

Report for Quarter Ended 31 March 2009

Alchemy prepares to drill extensions to the gold resource at the Three Rivers Gold Project and completes initial reconnaissance aircore drilling on Murchison Projects

Highlights

- Department of Mines and Petroleum approval granted for a program of 46 RC drill holes to define extensions to the known gold mineralisation at the Hawkeye and Trapper gold deposits at the Three Rivers Gold Project. Drilling expected to commence in May 2009
- Alchemy completed first pass drilling over three of its Murchison projects and prepares to follow up with a second phase of drilling on 6 of the 17 targets evaluated in the first pass drilling
- Alchemy continues to control costs with \$1.86 million cash at hand at 31 March 2009 to fund reserve definition drilling at the Three Rivers Gold Project.

Details

Three Rivers Gold Project (Alchemy 100%) - targeting high grade extensions

Alchemy Resources Limited ("Alchemy") received Department of Mines and Petroleum approval on 17 March 2009 for a comprehensive program of RC drilling to test extensions to the known gold mineralisation at the Hawkeye and Trapper deposits at the Three Rivers Gold Project. Alchemy is reviewing options to fast-track evaluation and potential development of these deposits. Alchemy expects to complete the RC drilling in the June 2009 quarter.

Iron Ore potential in the Robinson Range

In the September 2008 quarter, Alchemy identified portions of the Three Rivers Gold Project tenements that extend south into the Robinson Range and undertook a rock chip sampling program which returned anomalously high iron grades averaging over 61% Fe. Alchemy has planned a further field mapping and surface rock chip sampling campaign of the iron formations to be undertaken in April 2009. The results from this campaign will provide greater confidence in the extent of the iron formation.

Assessment of Murchison tenements (Alchemy 80%, Jindalee 20%)

Alchemy completed an extensive aircore drilling program to evaluate 17 gold targets over the Big Bell North, Wydgee and Gidgee project areas as reported in Alchemy's announcement on 9 April 2009.

Alchemy is preparing drilling programs over Ninden Hill, Jeffery Well and Polelle and will submit drilling proposals to the Department of Mines and Petroleum. Alchemy also intends to apply for co-funding of exploration drilling costs under the Royalties for Regions funded Exploration Incentive Scheme. If successful in its applications, Alchemy expects its cost of exploration over its Murchison Projects to be significantly reduced.

Iron Ore potential in the Weld Range

During the March 2009 quarter, Alchemy identified the potential for iron mineralisation on one of its Murchison tenements, E20\610 which lies on the southern flank of the Weld Range. Alchemy will undertake a field mapping and rock chip sampling program to sample potential iron formations during April 2009.

Tight control on costs

Alchemy continues to maintain a tight control on costs as identified in the December 2009 quarterly report. Alchemy is focussing expenditure on field based activities as highlighted by its drilling campaign in the Murchison and upcoming drilling campaign at Three Rivers and also its mapping and sampling of iron formations over its Robinson Range and Weld Range tenements. Alchemy's commitment to field based exploration is matched by its commitment to minimise corporate overheads.

Corporate activity

Alchemy continues to evaluate potential opportunities in the Murchison District and has promoted a number of collaborative exploration proposals with other explorers in the Murchison District. Alchemy will continue to evaluate opportunities as it builds its exploration presence in the District.

During this quarter Alchemy spent approximately \$360,000 on drilling and evaluation of its tenements.

At 31 March 2009, Alchemy had approximately \$1.86 million in cash.

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The information in this report that relates to Exploration Results is based on information compiled by Mr Michael Cowin, who is a Member of the Australasian Institute of Geoscientists and is an employee of Cowin Holdings Pty Ltd which consults to Alchemy Resources Limited. Mr Cowin 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'. Mr Cowin consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.