

23 August 2010

Underwriting Agreement Signed for Exercise of Options

Alchemy Resources Ltd (“Alchemy” or the “Company”) (ASX: ALY) is pleased to announce that it has entered into an agreement with Bell Potter Securities Limited to underwrite the conversion of up to \$3.8 million of the listed ALYO options for the issue of 15,274,092 ALY shares. Bell Potter is to be paid an underwriting fee of 5% and a management fee of 1%. The directors and employees of Alchemy have committed to exercising a further \$1 million of options that are currently held by them.

Alchemy has been advised by Bell Potter that the sub-underwriting applications were significantly oversubscribed. The funds raised will be utilised by Alchemy to continue exploration of its Magnus Copper-Gold Project and fast-track development of its Wilgeena and Hermes Gold Projects.

Option holders are eligible to exercise the ALYO options up to 5.00pm (AWST) on 31 August 2010 and are encouraged to use the personalised conversion notices recently posted by the Company’s share registry.

ENDS

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