



25 September 2009

By facsimile: (08) 9221 2020

Ms Kerrie Paparnihail
Assistant Manager, Issuers (Perth)
ASX Markets Supervision Pty Ltd
2 The Esplanade
PERTH WA 6000

Dear Kerrie

PRICE AND VOLUME QUERY

I refer to your letter dated 25 September 2009, regarding the change in price of Alchemy Resources Limited (ASX Code: ALY) ("the Company" or "Alchemy") from a low of 51.5 cents on 24 September 2009 to an intra day high of 73.5 cents today and the increase in the volume of trading in the Company's securities over this period. I have addressed each of your questions below:

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

As announced on 18 September 2009, Alchemy recently completed a thorough campaign of field mapping and relogging of diamond core at its Hermes Gold Project and first pass field mapping over the southern and eastern portion of its Three Rivers tenements to gain a better understanding of the extent of the Narracoota Formation on its tenure.

During the past week first pass field mapping has been completed by Alchemy's geologists, however, the Company is still waiting for this information to be digitised to enable interpretation and correlation with other geologic data. Also assay results for rock chip samples obtained during the field program have not yet been provided by the Company's assay laboratory. The rock chip sampling was conducted with the purpose of further understanding the geology within Alchemy's Three Rivers tenements. Once all this information has been obtained and interpreted, Alchemy will release this information to the market.

Additionally, Sandfire Resources NL have released to the market news this week of positive results from recent drilling on tenements it holds directly east of, and adjacent to Alchemy's Three Rivers tenements. As previously reported, Sandfire has identified that the Narracoota volcanics is the prospective stratigraphy which hosts its DeGrussa and Conductor 1 copper-gold deposits and historical mapping by the GSWA indicates that the Narracoota Formation continues into Alchemy's tenements.

Other than as stated above, the Company is not aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Not applicable.

3. Is there any other explanation that the Company may have for the price and volume change in the securities of the Company?

No, the Company is not aware of any other explanation for the price change and increase in volume in the securities of the Company.

4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Yes, the Company confirms that it is in compliance with the listing rules and, in particular listing rule 3.1.

Should you have any further queries please contact me by telephone on (08) 9481 4404 or by email at john@alchemyresources.com.au.

Yours faithfully
ALCHEMY RESOURCES LIMITED



John Arbuckle
Director/Company Secretary



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By facsimile: 9481 4404

25 September 2009

Mr John Arbuckle
 Company Secretary
 Alchemy Resources Limited
 18 Emerald Street
 WEST PERTH WA 6005

Dear John

Alchemy Resources Limited (the "Company")

PRICE AND VOLUME QUERY

We have noted a change in the price of the Company's securities from a low of 51.5 cents on 24 September 2009 to an intra day high of 73.5 cents today.

In light of the price change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change in the securities of the Company?
4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by facsimile to facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, **not later than 11:30 am (W.S.T) today.**

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,


Kerrie Papamihail
Assistant Manager, Issuers (Perth)