

8 April 2010

Department confirms Alchemy's drilling program in accordance with all approvals

Alchemy Resources Limited ("Alchemy" or the "Company") (ASX: ALY) notes a recent report by the Australian Broadcasting Corporation ("ABC"), which states that the Department of Mines and Petroleum ("DMP") is investigating complaints from traditional owners in respect to the Company's drilling campaign at the Bryah Basin in the mid-west of Western Australia.

Alchemy advises that the DMP has today informed the Company that an investigation was completed and it determined that Alchemy was drilling in accordance with its approvals and in an area over which native title had been extinguished (refer attached DMP media response to an inquiry from the ABC).

The ABC has confirmed to Alchemy that it received this same information from the DMP and it has assured Alchemy that it will broadcast an updated report stating that the investigation is complete and that it found Alchemy was acting in accordance with its approvals.

ENDS

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About Alchemy Resources Limited

Alchemy is focused on two emerging resource projects within its Three Rivers tenements in the Gascoyne Goldfield region of Western Australia: the **Magnus Copper-Gold Project** and the **Hermes Gold Project**. Aggressive exploration and evaluation programs are underway at both projects in 2010.

At **Magnus**, Alchemy is pursuing exploration targeting the potential for copper-gold orebodies similar to Sandfire Resources NL's DeGrussa, Conductor 1 and Conductor 4 orebodies. Alchemy's tenements adjoin Sandfire's and cover approximately 178km² of the highly prospective Narracoota Formation that hosts the DeGrussa and Conductor 1 & 4 orebodies. Alchemy has delineated a pipeline of exploration targets within its tenements and is adopting a systematic and focused approach to exploration.

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At **Hermes**, Alchemy has discovered three new gold zones with the potential to expand its current JORC compliant indicated resource of 1.7Mt @ 2.4g/t Au (131,000 ounces of gold). In parallel with follow-up drilling to test these zones, the Company is evaluating strategic development options for this asset including both toll-treatment and standalone development.

The information in this report that relates to Exploration Results is based on information compiled by Dr Kevin Cassidy, who is a Fellow of the Australian Institute of Geoscientists, and is an employee of Alchemy Resources Limited. Dr Cassidy 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'. Dr Cassidy 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 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 that the information appears.



MEDIA RESPONSE

100 Plain Street East Perth Western Australia 6004

7 April, 2010

ABC Karratha – Albina

Please attribute the following to the Department of Mines and Petroleum Tenure and Native Title Branch General Manager, Tony Bullen.

The department's inquiries indicate that the works carried out by Alchemy Resources are approved works and do not breach any tenement conditions.

The approved works are on ground where it has been determined by the Federal Court that native title is extinguished.

There is no evidence that unauthorised works have been carried out by Alchemy.

The work area in question falls within the external boundary of the Nharnuwangga, Wajarri and Ngarlawangga native title determination area.

A determination made by the Federal Court several years ago as part of the agreement process, found that native title exists in part but is extinguished in certain areas within the external boundaries of the determination area.

An Indigenous Land Use Agreement (made under the provisions of the Native Title Act) applies over the area that native title is determined to exist, and only affects those parts of mineral titles where native title is determined to exist.

ENDS

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