Alchemy
Resources Limited
ABN 17 124 444 122

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The Manager
Company Announcements Office
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

ASSAY RESULTS OF HIGH GRADE HEMATITE IRON FORMATION AT ROBINSON RANGE

Highlights

- **Potential for up to 20Mt of high grade hematite ore**
- **Samples at Valley Bore target averaged 61.7% Fe (using >55% Fe cutoff)**
- **Samples at Old Highway target averaged 61.5% Fe (using >55% Fe cutoff)**
- **43% of all samples returned iron grades above 60% Fe**

Alchemy Resources Limited (ASX Code: ALY) ("Alchemy") is pleased to report a full analysis of the assay results from the Valley Bore and Old Highway targets at Alchemy's tenements in the Robinson Range in WA's Gascoyne District. The results confirm the presence of high grade hematite iron ore grading up to 67.9% Fe.

Managing Director Michael Hannington said, "Based on preliminary rock chip sampling these two targets have the potential to host up to 20 million tonnes of high grade hematite iron ore. This prospect has attracted significant interest from third parties, however, we intend to evaluate all options before entering into any formal discussions."

Two hematite iron targets, Valley Bore (E52/1364) and Old Highway (E52/1582) (refer Figure 1) were identified by reviewing Landsat satellite images over the Robinson Range formation. Rock chip sampling was then completed over the targets on 500 metre spaced lines.

A total of 53 rock chip samples were collected: 38 from the Valley Bore target and 15 from the Old Highway target. Rock chip samples above 55% Fe returned an average assay of 61.7% Fe from the Valley Bore target (with a maximum returned value of 66.3% Fe); and an average assay of 61.5% Fe from the Old Highway target (with a maximum returned value of 67.9% Fe). Low levels of contaminant minerals (averaging 4.2% SiO_2 and 1.4% Al_2O_3) were recorded over both targets for rock chip samples above 55% Fe. Assay results for all samples are shown in Tables 1 and 2.

1186 Hay Street West Perth WA 6005 | GPO Box 2815 Perth WA 6001 | T: +61 8 9481 4400 F: +61 8 9481 4404 | E: admin@alchemyresources.com.au W: www.alchemyresources.com.au

At the Valley Bore target the mineralisation is hosted in two parallel ridges. The massive hematite on the southern ridge is over 2 kilometres long, 100 metres wide and exposed 20 metres in height. The hematite on the northern ridge is 1.7 kilometres long, 100 metres wide and exposed 10 metres in height.

At the Old Highway target the hematite is 1.3 kilometres long, 100 metres wide and exposed over 10 metres in height.

Mr Hannington said, "We see significant upside in the exploration potential for iron ore and gold at Three Rivers. The discovery of massive hematite iron ore at our Three Rivers Gold Project is a great result, however, we remain committed to gold exploration and the discovery of large gold deposits."

ENDS

For further information contact:
Michael Hannington
Managing Director
Ph: (08) 9481 4400

Tony Dawe
Dawe Media Group
Ph: 0413 322 110

The information in this report that relates to Exploration Results is based on information compiled by Mr Jonathan King, who is a Member of the Australasian Institute of Geoscientists and a full-time employee of Alchemy Resources Limited. Mr King has sufficient experience which is relevant to the style of mineralisation and 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 King consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Alchemy Resources Limited has not yet reported resources from this project. While the company remains optimistic it will report resources in the future, any discussion in relation to targets, resources, reserves or 'ore' is only conceptual in nature, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Table 1: Assay results for Valley Bore target.

Sample No	East MGA50	North MGA50	Fe %	SiO_2 %	Al_2O_3 %	P %	S %	LOI 1000
87359	699150	7153386	66.29	1.407	1.225	0.027	0.050	2.39
87323	700503	7154098	66.03	2.043	0.731	0.035	0.059	1.71
87324	700504	7154126	65.76	1.576	1.701	0.136	0.169	2.92
87361	699228	7153452	64.43	2.738	2.084	0.021	0.060	2.66
87344	699510	7154130	64.04	2.236	0.537	0.190	0.018	5.60
87332	700352	7154179	63.82	2.502	1.092	0.063	0.101	4.67
87338	700012	7154350	63.03	2.165	1.033	0.246	0.014	6.52
87325	700608	7154111	62.86	4.104	0.899	0.037	0.110	5.49
87360	699175	7153382	62.51	3.998	3.929	0.014	0.028	3.44
87328	700528	7154691	62.19	2.779	0.730	0.182	0.040	8.28
87350	699460	7154110	62.02	6.261	0.723	0.116	0.027	4.69
87346	699410	7154220	61.96	1.607	1.369	0.265	0.043	7.65
87339	699996	7154480	61.84	1.976	0.927	0.309	0.035	8.71
87331	700328	7154480	60.48	6.370	0.584	0.299	0.012	7.21
87330	700368	7154575	60.00	4.182	0.747	0.252	0.037	10.03
87352	699630	7153540	59.86	7.137	3.732	0.015	0.101	3.31
87351	699550	7153530	59.45	6.530	4.188	0.026	0.101	4.21
87343	699520	7154196	58.90	5.104	2.183	0.186	0.035	8.80
87326	700571	7154608	58.56	3.703	1.334	0.484	0.062	10.72
87349	699450	7154170	57.77	6.555	0.937	0.108	0.040	10.2
87341	699500	7154305	57.49	7.959	0.633	0.361	0.023	8.44
87327	700567	7154648	57.12	6.816	0.881	0.447	0.052	10.01
87329	700550	7154754	*53.58	15.075	1.434	0.301	0.031	7.18
87345	699400	7154150	*53.21	15.064	1.016	0.124	0.043	8.07
87322	700508	7154063	*52.89	19.283	0.354	0.020	0.076	4.82
87355	699465	7153615	#51.52	7.444	6.461	0.028	0.065	13.44
87337	700016	7153980	*50.68	19.876	3.115	0.028	0.036	4.15
87347	699430	7154255	*49.15	23.210	0.600	0.251	0.006	5.55
87348	699470	7154240	*46.96	26.273	0.634	0.252	0.015	5.50
87342	699510	7154250	*43.57	31.500	0.506	0.301	0.021	4.75
87333	700368	7154139	*40.29	39.312	0.440	0.033	0.031	1.27
87340	699715	7154450	**39.39	36.876	0.522	0.241	0.013	5.57
87334	700252	7154073	**37.68	43.001	1.551	0.014	0.005	0.89
87354	699470	7153460	**32.02	52.028	0.544	0.024	0.007	0.62
87336	700020	7153930	**28.96	54.107	1.907	0.025	0.001	1.18
87335	700254	7154026	**26.26	59.304	0.354	0.017	0.015	1.50
87353	699460	7153440	**18.16	70.656	0.864	0.015	0.006	1.03
87362	699189	7153583	**13.42	76.319	0.972	0.007	0.028	1.80

Non iron sampling conducted to delineate boundaries of mineralisation:
* Ferruginous saprolite sample
** Bedrock sample
# Ferricrete sample

Table 2: Assay results for Old Highway target.

Sample No	East MGA50	North MGA50	Fe %	SiO2 %	Al2O3 %	P %	S %	LOI 1000
87304	707269	7158199	67.88	1.285	0.613	0.122	0.051	1.47
87320	706655	7157887	65.51	2.933	1.128	0.071	0.054	2.69
87301	707006	7158006	63.89	4.212	1.318	0.096	0.059	2.41
87317	706737	7158257	63.88	2.424	0.564	0.331	0.007	5.45
87302	707040	7158071	63.71	2.925	2.006	0.15	0.073	4.05
87303	707092	7158139	62.22	5.535	1.487	0.085	0.106	4.16
87316	706512	7158112	61.41	3.262	1.976	0.038	0.038	7.08
87305	707193	7158455	60.70	2.684	0.716	0.605	0.009	9.84
87321	706621	7157833	59.39	6.151	1.858	0.331	0.063	6.77
87307	706954	7158171	59.32	4.443	1.310	0.186	0.087	8.66
87306	707164	7158541	58.15	5.951	1.133	0.311	0.052	9.61
87315	706512	7157957	57.84	5.936	0.987	0.568	0.004	9.62
87318	706641	7157959	55.79	8.803	1.727	0.551	0.036	8.64
87319	706635	7157923	*52.98	14.506	3.637	0.097	0.133	6.35
87314	706444	7157890	*45.68	25.701	1.269	0.519	0.013	7.45

Non iron sampling conducted to delineate boundaries of mineralisation:
* Ferruginous saprolite sample

Figure 1: Alchemy's Tenements Covering the Three Rivers Gold Project.
Valley Bore and Old Highway targets indicated by arrows

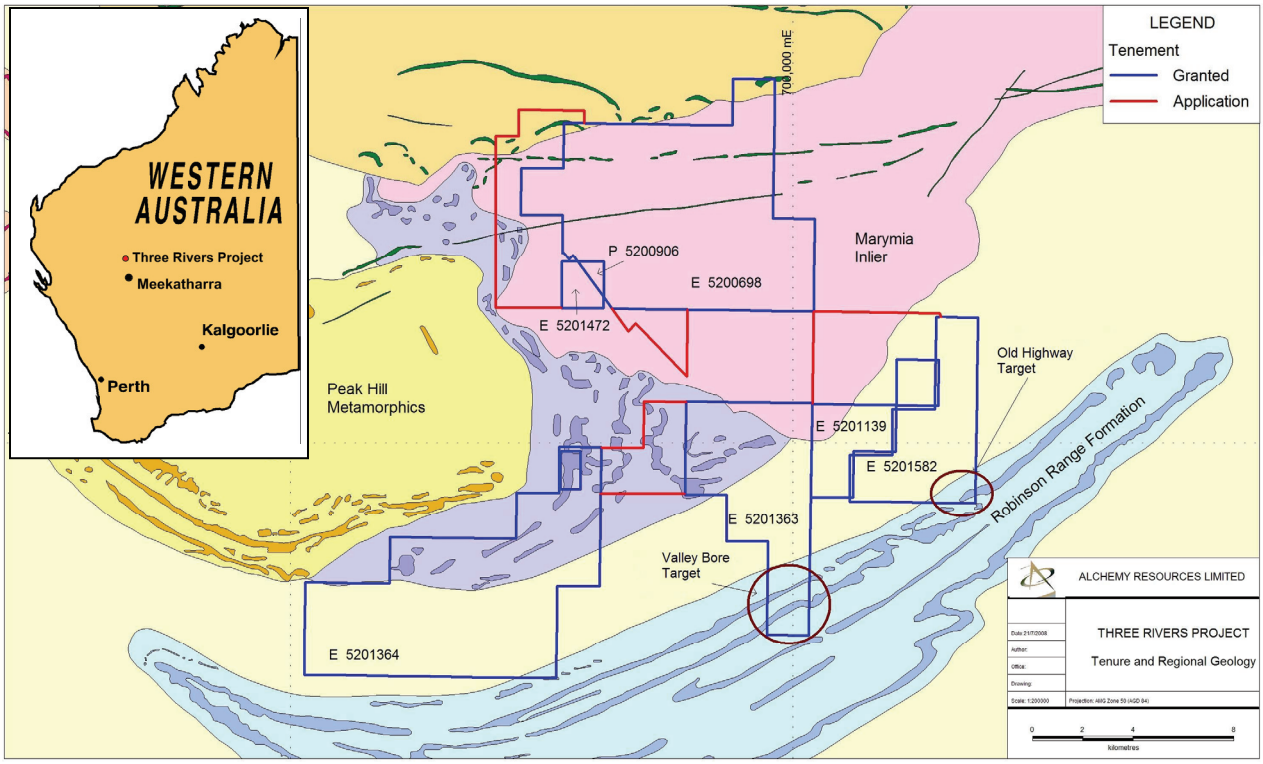

Figure 2: Alchemy's Exploration Manager conducting rock chip sampling on massive hematite ore on the Southern ridge of the Valley Bore target