



21 July 2010

By facsimile: (08) 9221 2020

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

Dear Jenny

#### PRICE QUERY

I refer to your letter dated 21 July 2010, regarding the change in price of Alchemy Resources Limited (ASX Code: ALY) ("the Company" or "Alchemy") from a closing price of 37.5 cents on 14 July 2010 to an intra day high of 52.5 cents today. 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?**

No, although Alchemy notes that the increase in its share price followed Sandfire Resources NL's ("Sandfire") ASX announcement of 19 July 2010 in which Sandfire unveiled a 43 per cent increase in its DeGrussa copper resource to 533,000 tonnes.

Alchemy has previously advised the market that its Magnus Copper-Gold Project sits adjacent to Sandfire's DeGrussa copper-gold discovery in Western Australia.

Alchemy has also stated previously that it has strong evidence to suggest that the geology at its Magnus Copper-Gold Project is similar to that at DeGrussa. Alchemy is currently drilling a series of conductor targets at Magnus in search of repeats of DeGrussa.

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](mailto:john@alchemyresources.com.au).

Yours faithfully

**ALCHEMY RESOURCES LIMITED**



**John Arbuckle**  
**Director/Company Secretary**



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21 July 2010

**By Facsimile To: 9481 4404**  
 Mr Michael Hannington  
 Managing Director  
 Alchemy Resources Limited  
 18 Emerald Street  
 WEST PERTH WA 6005

Dear Michael

**Alchemy Resources Limited (the "Company")**

**PRICE QUERY**

We have noted a change in the price of the Company's securities from a closing price of 37.5 cents on 14 July 2010 to an intra day high of 52.5 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 email to [Jenny.cutri @asx.com.au](mailto:Jenny.cutri@asx.com.au) or by facsimile number on (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 11.00 am (W.S.T) on Wednesday, 21 July 2010.**

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



**Jenny Cutri**

**Assistant Manager, Issuers (Perth)**

Direct Line: (08) 9224 0003