

9 September 2009

KEY EXECUTIVE APPOINTMENT FOR DEVELOPMENT OF HERMES GOLD PROJECT

HIGHLIGHTS

- **High calibre geologist appointed as Hermes Gold Project Development Manager**
- **Hermes Gold Project resource re-optimisation highlights enhanced cashflow**
- **Permitting and approvals advancing to timetable**
- **Accelerated drilling program to commence in October 2009**

Appointment

Alchemy Resources Limited (ASX Code: ALY) (“Alchemy”) is pleased to announce the appointment of Mr Lyndon Hopkins to the position of Project Development Manager. Mr Hopkins is the former Chief Geologist of Equigold NL’s Mt Rawdon and African Operations and has a wealth of experience in successfully developing and operating gold mines with Equigold.

Mr Hopkins will manage the development of Alchemy’s 100% owned Hermes Gold Project as the Company progresses towards establishing a mining operation.

Alchemy Managing Director, Michael Hannington said, “Alchemy is pleased to have gained the services of such an experienced gold industry professional and it demonstrates our commitment to employing the right people to develop the Hermes Gold Project to its full potential.”

Alchemy has also completed a pit re-optimisation at the Hermes Gold Project of its current JORC code compliant indicated gold resource (**1.7Mt @ 2.4g/t** gold for **131,000oz** contained gold) previously estimated by Snowden in 1998 using a A\$550 per ounce gold price (Fig. 1).

Re-Optimisation

Using a gold price of A\$1,100 per ounce, the pit re-optimisation has highlighted that the Project has robust cashflow based on an excavate, load and haul operation to transport gold ore to Barrick’s Plutonic gold mine approximately 60km northeast of the Hermes Gold Project (Fig. 2).

Furthermore, the re-optimisation highlighted the lack of historical drilling outside the pit shells defined by Snowden in 1998 (Fig. 1). These pit shells were modelled to depths of 45m, 65m and 70m. Alchemy will commence resource drilling in October 2009 to assess the extent of gold mineralisation outside and surrounding the known gold resource.

Alchemy’s reverse circulation (RC) drilling program at the Hermes Gold Project in May 2009 reported intersections close to but outside the current gold resource including **5m @ 34.0g/t gold** from 34m and **9m @ 5.1g/t gold** from 108m in TRC236 and **8m @ 10.3g/t gold** from 152m

in TRC247. A follow up air core drilling program discovered shallow gold mineralisation along strike and on both sides of the existing resource and included results of **5m @ 6.4g/t gold** from 3m and **15m @ 3.2g/t gold** from 34m.

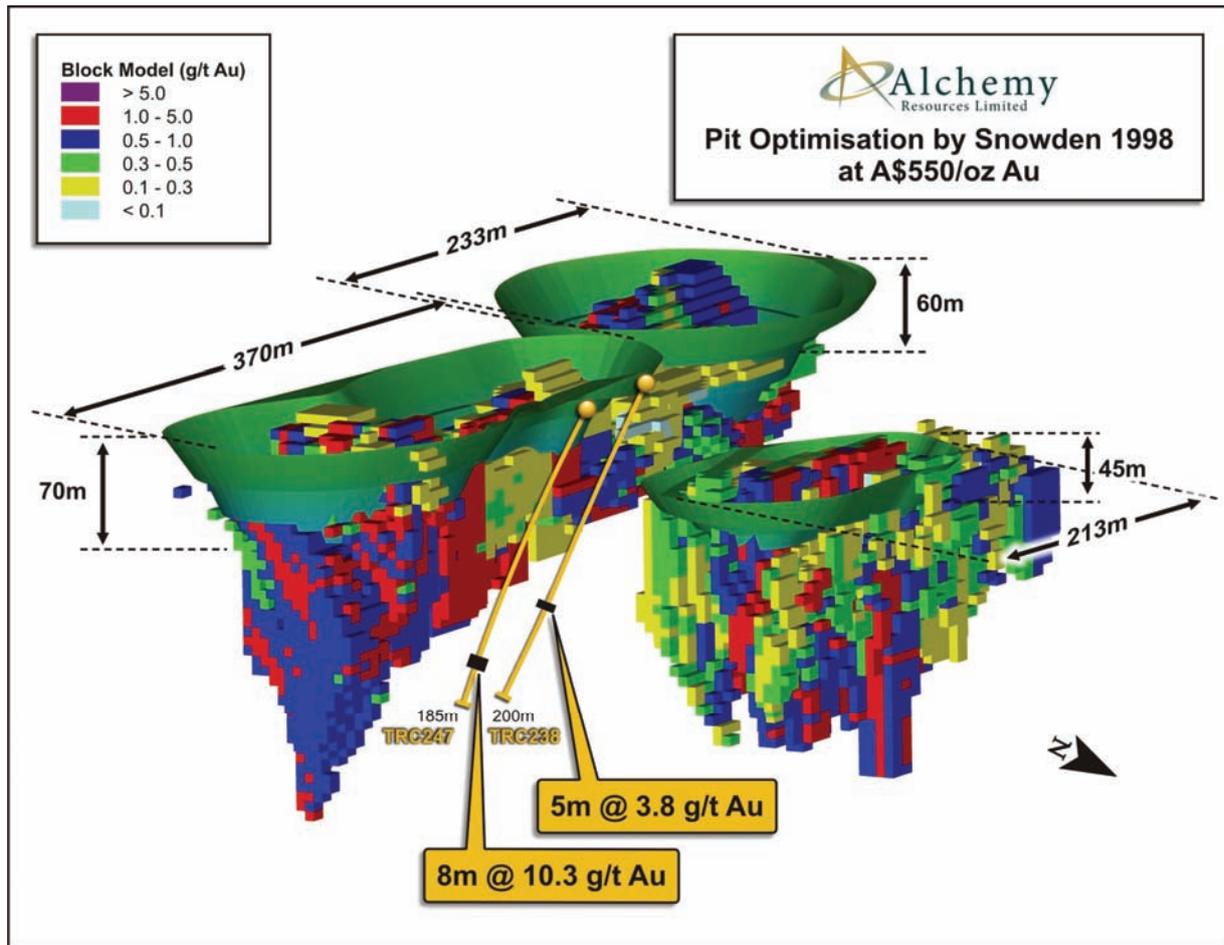


Figure 1. Hermes Gold Project - 1998 Pit Optimisation

Alchemy is well advanced in undertaking the necessary environmental and mining studies required for development approval and is actively involving local stakeholders.

Alchemy Managing Director, Michael Hannington said, "Alchemy is now focussed on an aggressive drilling program planned to commence in October 2009 to further enhance the existing gold resource."

ENDS

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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.

Figure 2. Three Rivers Project Location Map

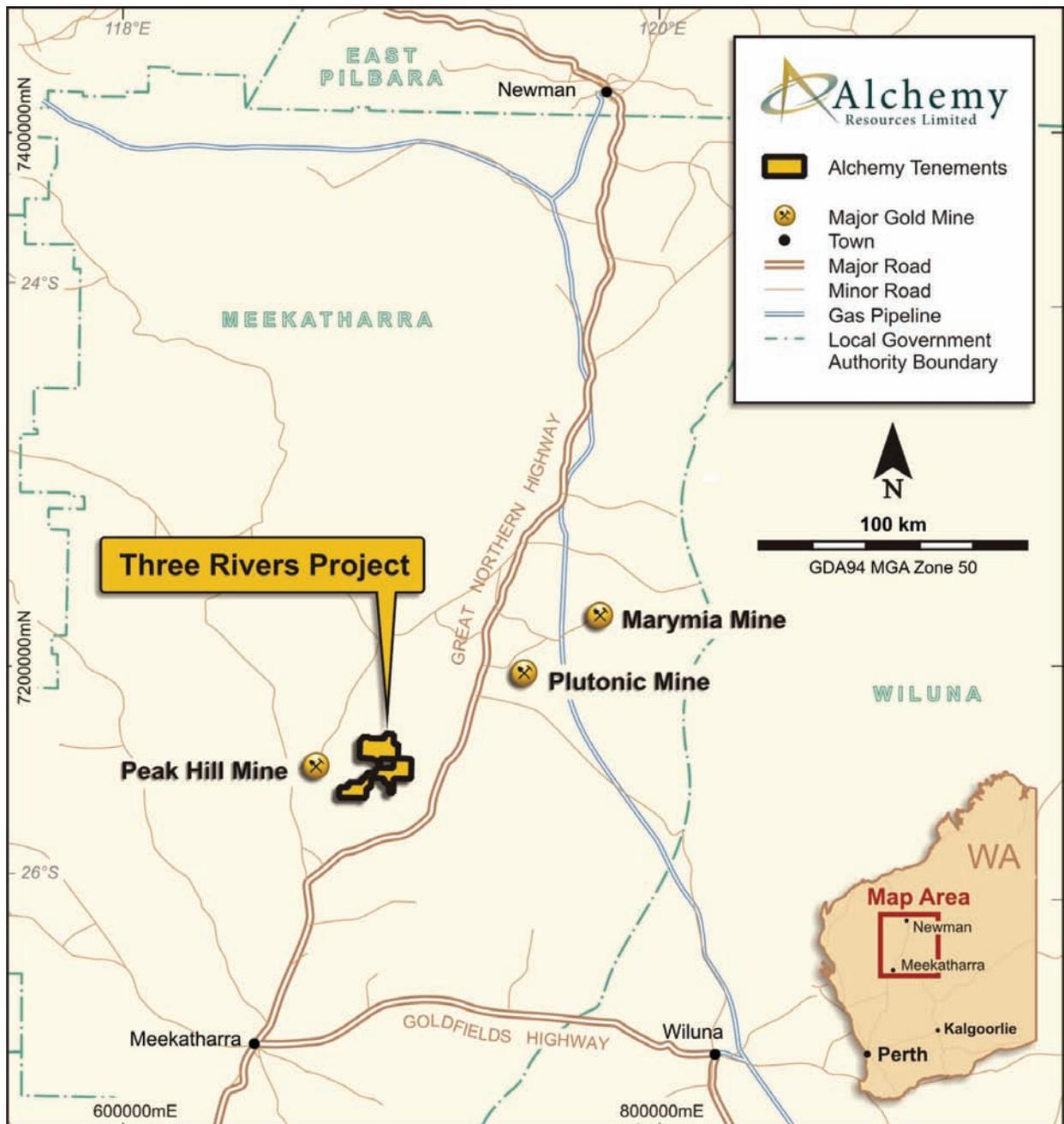


Figure 3. Hermes Gold Project Location Map

