

ASX Announcement

3 May 2010

Strong drilling results highlight growing potential of Hermes Gold Project

55m @ 2.17g/t gold from 1m intersected at Trapper Deposit infill drilling

- Drilling intersects mineralisation over substantial widths and robust grades, providing foundations for a resource upgrade
- Results confirm the continuity and extent of the flagship Trapper deposit at Hermes, with intersections including:
 - 55m @ 2.17g/t gold (including 3m @ 10.70g/t gold and 4m @ 8.03g/t gold)
 - 22m @ 4.10g/t gold (including 1m @ 36.00g/t gold)
 - 28m @ 2.60g/t gold
- Drilling extends the known zones of primary mineralisation at the Winchester, Trapper West and Blake prospects, with the new zones remaining open along strike and at depth. These results include:
 - 14m @ 2.62g/t gold (including 1m @ 19.45g/t gold)
 - 20m @ 1.50g/t gold
 - 3m @ 10.80g/t gold (including 1m @ 31.70g/t gold)
 - 6m @ 4.54g/t gold
 - 7m @ 3.32g/t gold (including 1m @ 17.15g/t gold)
- Additional extensional drilling to the west, south-east and north-east of the current resource identifies high priority target areas for further exploration drilling

Alchemy Resources Limited (“Alchemy” or the “Company”) (ASX Code: ALY) is pleased to announce that numerous high-grade assay results from recent drilling at its Hermes Gold Project in Western Australia indicate that the area hosts a series of zones of gold mineralisation.

The infill drilling has confirmed the continuity of mineralisation at Hermes’ flagship Trapper deposit, extended the parameters of the known mineralisation in other areas and identified targets for further exploration drilling.

The results will also be used to underpin a re-estimation of the existing 131,000 ounce JORC code-compliant indicated resource at Hermes.

Alchemy Managing Director Mike Hannington said Hermes is emerging as a series of mineralised zones extending over 2.2 kilometres (Fig. 2).

“These results highlight both the value of the known mineralisation at Hermes as well as the enormous potential to grow the resource base extensively,” Mr Hannington said.

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The purpose of the latest drilling program, which comprised 50 Reverse Circulation (RC) holes for a total of 4037 metres, was to in-fill existing resource areas at the Trapper deposit and to follow up and extend new areas of gold mineralisation at the Winchester, Trapper West and Blake prospects discovered in late 2009.

Results from 907 one-metre split samples, submitted for assay following anomalous results of initial four-metre composite samples, revealed a number of significant intersections.

Trapper Deposit

In-fill RC drilling of the existing gold resource area at the Trapper deposit intersected broad widths of near-surface, gold mineralisation (Fig. 3). Best results included:

- **55m @ 2.17g/t gold** (including **3m @ 10.70g/t gold** and **4m @ 8.03g/t gold**)
- **22m @ 4.10g/t gold** (including **1m @ 36.00g/t gold**)
- **28m @ 2.60g/t gold**
- **23m @ 2.54g/t gold**
- **44m @ 1.59g/t gold**
- **15m @ 3.25g/t gold** (including **1m @ 36.70g/t gold**)
- **20m @ 2.30g/t gold.**

The in-fill drilling at Trapper has been completed at the southern end of the resource area at 20m x 20m spacing and has confirmed excellent continuity of mineralisation between previously reported 40m spaced sections (Fig. 4 & 5). The combined information will be used in the process of upgrading the current Indicated Resources, subject to normal economic parameters, as soon as possible.

Winchester, Blake & Trapper West Prospects

The drilling results extended the zones of primary mineralisation at the Winchester, Blake and Trapper West prospects (Fig. 2) with the new mineralised zones remaining open along strike and at depth. Best results included:

- **3m @ 10.80g/t gold** (including **1m @ 31.70g/t gold**) in drill hole TRC276 and **6m @ 4.54 g/t gold** in drill hole TRC277 at the Winchester prospect *located 600 metres north-east of the Hawkeye deposit*
- **14m @ 2.62g/t gold** (including **1m @ 19.45g/t gold**, in drill hole TRC266 at the Blake prospect *located 250 metres south-east of the Trapper deposit*
- **7m @ 3.32g/t gold** (including **1m @ 17.15g/t gold**, at the Blake South prospect *located 400 metres south-west of the Trapper deposit*
- **20m @ 1.50g/t gold** in drill hole TRC272 at the Trapper West prospect *located 200 metres west of the Trapper deposit.*

Geological review and targeting is focusing on these key areas in order to determine the economic significance of these new results and define the extent of gold mineralisation. An in-fill and extension RC drilling program is planned to further test these zones in June 2010 to update the JORC compliant resource.

Diamond Drilling

A five hole diamond drilling program with RC pre-collars was completed at the Hawkeye and Trapper deposits and Blake prospect to better understand the nature of the gold mineralisation and to confirm the interpreted orientations of known mineralisation. Results from this work will help Alchemy target locations for potential gold mineralisation within an area of 3.5 km x 5.5 km enclosing the Hermes Gold Project.

Results of one-metre split samples, submitted for assay following anomalous results of initial four-metre composite samples, have been received for the RC pre-collars and returned broad zones of near-surface gold mineralisation.

Once structural and geotechnical logging of the orientated drill core has been completed in early May 2010, sampling of the diamond drill core will be undertaken and assays are expected in the near future. Once Alchemy has received all assays these results will be rapidly evaluated to plan the next phase of drilling in June 2010.

Alchemy considers that the Hermes Gold Project is now transitioning from exploration drilling to drilling directed toward increasing the gold ounces per vertical metre to re-estimate an updated JORC code compliant resource.

– ENDS –

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ABOUT ALCHEMY RESOURCES

Alchemy is actively exploring four key areas; the Hermes and Wilgeena Gold Projects, the Magnus Copper-Gold Project, and the Murchison Projects (comprising six separate areas in the Murchison District).

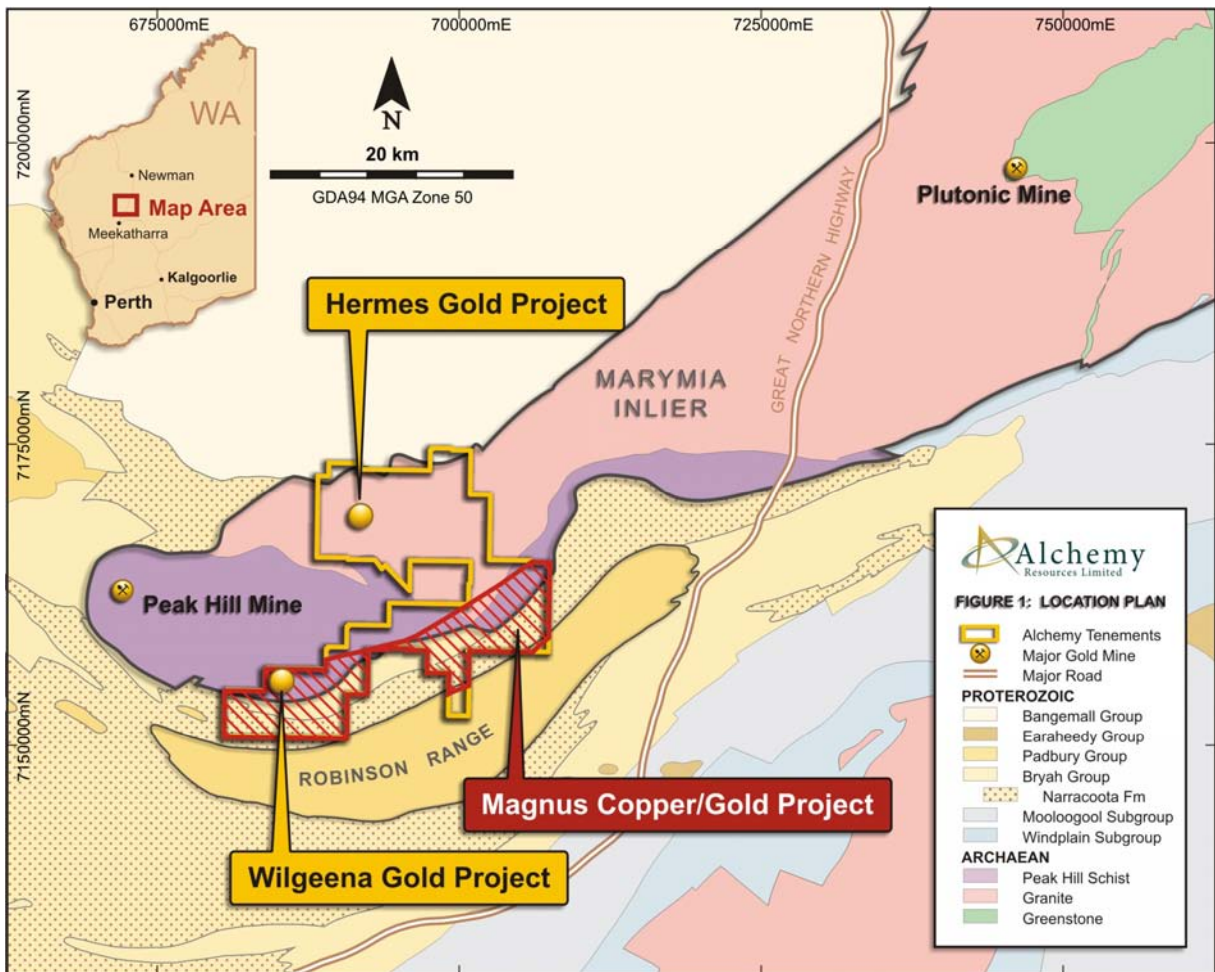
Each of these projects is at a different stage in its evaluation. The Hermes Gold Project is the most advanced with a JORC code-compliant resource and an active drilling campaign. The Hermes Gold Project was originally acquired from Troy Resources NL in June 2008. Alchemy was attracted to the project by the existing JORC code compliant indicated gold resource of **1.7Mt @ 2.40g/t gold** (equivalent to **131,000 ounces of gold**), which the Company believes can be developed quickly to fund future exploration expenditure.

The Wilgeena Gold Project, located 20 kilometres south of Hermes, was identified as a key exploration target in 2009. Alchemy commenced a RC and diamond drill program in March 2010 with the aim to confirm and extend existing zones of gold mineralisation, previously explored by Plutonic Operations Ltd in 1997, which will potentially allow Alchemy to estimate a JORC code-compliant resource for this advanced project.

The Magnus Copper-Gold Project is at the beginning of a rapid evaluation that will see drill testing of conductors identified by the VTEM survey and gold in soil anomalies associated with prospective areas identified by recently completed geological field mapping. An initial RC drill program commenced in April 2010, and Alchemy is devoting significant expenditure to additional drill programs over the remainder of 2010.

Following a successful capital raising in March 2010, Alchemy is now fully funded for a concerted exploration effort at its projects in the Gascoyne and Murchison Districts.

Figure 1. – Hermes Gold Project Location



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Figure 2. – Hermes Gold Project – Surface expression of JORC code-compliant resource areas, Prospects and location of RC and Diamond drill holes completed in March 2010

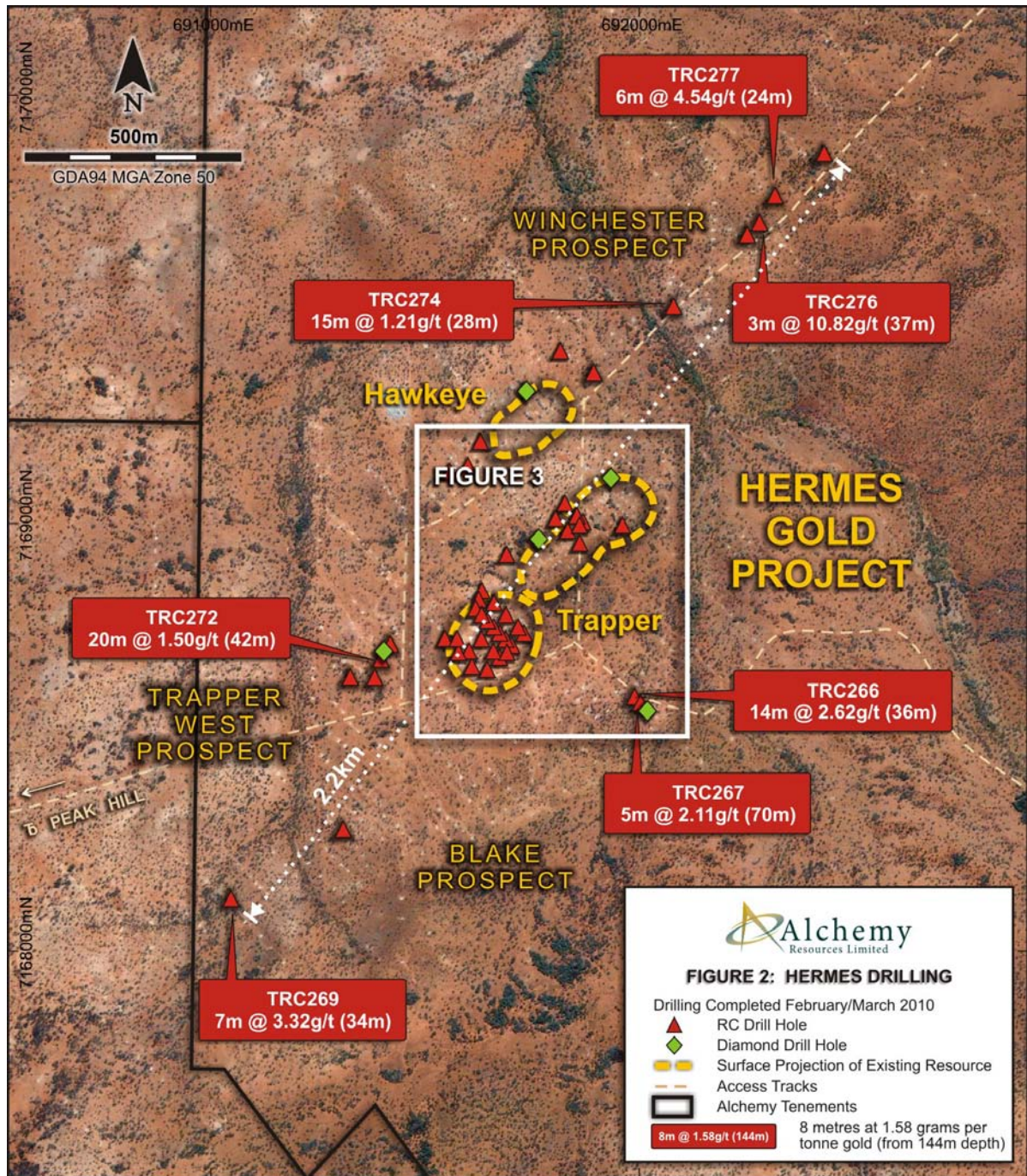
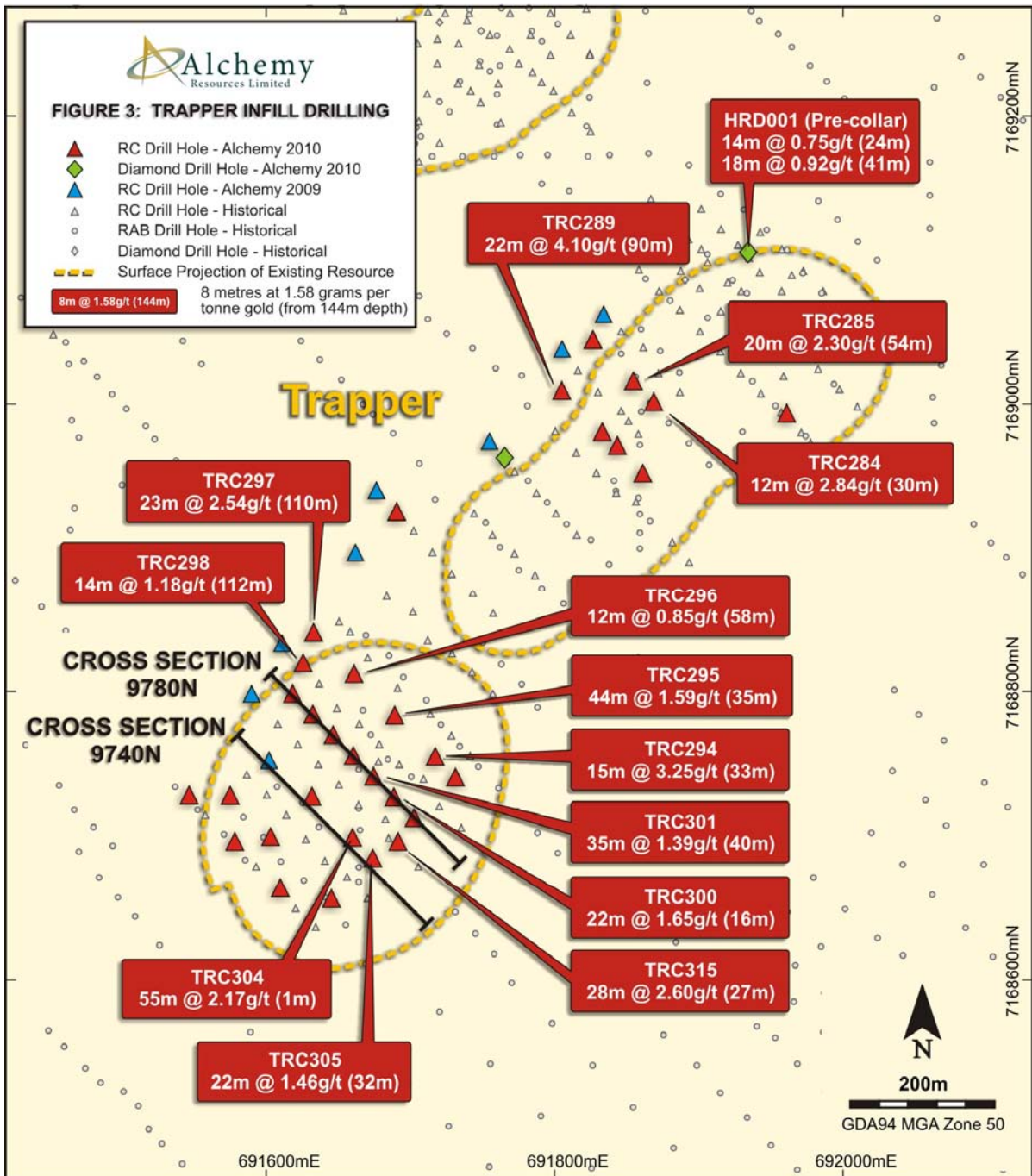


Figure 3. – Trapper resource area – Surface expression of JORC code-compliant resource and in-fill RC and diamond drilling completed in March 2010



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Figure 4. – Trapper resource area – Section 9780mN, RC drilling March 2010

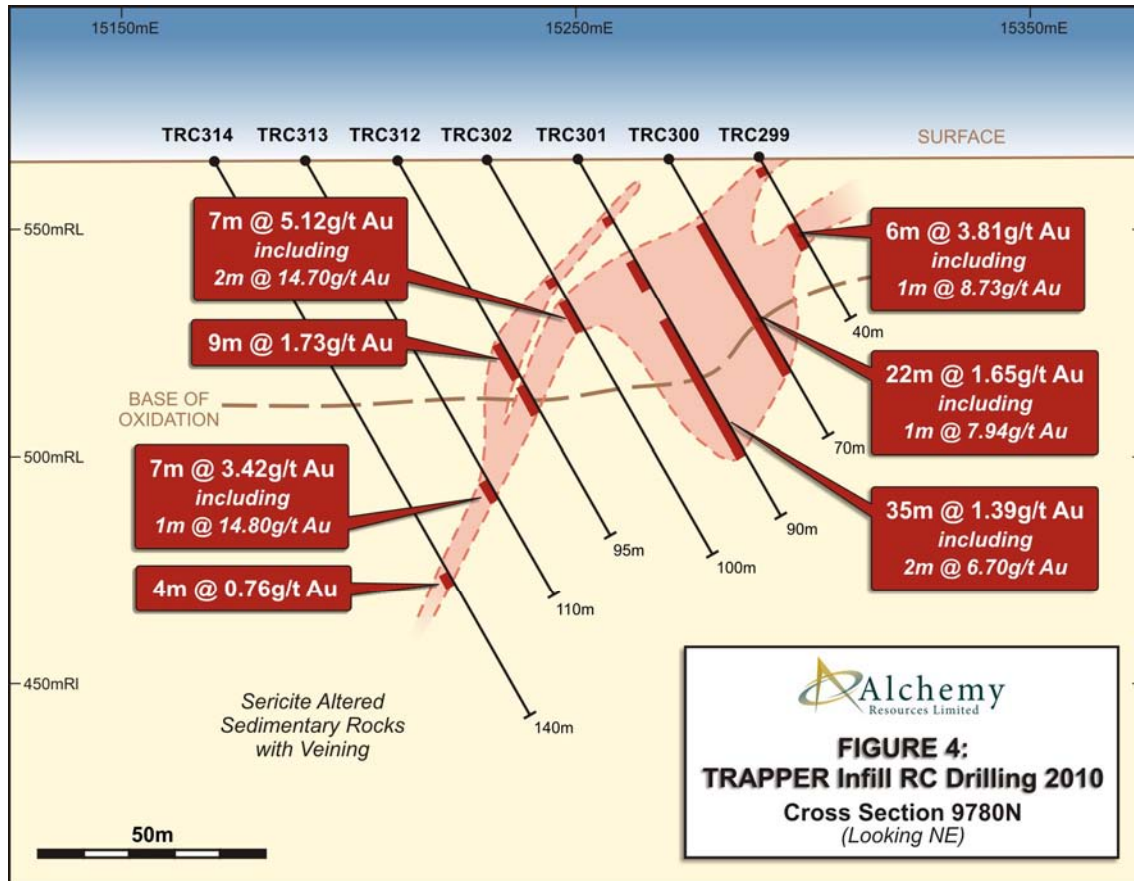
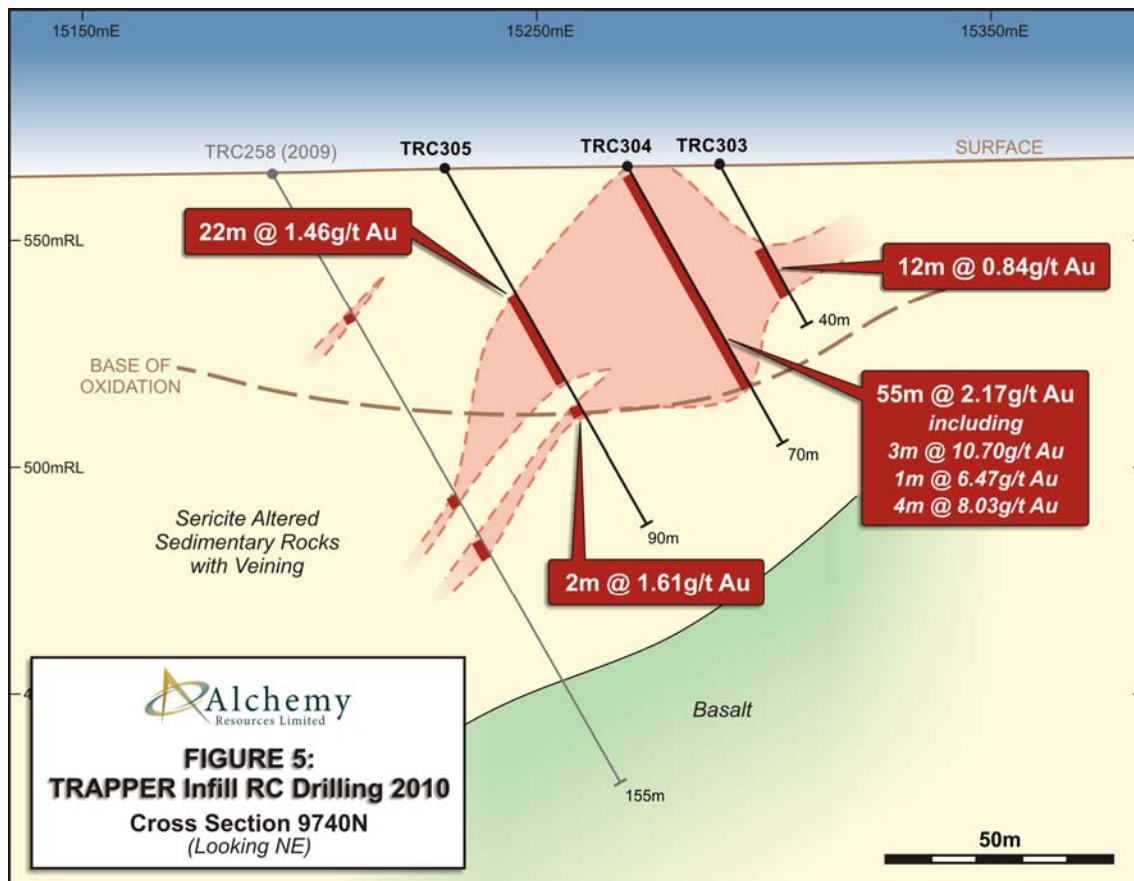


Figure 5. – Trapper resource area – Section 9740mN, RC drilling March 2010



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Table 1: Significant RC Drilling Results, >0.5g/t gold, from Hermes Gold Project, March 2010

Prospect	Hole ID	Easting (MGA94)	Northing (MGA94)	From (m)	To (m)	Interval (m)	Grade (g/t Au)	Comments
B	TRC266	691990.18	7168590.73	24	29	5	0.67	
"	"	"	"	36	50	14	2.62	Including 1m @ 19.45g/t Au
B	TRC267	692005.53	7168575.67	70	75	5	2.11	Including 1m @ 9.57g/t Au
"	"	"	"	41	43	2	0.63	
B	TRC269	691046.95	7168117.97	34	41	7	3.32	Including 1m @ 17.15g/t Au
TW	TRC270	691324.12	7168631.14	43	46	3	1.61	
TW	TRC271	691381.92	7168634.82	0	6	6	1.09	
"	"	"	"	41	43	2	0.60	
"	"	"	"	46	52	6	0.87	
TW	TRC272	691387.77	7168670.79	34	36	2	3.70	Including 1m @ 6.69g/t Au
"	"	"	"	42	79	20	1.50	Including 1m @ 5.20g/t Au
TW	TRC273	691419.55	7168710.36	34	36	2	1.19	
"	"	"	"	41	44	3	0.81	
W	TRC274	692082.82	7169499.96	28	43	15	1.21	
W	TRC276	692280.74	7169694.89	0	2	2	3.61	Including 1m @ 6.33g/t Au
"	"	"	"	24	32	8	0.51	
"	"	"	"	37	40	3	10.82	Including 1m @ 31.7g/t Au
W	TRC277	692315.85	7169756.30	24	30	6	4.54	Including 1m @ 9.17g/t Au
"	"	"	"	40	44	4	0.71	

Key to Prospects:

B Blake
 TW Trapper West
 W Winchester

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Table 2: Significant RC Drilling Results, >0.5g/t gold, from the Trapper resource area, March 2010

Deposit	Hole ID	Easting (MGA94)	Northing (MGA94)	From (m)	To (m)	Interval (m)	Grade (g/t Au)	Comments
H	TRC279	691892.83	7169343.87	41	41	1	1.13	
H	TRC281	691629.09	7169184.59	50	52	2	1.12	
H	TRC282	691601.48	7169128.34	6	8	2	2.01	
"	"	"	"	18	19	1	1.05	
"	"	"	"	31	32	1	0.52	
T	TRC284	691868.78	7168998.66	30	42	12	2.84	Including 4m @ 6.19g/t Au
T	TRC285	691855.14	7169012.33	54	74	20	2.30	Including 1m @ 11.65g/t Au
T	TRC287	691861.30	7168949.91	28	31	3	2.81	
T	TRC288	691834.24	7168976.02	54	92	10	0.76	
"	"	"	"	95	97	2	0.63	
T	TRC289	691806.33	7169003.54	90	128	22	4.10	Including 1m @ 36.0g/t Au
T	TRC291	691962.27	7168986.81	5	8	3	0.87	
T	TRC292	691690.55	7168924.18	108	110	2	1.80	
T	TRC294	691718.14	7168752.60	33	48	15	3.25	Including 1m @ 36.7g/t Au
T	TRC295	691688.40	7168781.82	35	79	44	1.59	Including 1m @ 9.25g/t Au
"	"	"	"	90	95	5	2.42	Including 1m @ 8.82g/t Au
T	TRC296	691659.45	7168809.51	58	70	12	0.85	
T	TRC297	691632.92	7168839.59	110	133	23	2.54	Including 1m @ 12.85g/t Au
T	TRC298	691627.07	7168815.17	112	126	14	1.18	
T	TRC299	691702.00	7168706.28	2	4	2	1.32	
"	"	"	"	16	22	6	3.81	Including 1m @ 8.73g/t Au
T	TRC300	691687.51	7168720.82	16	18	2	0.68	
"	"	"	"	32	54	22	1.65	Including 1m @ 7.94g/t Au
T	TRC301	691674.31	7168733.43	14	16	2	0.56	
"	"	"	"	25	32	7	0.51	
"	"	"	"	40	75	35	1.39	Including 2m @ 6.70g/t Au
T	TRC302	691660.18	7168748.30	30	32	2	0.66	
"	"	"	"	36	43	7	5.12	Including 2m @ 14.70g/t Au
T	TRC303	691674.30	7168676.70	20	32	12	0.84	
T	TRC304	691660.60	7168690.72	1	56	55	2.17	Including 3m @ 10.70g/t Au from 24m; 1m @ 6.47g/t Au from 35m; and 4m @ 8.03g/t Au from 41m
T	TRC305	691632.41	7168720.28	32	54	22	1.46	Including 3m @ 5.86g/t Au

"	"	"	"	60	62	2	1.61	
T	TRC306	691647.28	7168653.03	15	16	1	1.48	
"	"	"	"	22	24	2	0.83	
T	TRC308	691606.99	7168691.29	18	19	1	1.73	
"	"	"	"	33	36	3	1.14	
"	"	"	"	41	47	6	0.92	
T	TRC309	691577.07	7168694.17	36	39	3	1.71	
"	"	"	"	58	62	4	1.75	
T	TRC311	691574.98	7168721.15	75	78	3	1.45	
T	TRC312	691646.66	7168760.77	46	55	9	1.73	
"	"	"	"	57	64	7	0.53	
T	TRC313	691633.01	7168775.68	81	86	7	3.42	Including 1m @ 14.8g/t Au from 84m
T	TRC314	691617.70	7168791.56	32	34	2	0.77	
"	"	"	"	104	108	4	0.76	
T	TRC315	691691.47	7168694.63	16	20	4	0.64	
"	"	"	"	27	55	28	2.60	Including 4m @ 6.18g/t Au from 36m; and 1m @ 14.4g/t Au from 53m
"	"	"	"	58	60	2	0.76	

Key to Deposits:

H Hawkeye
T Trapper

Table 3: Significant results, >0.5g/t gold, from RC Pre-collars for Diamond Drill holes, March 2010

Prospect	Hole ID	Easting (MGA94)	Northing (MGA94)	From (m)	To (m)	Interval (m)	Grade (g/t Au)	Comments
T	HRD001	691955.84	7169080.31	24	38	14	0.75	
"	"	"	"	41	59	18	0.92	
T	HRD003	691733.22	7169302.63	46	48	2	0.63	
TW	HRD004	691403.50	7168696.12	33	56	23	1.04	Including 1m @ 5.46g/t Au from 38m

Calculation of Assay Results:

Quoted drill intersections are based on a lower cut-off of 0.25g/t gold with a maximum of 2 metres of internal dilution (i.e., samples with less than 0.25g/t gold). All assay results were obtained from geochemical analysis of 1 metre samples. Sampling was undertaken following logging of geological boundaries within the drill hole. All samples were analysed at ALS Global Laboratories in Perth. Samples are prepared using single stage pulverization of the entire sample. Gold assays are obtained using a 30g lead collection fire assay digest and atomic absorption spectrometry analysis techniques. Full analytical quality assurance - quality control is achieved using a suite of certified standards, laboratory standards, field duplicates, laboratory duplicates, repeats, blanks and grind size analysis.

The location of drill holes is determined using a handheld 3D differential GPS achieving less than 1m accuracy and using the MGA datum (Zone 50). End of drill hole surveys were obtained using a single shot survey camera. All drill holes were drilled at -60 degrees to 135 MGA azimuth (with the exception of vertical drill hole TRC315 and TRC266 and TRC267 which were drilled to 315 MGA azimuth).

Competent Persons Statement

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 Mining and Metallurgy and is a full-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 that 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.

The information in this report that relates to Mineral Resources is based on information compiled by Mr Shaun Hackett, who is a Member of the Australasian Institute of Mining and Metallurgy and is a full-time employee of Snowden Mining Industry Consultants Pty Ltd. Mr Hackett has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that 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 Hackett consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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