

29 January 2009

The Manager
Company Announcements Office
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

ALCHEMY COMMENCES DRILLING IN MURCHISON

HIGHLIGHTS

- **Alchemy commences extensive 10,000 metre aircore drilling program to assess gold targets on its Big Bell North, Wydgee and Gidgee project areas**
- **Targeting +1Moz shear or vein hosted gold deposits in the Murchison District**

Alchemy Resources Limited (ASX Code: ALY) ("Alchemy") has commenced an aircore drilling program to test 20 gold targets over its Big Bell North, Wydgee and Gidgee project areas in the Murchison District of Western Australia. Alchemy is focussed on evaluating these targets through drill testing and will release the assay results as they become available.

The drill targets were identified by integrating geological and geophysical survey information including alteration mapping derived from the use of a portable spectrometer used to analyse end of hole samples from historic drilling over the project areas. This information was depicted in 3D and compared with the geological and geophysical signatures of known gold deposits to highlight targets with features similar to known gold deposits.

Alchemy Managing Director, Michael Hannington said, "This drilling campaign is the result of 12 months of rigorous evaluation of all available information which we have used to both target gold mineralisation and develop our regional 3D model and we are confident that the drilling results will support our cost effective and technological driven approach to exploration."

ENDS

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