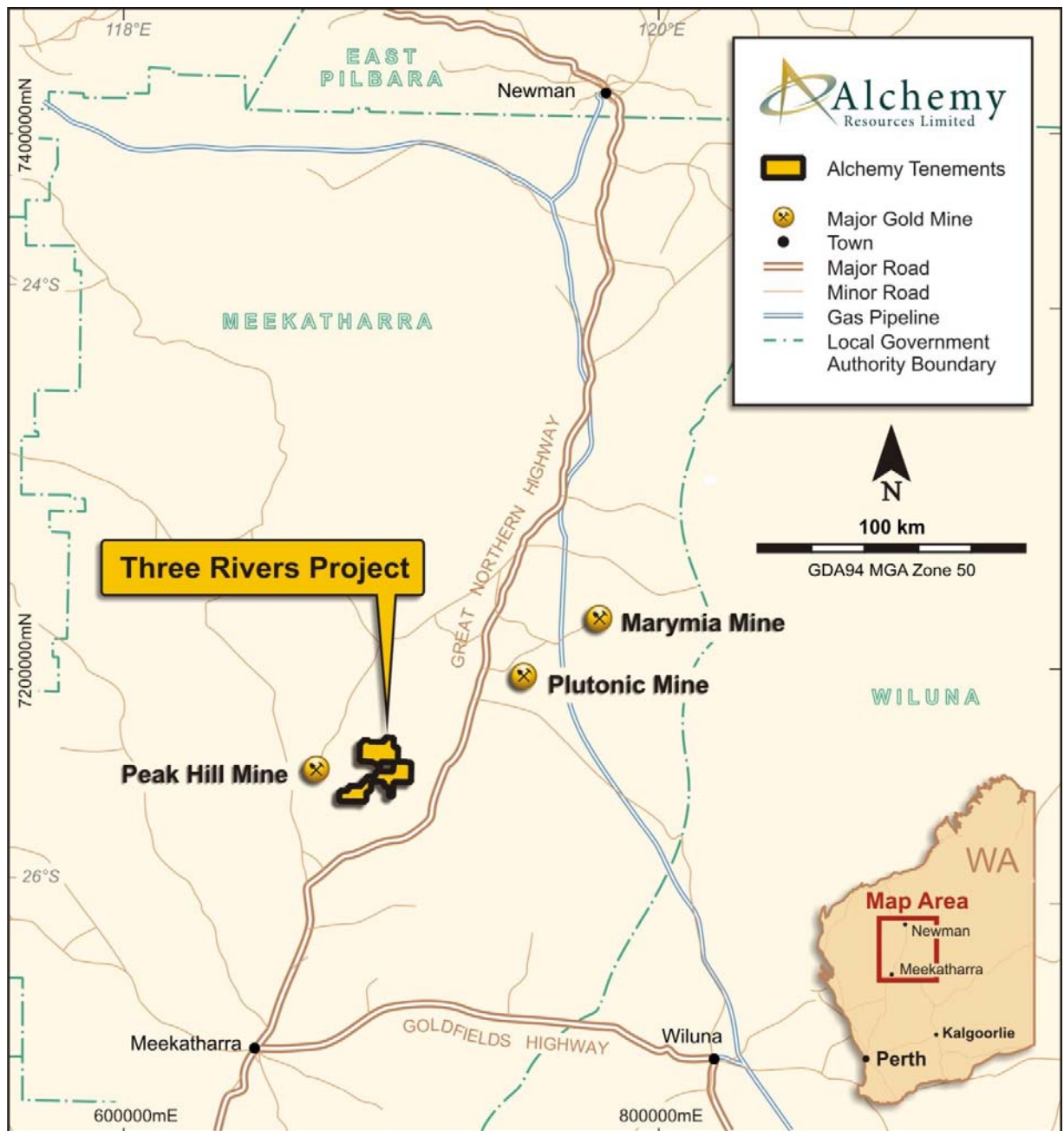


Figure 3. - Three Rivers Project Location Map



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