

ASX Announcement

15 June 2010

High-grade results highlight potential of Wilgeena Gold Project

Development to provide cash to fund aggressive drilling at Magnus and Hermes

- Results over substantial widths and robust grades demonstrate Wilgeena's development potential
- Intersections recorded outside known zones of mineralisation. Results include:
 - 18m @ 5.25 g/t gold, including 1m @ 21.3 g/t gold and 1m @ 47g/t gold
 - 33m @ 2.78 g/t gold, including 2m @ 12.97 g/t gold
 - 22m @ 2.07 g/t gold, including 2m @ 7.52 g/t gold
 - 10m @ 4.80 g/t gold, including 3m @ 11.35 g/t gold
- Results will form part of maiden JORC resource estimate
- Development options centre on treating output at nearby Plutonic mine to maximise cashflow
- Extensional drilling to the west, south-east and north-east of the current resource identifies high priority target areas for further exploration drilling
- Next round of drilling scheduled for July 2010

Alchemy Resources Limited (ASX: **ALY**) ("Alchemy" or the "Company") is pleased to announce that its Wilgeena Gold Project is emerging as a probable source of near-term cashflow for the Company after generating a series of high-grade drilling results which will form part of a maiden JORC resource estimate.

Wilgeena is located 15km south-west of Alchemy's Hermes Gold Project in Western Australia (Figure 1) and was briefly mined by Esmeralda Exploration Ltd in 1988, producing 2,722oz of gold via a toll treatment agreement with the previous owners of the Horseshoe Lights processing plant 65km north of Wilgeena.

Alchemy anticipates that output from Wilgeena will be treated at the nearby Plutonic Gold Mine pursuant to the terms of either a toll treatment or ore purchase agreement between Alchemy and Barrick (Plutonic) Limited. Alchemy is continuing to work with Barrick under the terms of the existing memorandum of understanding on the terms of such an agreement.

This near-term cashflow will enable Alchemy to maximise the amount of cash available to fund its aggressive exploration programs at Hermes and at the Magnus Copper-Gold Project near Sandfire Resource's DeGrussa discovery and avoid diluting existing shareholders.

"Wilgeena is emerging as a valuable source of cashflow which will provide a substantial boost to Alchemy's aggressive exploration program," Mr Hannington said. "We have a raft of drilling programs planned for Magnus and Hermes and it is great to know that we will have cash inflow to help underpin these."

Results from the latest Reverse Circulation (RC) drilling program (Figure 2) revealed a number of significant intersections outside the current known zones of gold mineralisation, including:

- 18m @ 5.25 g/t gold, including 1m @ 21.3 g/t gold and 1m @ 47g/t gold;
- 33m @ 2.78 g/t gold, including 2m @ 12.97 g/t gold;
- 22m @ 2.07 g/t gold;
- 10m @ 4.80 g/t gold, including 3m @ 11.35 g/t gold;
- 9m @ 3.92g/t gold, including 2m @ 13.37g/t gold; and
- 16m @ 1.95 g/t gold.

Alchemy intends to immediately apply for a Mining Lease for the Wilgeena Gold Project and undertake an in-fill and extension RC drilling program in July 2010 to potentially outline additional resources.

As Alchemy has already obtained most of the approvals to commence a mining and haulage operation at Hermes, the Company does not anticipate any delays in getting Wilgeena into operation within the next 9 months.

– ENDS –

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ABOUT ALCHEMY RESOURCES

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

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, downhole EM and gold in soil anomalies associated with prospective areas identified by recently completed geological field mapping. An initial RC drill program was completed in May 2010 (refer to ASX announcement on 25 May 2010), and Alchemy will devote significant expenditure to additional drill programs over the next six months of 2010.

The Hermes Gold Project is the most advanced project 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 @ 2.4g/t gold (equivalent to 131,000 ounces of gold), which the Company believes can be quickly developed to fund future exploration expenditure.

The Wilgeena Gold Project, located 15 kilometres south-west 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 enable Alchemy to estimate a JORC code-compliant resource for this advanced project.

The Murchison project comprises over 600 km² of prospective greenstone, mostly located between the Big Bell Mine (3.9 Moz) and Paddy's Flat (2 Moz). Some of the Murchison project tenements are a Joint Venture with Jindalee Resources.

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.

Competent Persons Statement

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 a full-time 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 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'. 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.

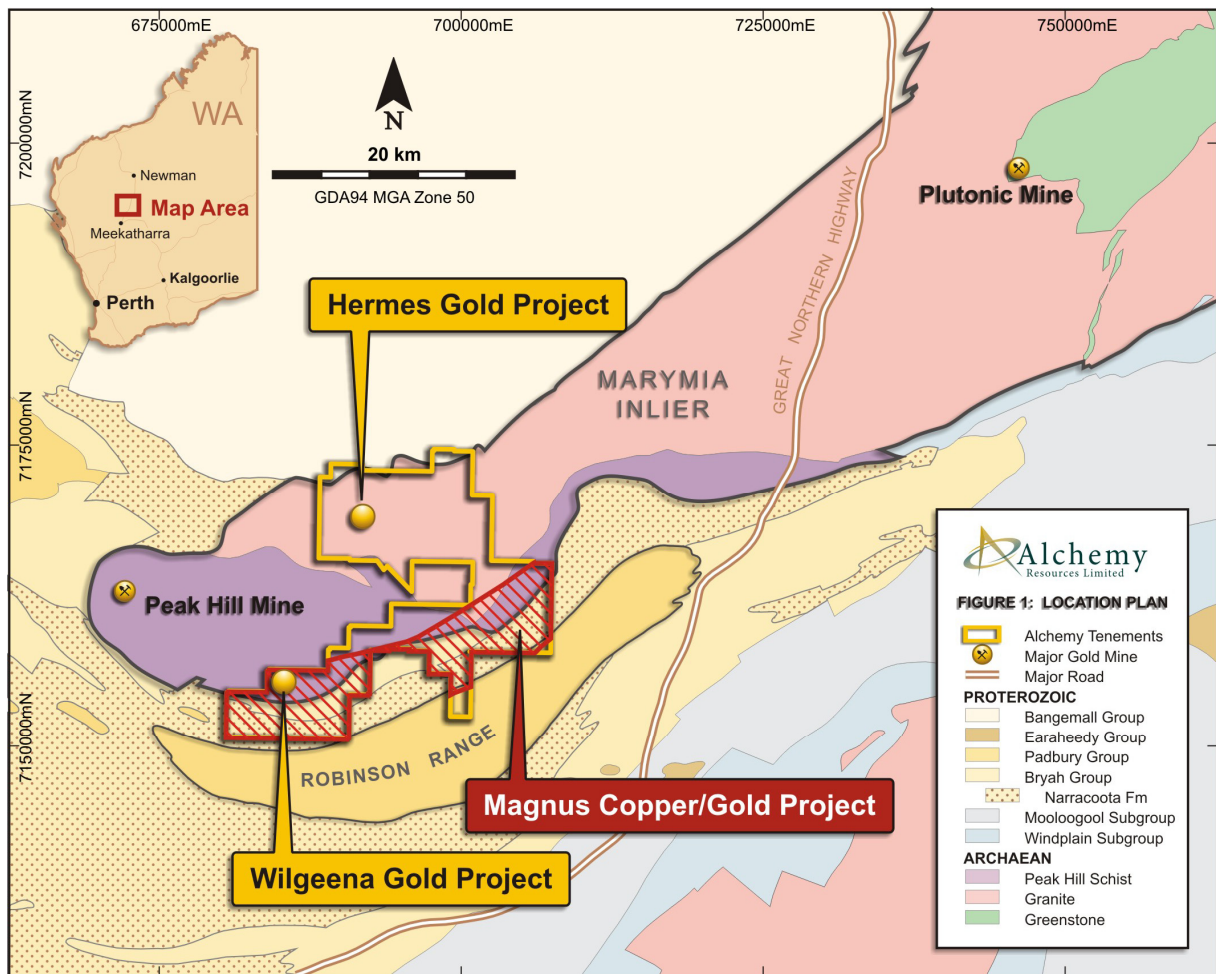


Figure 1. - Wilgeena Gold Project Location



Figure 2. – Wilgeena Gold Project – RC and diamond drilling completed in May 2010 over aerial photography

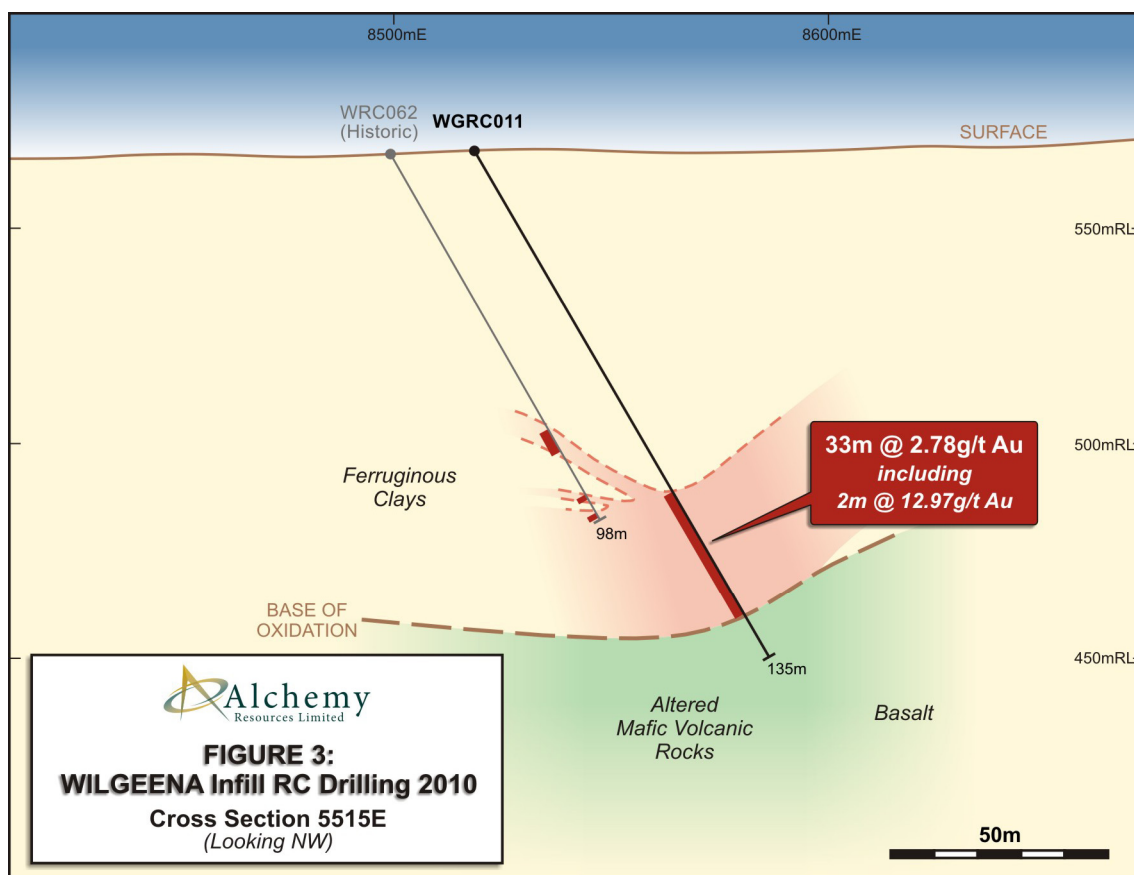


Figure 3. – Wilgeena Gold Project – Section 5515mN across interpreted 'fold nose' or thickened section of gold mineralised zone, RC drilling May 2010

Table 1: Wilgeena RC Drilling – Significant Results >0.25g/t gold, May 2010

Hole ID	Northing	Easting	From (m)	To (m)	Interval (m)	Au (ppm)	Comment
WGRC001			20	24	4	0.28	
			28	32	4	0.47	
WGRC003			41	48	7	1.46	
			58	64	6	3.13	
WGRC005			13	27	14	1.22	
WGRC006			34	35	1	0.34	
			37	38	1	0.48	
			45	51	6	0.32	
WGRC007			17	19	2	0.32	
			21	22	1	0.35	
			27	28	1	1.25	
			34	35	1	0.43	
WGRC008			17	21	4	0.34	
			24	27	3	2.94	
WGRC009			65	66	1	1.23	
			69	70	1	2.71	
			73	88	15	0.68	
			92	108	16	1.95	
WGRC010			52	55	3	0.87	
			62	63	1	2.41	
			77	95	18	1.37	
			102	103	1	2.91	
WGRC011			91	124	33	2.78	incl. 2m at 12.97g/t
WGRC012			55	62	7	2.54	
WGRC013			45	54	9	3.92	incl. 2m at 13.37g/t
WGRC014			36	47	11	1.87	
WGRC015			11	12	1	0.37	
			27	49	22	2.07	
WGRC016			5	23	18	5.25	incl. 1m at 21.3g/t and 1m at 47.0g/t
WGRC018			33	40	7	1.35	
			43	44	1	0.26	
WGRC019			95	105	10	4.80	incl. 1m at 20.2g/t
WGRC020			88	89	1	0.72	
			105	107	2	0.48	
WGRC021			41	44	3	3.75	
			50	52	2	1.64	
			77	86	9	0.63	

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 024° MGA azimuth.

The latest Wilgeena drilling program, comprising 21 Reverse Circulation (RC) holes for a total of 1,410 metres, targeted potential areas of gold mineralisation outside the current known zones of mineralisation.