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Alchemy set for aggressive exploration program on Sandfire border

Final results from VTEM survey confirm existence of at least 13 copper-gold targets

Alchemy Resources Ltd (“Alchemy” or the “Company”) (ASX: ALY) is pleased to announce that it is about to embark on an aggressive exploration drilling campaign which will see it test at least 13 copper-gold targets adjacent to Sandfire Resources NL’s Doolgunna discovery in the Gascoyne region of Western Australia.

Alchemy’s Managing Director Michael Hannington said the Company has received the final results from its VTEM survey in recent days and has commenced the interpretation and assessment of the data. The final interpreted results will be released to the market within the next few weeks.

Drilling at Alchemy’s Magnus Project is scheduled to start in early March 2010 and will initially test 13 bedrock conductors identified by its extensive VTEM survey.

Three of these conductors span the border between Alchemy’s tenements and those containing Sandfire’s high-grade Doolgunna copper-gold orebody. A separate VTEM survey carried out by Sandfire also identified these three conductors.

Mr Hannington, who is a qualified geophysicist with 20 years experience, said the 13 EM targets resulting from the survey were strong and persistent bedrock conductors, sparking the Company’s decision to accelerate the exploration program and its commitment to drill testing every one of them.

Alchemy’s tenements at Magnus cover 178km², extending from the Sandfire border on the western side. They are also located on the same Narracoota Formation which hosts Doolgunna.

“The latest results from the VTEM survey give us every reason to be optimistic about the prospectivity for copper-gold mineralisation at Magnus,” Mr Hannington said.

“These strong EM anomalies, combined with the fact that our tenements boast the same key geological characteristics as Sandfire’s ground, have prompted us to accelerate an extensive drilling program to explore the full potential of Magnus.”

Alchemy expects the drilling program to generate a steady flow of news over coming months, with the first assay results due in early April 2010.

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About Alchemy Resources Limited

Alchemy is focused on two emerging resource projects within its Three Rivers tenements in the Gascoyne Goldfield region of Western Australia: the **Hermes Gold Project** and the **Magnus Copper-Gold Project**. Aggressive exploration and evaluation programs are underway at both projects in 2010.

At **Hermes**, Alchemy has discovered three new gold zones with the potential to expand its current JORC compliant indicated resource of 1.7Mt @ 2.4g/t Au (131,000 ounces of gold). In parallel with follow-up drilling to test these zones, the Company is evaluating strategic development options for this asset including both toll-treatment and standalone development.

At **Magnus**, Alchemy is pursuing exploration targeting the potential for copper-gold orebodies similar to Sandfire Resources NL's DeGrussa, Conductor 1 and Conductor 4 orebodies. Alchemy's tenements adjoin Sandfire's and cover approximately 178km² of the highly prospective Narracoota Formation that hosts the DeGrussa and Conductor 1 & 4 orebodies. Alchemy has delineated a pipeline of exploration targets within its tenements and is adopting a systematic and focused approach to exploration.

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 Australasian Institute of Geoscientists, and is an 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 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'. 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.

The information in this report that relates to Mineral Resources is based on information compiled by Mr Shaun Hackett, who is a Member of the Australasian Institute of Mining and Metallurgy and a full-time employee of Snowden Mining Industry Consultants Pty Ltd. Mr Hackett 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'. Mr Hackett consents to the inclusion in this report of the matters based on his information in the form and context that the information appears.