

8 April 2021

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COMPANY SECRETARY**PROJECTS**

LAKE REBECCA (ALY 100%)

KARONIE (ALY 100%)

LACHLAN (ALY 80%)

WEST LYNN (ALY 80%)

BRYAH BASIN (ALY 20%, TSX-V SGI 80%)

BRYAH BASIN (ALY 20%, SFR 80%)

Aggressive drill program planned for Karonie tenements

KEY POINTS

- Aggressive drill program of up to 20,000m planned for Alchemy's Western Australian tenements in 2021.
- Phase 1 of the program will be 3,000-5,000m of RC drilling to be carried out at the Karonie Project.
 - Approvals in place, drill rig operator hired, on-site technical team secured, with work due to commence mid-late April 2021.
 - Targets identified at Parmelia, Taupo and KZ5 aimed at infill and extension of the three identified mineralised trends with a view to potentially generating a maiden resource on the targets once complete.
 - Follow-up drilling will also be undertaken at the Warrior prospect over a large coincident magnetic/gravity feature.
- Phase 2 of the program of ~3,000-5,000m of RC/diamond core work will target areas to the south of Karonie in the Gilmore/Batavia/Challenger/Esplanade region where high grade intercepts were recorded in drilling undertaken prior to 2012.
- Phase 3 of the program of ~4,000-10,000m RAB/Aircore drilling will be a follow-up program on the Claypan shear to the north of Karonie which sits along strike from the Lake Roe discovery currently operated by Breaker Resources (ASX:BRB).

Alchemy Resources Limited (ASX: ALY) ("Alchemy") is pleased to announce that all necessary approvals have been granted and all contractors secured in order to commence the Phase 1 drill program at the Karonie Project in mid-April 2021. The objective of the drill program is to infill and extend the three main discovery zones at KZ5, Parmelia and Taupo which sit directly along strike from Silver Lake Resources (ASX:SLR) Aldiss Mining Operations. A fourth target area of interest is located at Warrior to the south-west of Parmelia, to test a large coincident magnetic/gravity high.

Chief Executive Office Mr James Wilson commented:

"We are excited to get back on the ground at Karonie where we have traced mineralisation 400-500m along strike at each of KZ5, Parmelia and Taupo - all of which remain open in all directions. We also see excellent exploration upside potential, especially as Parmelia and Taupo haven't really been drill tested below 100m vertically".

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KARONIE DRILL PROGRAM – PHASE 1, 2 & 3

In early 2021, Alchemy conducted a Structural Targeting Review (Refer to ALY ASX Release 16 February 2021). The outcome of the study showed that Karonie is highly prospective, having regional-scale flexures on both the Keith Kilkenny and Claypan shear zones and proximity to nearby large scale >1Moz gold deposits.

Five high level targets have been identified for further work including Warrior-Gilmore, Challenger-Esplanade, Manhattan and two new conceptual targets at Karonie West and a new target in the southern most extent of the Karonie tenement package. These targets are in addition to the existing discoveries at KZ5, Parmelia and Taupo. Alchemy has prioritised proposed exploration work into three phases in 2021. Phase 1 has requisite approvals for groundwork and drilling to commence in April 2021.

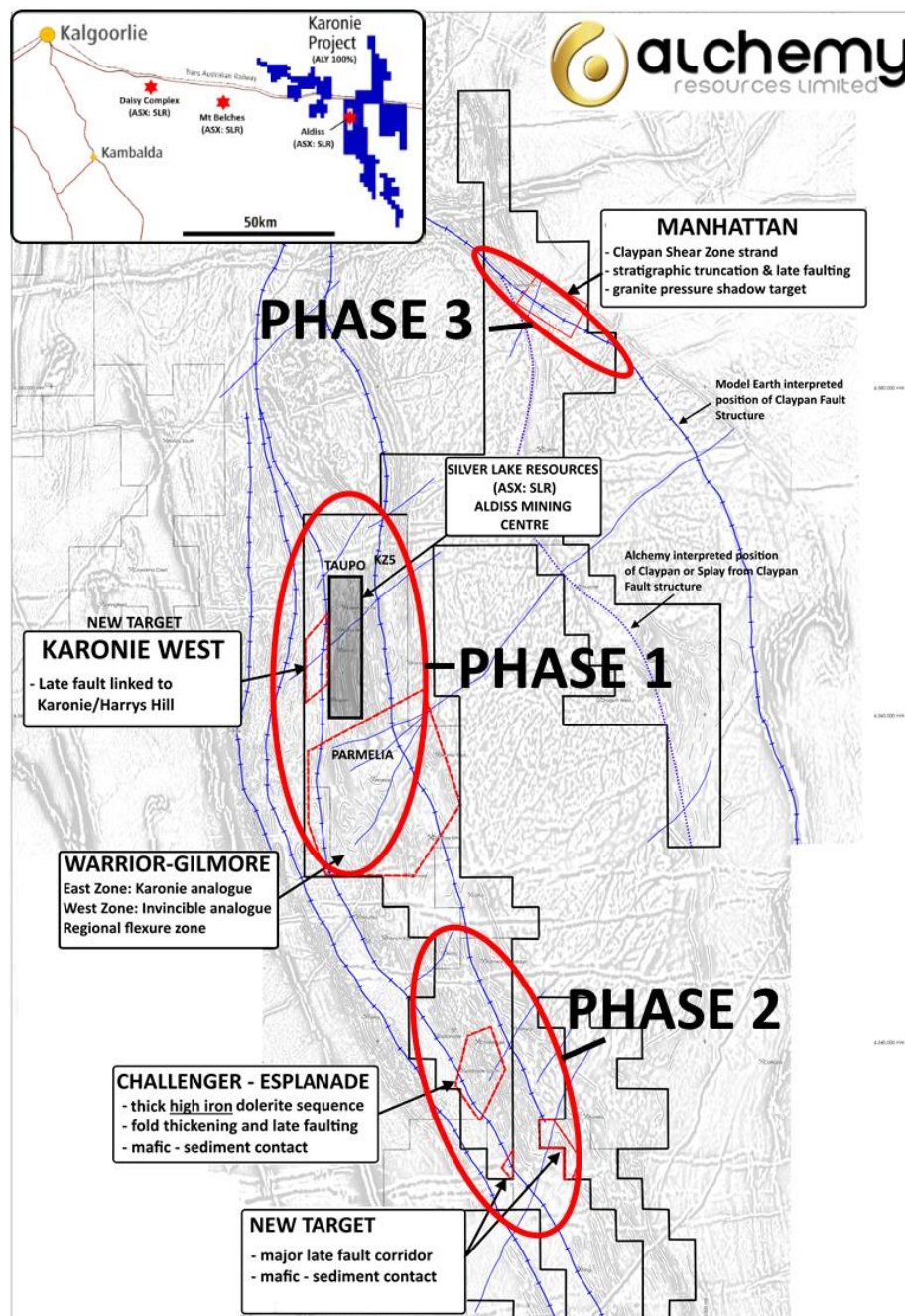


Figure 1: Karonie Project location and structural targeting

PHASE 1 - KARONIE DRILL PROGRAM

The Phase 1 program at Karonie includes 35 Reverse Circulation (RC) drillholes for a total of 3,000-5,000m over the KZ5, Parmelia, Taupo and Warrior Prospects. Holes are designed to target up-dip and down-dip of mineralised intercepts as well as extend zones of known mineralisation along strike. Mineralisation is near to surface in the three advanced prospects, and in most areas has only been drilled down to ~100m vertical, except for KZ5 which has mineralised intercepts at up to 250m vertical depth and is open at depth.

KZ5 Drill Program (Phase 1)

The KZ5 drill program consists of ~10 RC drillholes with varying planned depths of between 80-150m. Mineralisation extends to up to 32m downhole (~20m true width) and projects to surface. The drilling will target the up-dip and down-dip extents of mineralisation as well as testing along strike. Historically holes along the northern extent (up to 300m along strike to the north) did not test beyond 10m vertical depth.

In 2006 Integra Mining completed a surface Induced Polarisation (IP) survey over the KZ5 prospect and identified chargeability anomalies which correlate well with the currently defined zone of mineralisation. The anomaly extends for a further 500m to the north where drilling has been sporadic with anomalous results. (Refer Integra Mining Ltd ASX announcement – KZ5 Exploration update”, 16 Jan 2007, CP C.Cairns).

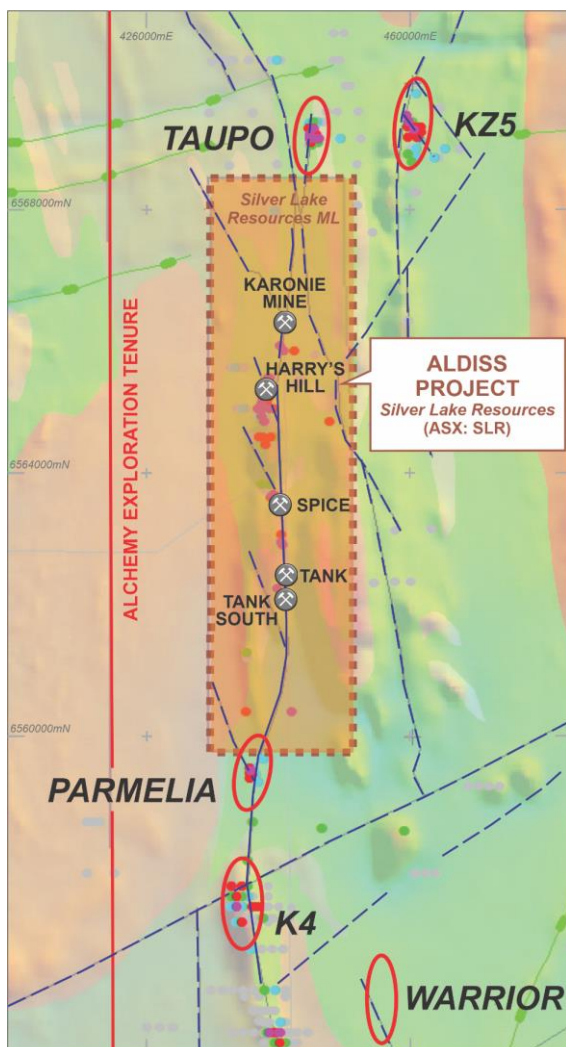


Figure 2: Karonie project location

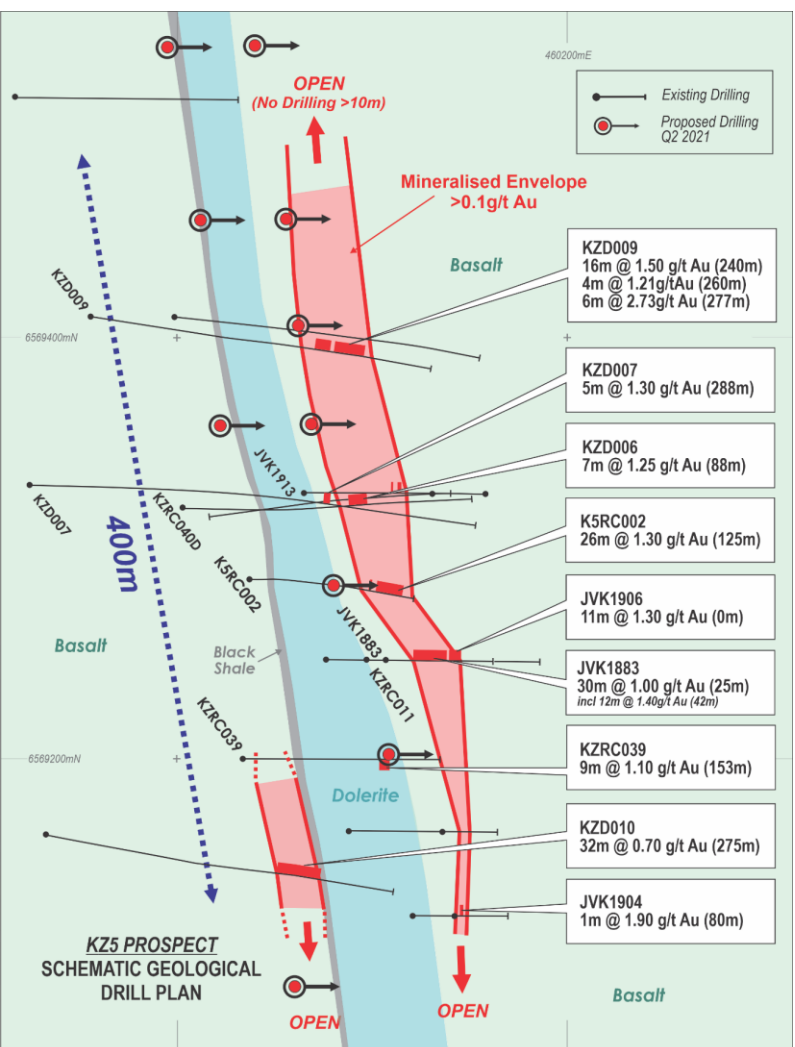


Figure 3: KZ5 Mineralisation and proposed drilling

Parmelia Drill Program (Phase 1)

The Parmelia drill program consists of eight RC drillholes with varying planned depths of between 80-150m, following up on drilling completed in December 2020. Mineralisation is hosted within dolerites with mineralised zones of up to 43m downhole (~30m true width) and extends 500m along strike. Drilling will target the up-dip and down-dip extents of mineralisation as well as testing along strike to the north and south. The current drilling has only tested the structure to approximately 100m vertically. An untested magnetic high on the northern zone will also be drill tested as part of this program.

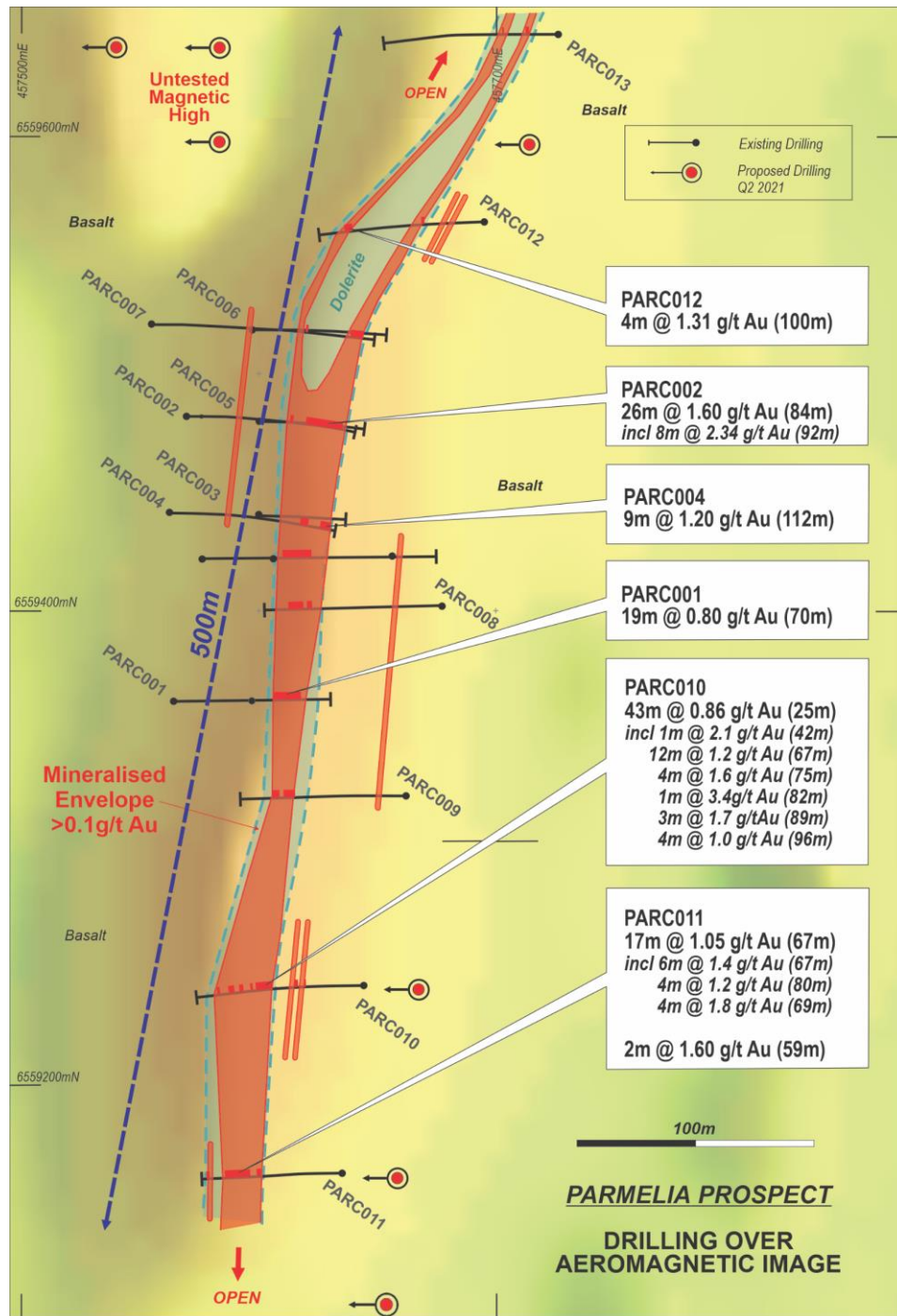


Figure 4: Parmelia mineralisation and proposed drilling

Taupo Drill Program (Phase 1)

The Taupo drill program consists of 11 RC drillholes with varying planned depths of between 80-150m, following up on drilling completed in July 2020. Mineralisation is hosted within dolerites and extends to up to 34m downhole (~30m true width) and extends 500m along strike. The drilling will target the up-dip and down-dip extents of mineralisation as well as testing along strike to the north and south. Mineralisation has an apparent gentle westerly dip and previous drilling has only tested these zones down to ~100m below surface in the central zone and ~40m vertically on the northern and southern zones. Previous explorers drilled 80m spaced vertical holes on 200m spaced lines in the northern and southern areas and Alchemy believes these were ineffective in adequately testing the mineralisation in these areas.

Gold mineralisation is associated with silica-biotite altered basalt with up to 10% quartz-carbonate veining and 1% disseminated pyrite within a strong carbonate alteration zone. Alchemy's previous drilling confirmed the up-dip drill intercepts (refer to ALY ASX announcement – Significant Intercepts Returned from Karonie Gold Project, 9 December 2019).

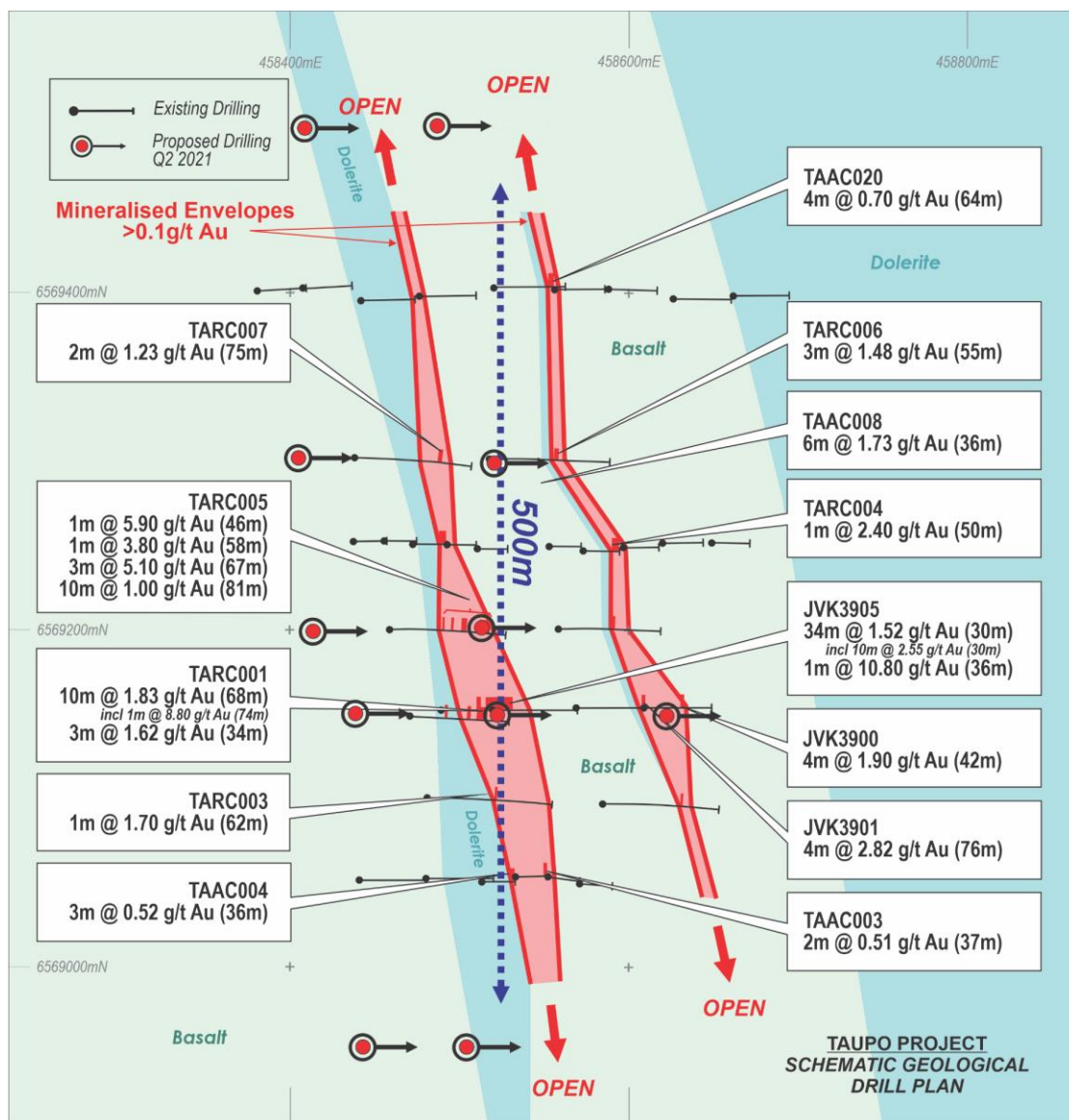


Figure 5: Taupo mineralisation and proposed drilling

Warrior Drill Program (Phase 1)

The Warrior drill program consists of six wide spaced RC drillholes with varying planned depths of between 80-150m to test a coincident Magnetic/Gravity anomaly. RAB drilling (eight holes for 166m) was completed in 2018 across an interpreted dolerite unit coinciding with gravity and magnetic highs at the Warrior Prospect. RAB drilling was unable to reach bedrock, intersecting clay and highly weathered quartz-rich sandstones. The area is considered highly prospective with coincident magnetic and gravity high anomalies which extend several kilometres to the north-west and south-east. (Refer to ALY ASX announcement– First Pass RAB drilling completed at Karonie Gold Project, 19 March 2018)

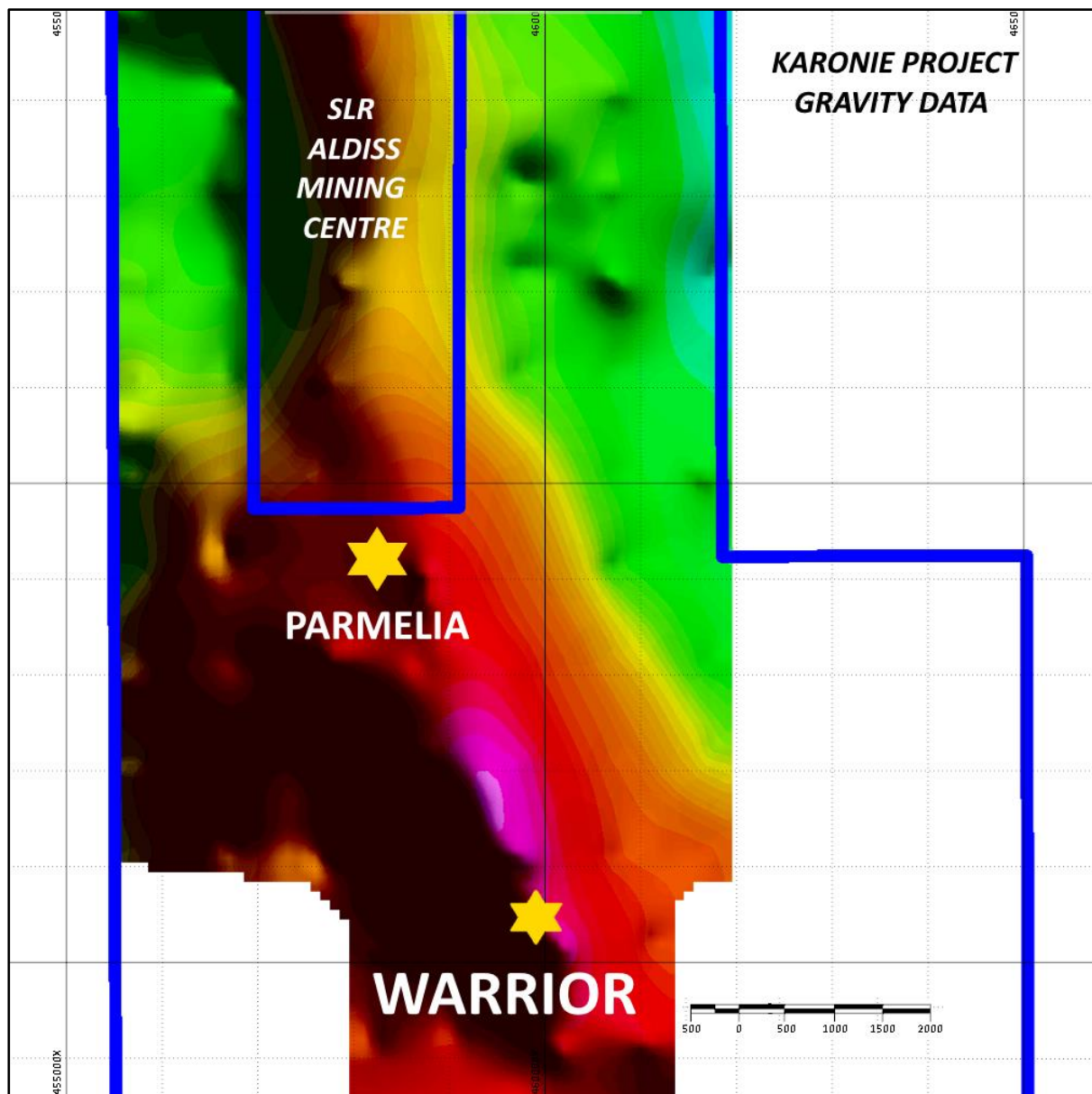


Figure 6: Warrior Project with gravity survey data

PHASE 2 - DRILL PROGRAM AT SOUTHERN KARONIE PROSPECTS

Phase 2 drilling is planned to test the southern areas of the Karonie tenements which contains the Challenger, Batavia, Gilmore, Esplanade and Aldiss prospects. All are highly prospective with camp scale structural targets and numerous high-grade intercepts which have not been followed up. Access agreements will be submitted, and drill planning will commence immediately.

The review of historic wide-spaced RC drilling indicates numerous high-grade intercepts including*:

- 2m @ 12.06g/t Au (from 182m) in ISRC1001 (Batavia Prospect)
- 1m @ 39.07g/t Au (from 121m) in ISRC1003 (Batavia Prospect)
- 8m @ 2.3g/t Au (from 128m) in ISRC1063 (Challenger Prospect)
- 10m @ 1.46g/t Au (from 128m) in ISRC1035 (Challenger Prospect)
- 1m @ 21.35g/t Au (from 133m) in LPRC018 (Esplanade Prospect)

*Refer ALY announcement 24 May 2016.

The analysis of historic drilling shows that previous explorers were targeting near surface targets. Alchemy believes that there is scope to follow up on these zones which were never systematically tested to assess the potential for short strike length high grade structures. Access agreements are planned for submission near term and drill planning is set to commence immediately.

PHASE 3 - DRILL PROGRAM AT CLAYPAN SHEAR PROSPECTS

The area has significant alluvial cover and has seen limited modern exploration with only four lines of drilling over the 35km of strike extent.

A short program of shallow RAB drilling was carried out in 2018 at the Dragon and Manhattan Prospects. Drilling intersected coarse-grained fractionated dolerite units displaying leucocratic segregations (typical host rocks to Bombora, Mt Charlotte, Fimiston, Hidden Secret gold mineralisation). Drilling identified up to 22m of transported cover which established that historical auger drilling and soil sampling are not reliable methods along the Claypan Shear Zone. Alchemy believes that systematic aircore drilling at the Manhattan Prospect would be much more effective in this area and has planned for a program of 4,000-10,000m of Aircore / RAB drilling.

ABOUT THE KARONIE PROJECT

The Karonie Project contains more than 80km of strike extent of Archean greenstone belt in the Eastern Goldfields. The Project has a high-quality geological setting, strategically located between major, regional-scale fault zones, the Keith-Kilkenny and Claypan Faults. The fault zones are interpreted to be deep-seated, domain-bounding structures within the highly gold-endowed Kurnalpi Terrane and in a position, which hosts the world-class Karari-Carosue Dam gold deposits 75km to the north.

The Karonie Project is strategically located directly along strike to Silver Lake Resources (ASX: SLR) Aldiss Project and along strike to the south of Breaker Resources (ASX: BRB) Lake Roe gold project. The Project is in close proximity to existing processing plants and there is already substantial gold endowment in the area (Aldiss Project Resources >585koz @ 1.9g/t Au – see SLR ASX announcement dated 19 August 2020).

Shallow drilling carried out by previous explorers indicates that the Project area has a complex regolith with a stripped Archean profile overlain by reworked sediments, wind-blown sands and paleo-drainage channels and salt lakes. Consequently, the shallow cover is very complex and areas with shallow gold anomalism require deeper RC drilling and diamond core drilling to adequately test identified targets.

ABOUT ALCHEMY RESOURCES

Alchemy Resources Limited (ASX: ALY; “Alchemy” or the “Company”) is an Australian exploration company focused on growth through the discovery and development of gold, base metal, and nickel-cobalt resources within Australia (Figure 1). Alchemy has built a significant land package in the Carosue Dam - Karonie greenstone belt in the Eastern Goldfields region in Western Australia and has an 80% interest in the Lachlan/Cobar Basin Projects in New South Wales. Alchemy also maintains its interest in the Bryah Basin Project in the gold and base metal-rich Gascoyne region of Western Australia, where Superior Gold Inc. (TSX-V: SGI), and Sandfire Resources Limited (ASX: SFR) are continuing to advance gold and base metal exploration, respectively.

COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results is based on information compiled by Mr Lindsay Dudfield, who is the Non-Executive Chairman of Alchemy Resources Limited and holds shares and options in the Company. Mr Dudfield is a Member of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’ (‘JORC Code 2012’). Mr Dudfield consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

This announcement has been approved for release by the Board.

For further information please contact:

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