

ASX Announcement

10 June 2010

Extensive gold anomaly outlined at Big Bell North

Drilling to start immediately to test zone measuring 2.5km x 1km

- Reconnaissance Aircore drilling program outlines gold anomaly measuring 2.5km x 1km at Big Bell North project in WA's Murchison region
- Results include (4m composite sample assays):
 - 52m @ 0.22g/t gold
 - 12m @ 0.31g/t gold
 - 8m @ 0.56g/t gold and 8m @ 0.58g/t gold
- Initial RC drill testing of the gold anomaly to start immediately
- Drilling also set to start on five other priority gold targets in Murchison region

Alchemy Resources Limited (ASX: **ALY**) ("Alchemy" or the "Company") is pleased to announce that it has outlined a highly prospective gold anomaly measuring 2.5km by 1km at its Big Bell North project in the Murchison region of Western Australia.

Reconnaissance aircore (AC) drilling at the Big Bell North project, located 75km south-west of Meekatharra and only 15km north of the Big Bell mine which produced 3 million ounces of gold, has returned a host of promising intersections.

Best gold anomalous intervals for 4-metre composite assays (refer to Table 1 for assay results >0.1g/t gold) include:

- 52m @ 0.22g/t gold
- 8m @ 0.38g/t gold
- 12m @ 0.31g/t gold
- 8m @ 0.29g/t gold
- 8m @ 0.56g/t gold and 8m @ 0.58g/t gold

Due to these excellent results and to gain a better understanding of the gold mineralisation, Alchemy has determined to test the 1-metre samples that make up the 4-metre composite assays. The assay results of the 1-metre samples are pending.

This extensive anomaly is highly encouraging and will be tested by a reverse circulation (RC) drilling program starting immediately. Results are expected in the next 3 weeks.

The broad zone of gold anomalism and better intercepts are encouragingly backed up by end-of-hole anomalism in Arsenic, Antimony, Bismuth and Tungsten which are indicators that assist in targeting gold mineralisation.

Alchemy Managing Director, Michael Hannington, said, "The results at Big Bell North support the exploration model developed by Alchemy for the Murchison district and provide a strong base to continue drill testing of priority targets already identified."

The AC drilling program comprised 67 holes for 3,710 metres. The drilling was on 400 metre-spaced lines, with 200 metres between holes

The initial RC drilling program, commencing immediately, will determine the dip and plunge of the mineralised zones and will be 50 percent funded by a grant made to Alchemy in 2009 through the Western Australian Government's Exploration Incentive Scheme.

A second phase of AC drilling to in-fill the gold anomalous zone is planned for the September 2010 quarter.

The Big Bell North project is one of six project areas held by Alchemy within the northern Murchison district (Figure 1) which has historically produced more than 14Moz of gold.

The targets at Big Bell North were generated by a three-dimensional geological model of the Murchison project region that was developed by Alchemy.

Ranking of these targets has led to AC and RC drilling programs being planned on five project areas – Big Bell North, Gidgee, Wydgee, Pollele and Jeffery Well. Drill testing of priority targets in these areas will be undertaken throughout 2010, with an initial RC program at Gidgee and an AC program at Wydgee to be completed in June 2010.

– ENDS –

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ABOUT ALCHEMY RESOURCES

Alchemy is actively exploring four key areas; the Magnus Copper-Gold Project, the Hermes and Wilgeena Gold Projects, and the Murchison Projects (comprising six separate areas in the Murchison District).

The Magnus Copper/Gold Project is at the beginning of a rapid evaluation that will see drill testing of conductors identified by the VTEM survey, downhole EM and gold in soil anomalies associated with prospective areas identified by recently completed geological field mapping. An initial RC drill program was completed in May 2010 (refer to ASX announcement on 25 May 2010), and Alchemy will devote significant expenditure to additional drill programs over the next six months of 2010.

The Hermes Gold Project is the most advanced with a JORC code-compliant resource and an active drilling campaign. The Hermes Gold Project was originally acquired from Troy Resources NL in June 2008. Alchemy was attracted to the project by the existing JORC code-compliant Indicated gold resource of 1.7Mt @ 2.4g/t gold (equivalent to 131,000 ounces of gold), which the Company believes can be quickly developed to fund future exploration expenditure.

The Wilgeena Gold Project, located 20 kilometres south of Hermes, was identified as a key exploration target in 2009. Alchemy commenced a RC and diamond drill program in March 2010 with the aim to confirm and extend existing zones of gold mineralisation, previously explored by Plutonic Operations Ltd in 1997, which will enable Alchemy to estimate a JORC code-compliant resource for this advanced project.

The Murchison project comprises over 600 km² of prospective greenstone, mostly located between the Big Bell Mine (3.9 Moz) and Paddy's Flat (2 Moz). Some of the Murchison project tenements are a Joint Venture with Jindalee Resources.

Following a successful capital raising in March 2010, Alchemy is now fully funded for a concerted exploration effort at its Projects in the Gascoyne and Murchison Districts.

Competent Persons Statement

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 Australian Institute of Geoscientists and is a full-time 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 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'. 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.

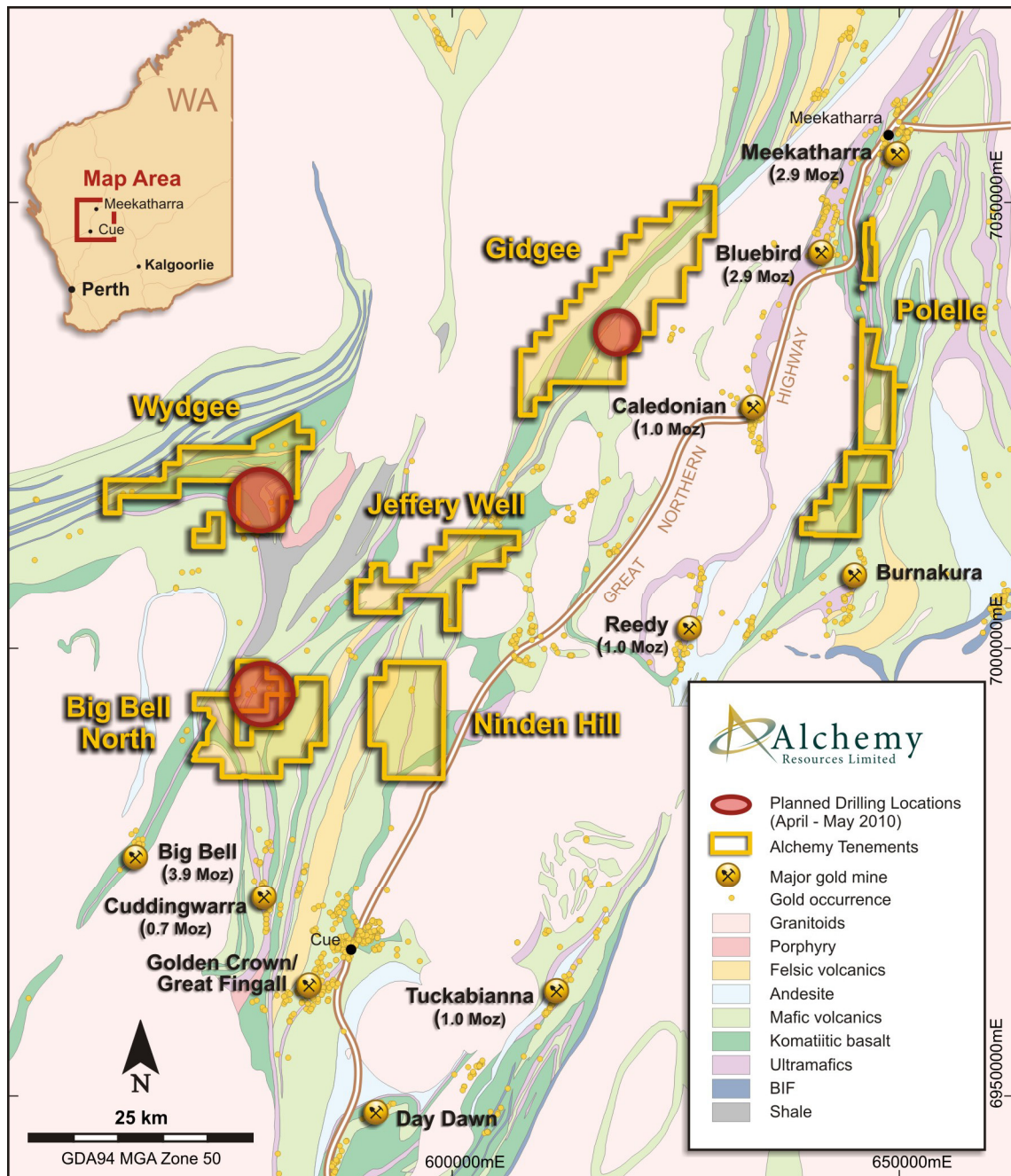


Figure 1. – Murchison Gold Projects Location

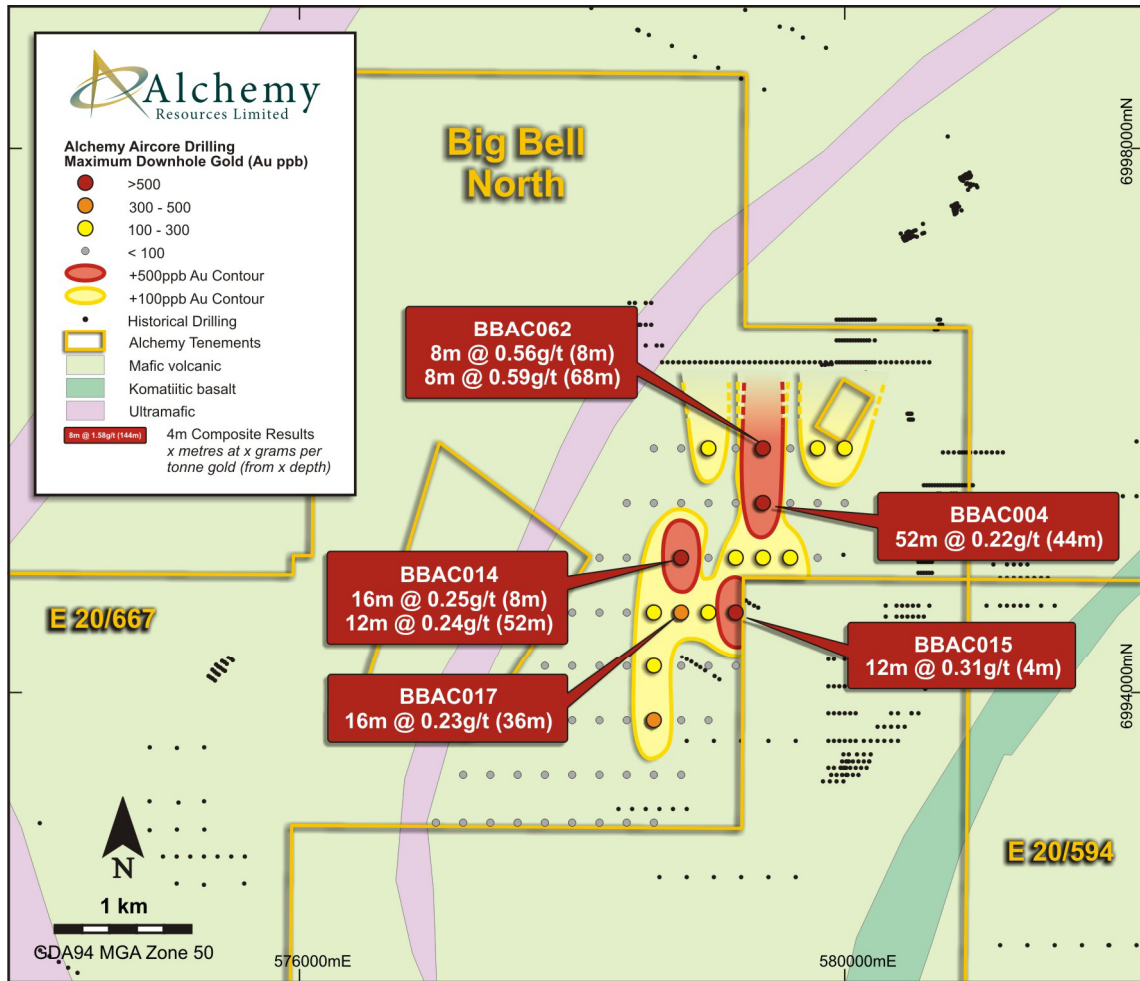


Figure 2. Big Bell North Project – AC drill holes and zone of gold anomalism over geological map

Table 1. Big Bell North – AC drilling gold results, >0.1g/t Au

Hole ID	Northing (m)	Easting (m)	From (m)	To (m)	Interval (m)	Au (ppm)
BBAC001	6995800	580000	4	8	4	0.24
			16	20	4	0.16
BBAC002	6995800	579800	4	12	8	0.17
			32	36	4	0.10
BBAC004	6995800	579400	44	96	52	0.22
BBAC006	6995800	579000	24	28	4	0.11
			40	48	8	0.20
BBAC010	6995000	579600	68	72	4	0.11
			80	84	4	0.10
			88	90 EOH	2	0.26
BBAC011	6995000	579400	56	68	12	0.10
BBAC012	6995000	579200	40	48	8	0.17
BBAC014	6995000	578800	8	24	16	0.25
			52	64	12	0.24
BBAC015	6994600	579200	4	16	12	0.31
			36	40	4	0.36
			68	73 EOH	5	0.13
BBAC016	6994600	579000	4	8	4	0.11
			52	64	12	0.17
BBAC017	6994600	578800	36	52	16	0.23
BBAC018	6994600	578600	0	4	4	0.12
			36	40	4	0.13
BBAC026	6993800	578600	64	68	4	0.30
BBAC054	6994200	578600	40	44	4	0.14
BBAC062	6995400	579400	8	16	8	0.56
			28	32	4	0.18
			40	56	16	0.12
			68	76	8	0.59
BBAC067	6995400	578400	8	12	4	0.30

Calculation of Assay Results:

Quoted drill intersections are based on a lower cut-off of 0.10g/t gold with a maximum of 4 metres of internal dilution (i.e. samples with less than 0.10g/t gold). Assay results obtained from geochemical analysis of nominal 4-metre composite samples. All samples were analysed at ALS Global Laboratories in Perth. Samples are prepared using single stage pulverization of the entire sample. Gold assays are obtained using a 30g lead collection fire assay digest and atomic absorption spectrometry analysis techniques. Full analytical quality assurance - quality control is achieved using a suite of certified standards, laboratory standards, field duplicates, laboratory duplicates, repeats, blanks and grind size analysis.

The location of drill holes determined using a handheld GPS achieving 5m accuracy and using the MGA datum (Zone 50). All drill holes were drilled at -60 degrees to 090 MGA azimuth.