

27th April 2021

BOARD AND MANAGEMENT

MR LINDSAY DUDFIELD
NON-EXECUTIVE CHAIRMAN

MR JAMES WILSON
CHIEF EXECUTIVE OFFICER

MS LIZA CARPENE
NON-EXECUTIVE DIRECTOR

MR ANTHONY HO
NON-EXECUTIVE DIRECTOR

MS JESSAMYN LYONS
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%)

Drilling Commences at Karonie Project

KEY POINTS

- Phase One drilling has commenced at the Karonie Gold Project.
- The program consists of approximately 35 Reverse Circulation drillholes with varying depths for a total of 3,000-5,000m at Parmelia, KZ5, Taupo and Warrior.
- Drilling is designed to infill and extend along the ~400-500m strike length of the mineralised zones at Parmelia, KZ5 and Taupo. Drilling at Warrior is designed to test a high tenor geophysical anomaly.
- The first assay results are expected in May 2021



Alchemy Resources Limited (ASX: ALY) ("Alchemy") is pleased to report that Reverse Circulation ("RC") drilling has commenced on the Company's 100% owned Karonie Gold Project in Western Australia. The drilling is focussed on infilling and extending the three discovery zones which sit along strike from Silver Lake Resources (ASX: SLR) Aldiss Mining Operations. A fourth target area of interest is located at Warrior to the south-east of Parmelia, with drilling to test a large coincident magnetic/gravity high.

Chief Executive Officer Mr James Wilson commented:

"I'm delighted to announce Alchemy's drill program has commenced at the Karonie Gold Project in Western Australia. This is an exciting time for the Company as we target advanced exploration projects with aggressive drilling. Exploration activities are proceeding in line with our 2021 objectives, targeting our existing walk-up drill targets at Karonie".

Alchemy Resources Limited

ABN: 17 124 444 122

T: 9481 4400 | E: info@alchemyresources.com.au | W: www.alchemyresources.com.au
8/8 Clive Street, West Perth 6004, WA

PHASE 1 - KARONIE DRILL PROGRAM

The Phase 1 program at Karonie includes thirty-five (35) RC holes for up to 5,000m of drilling over the KZ5, Parmelia, Taupo and Warrior Prospects (Refer to ALY ASX Announcement– Aggressive drill program planned for Karonie tenements, 8th April 2021). 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. All zones remain open along strike and at depth.

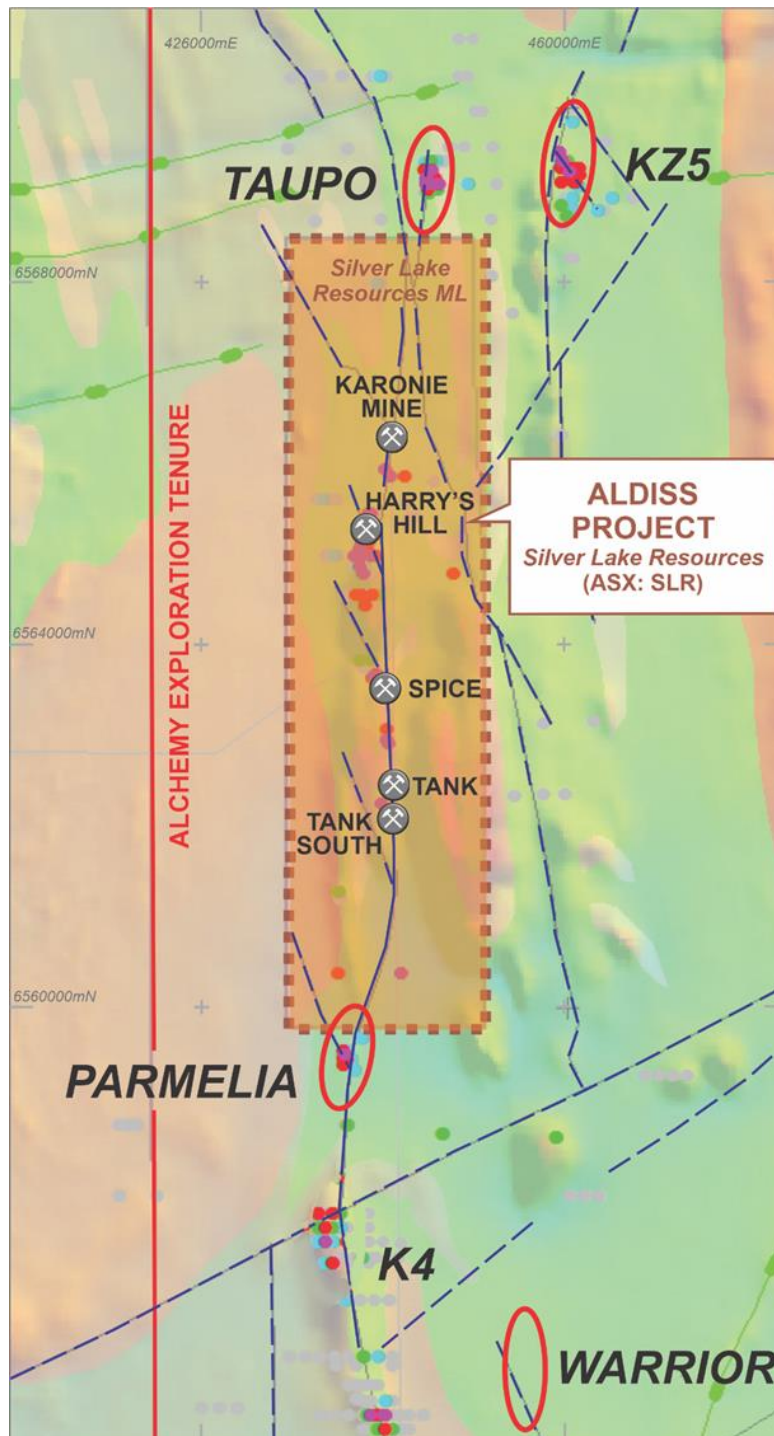


Figure 1: Karonie Project showing areas included in the current drill program

The *Parmelia* drill program consists of eight (8) 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.



KZ5 Drill Program (Phase 1)

The KZ5 drill program consists of ten (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).

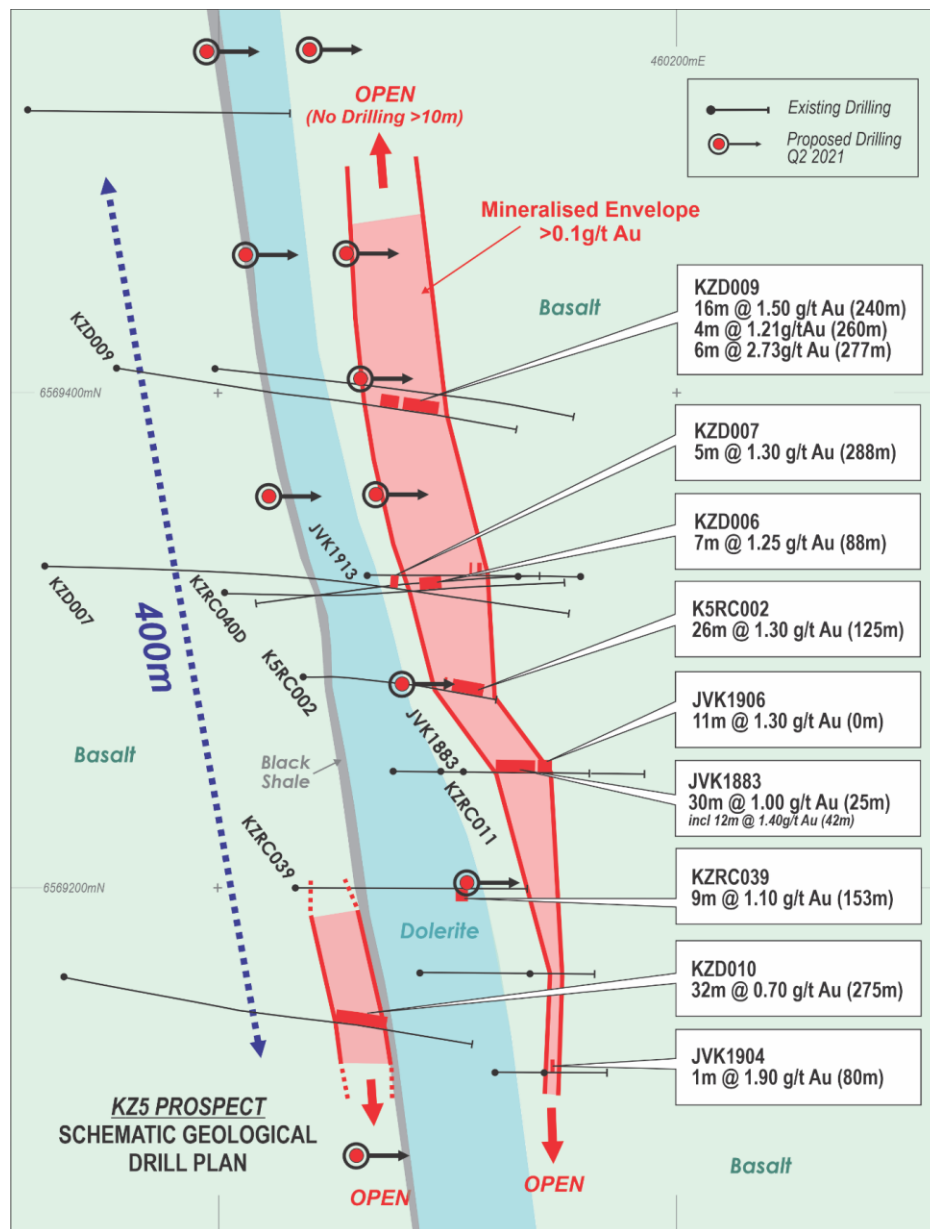


Figure 3: KZ5 Mineralisation and proposed drilling

Taupo Drill Program (Phase 1)

The Taupo drill program consists of eleven (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 Karone Gold Project - 9 December 2019).

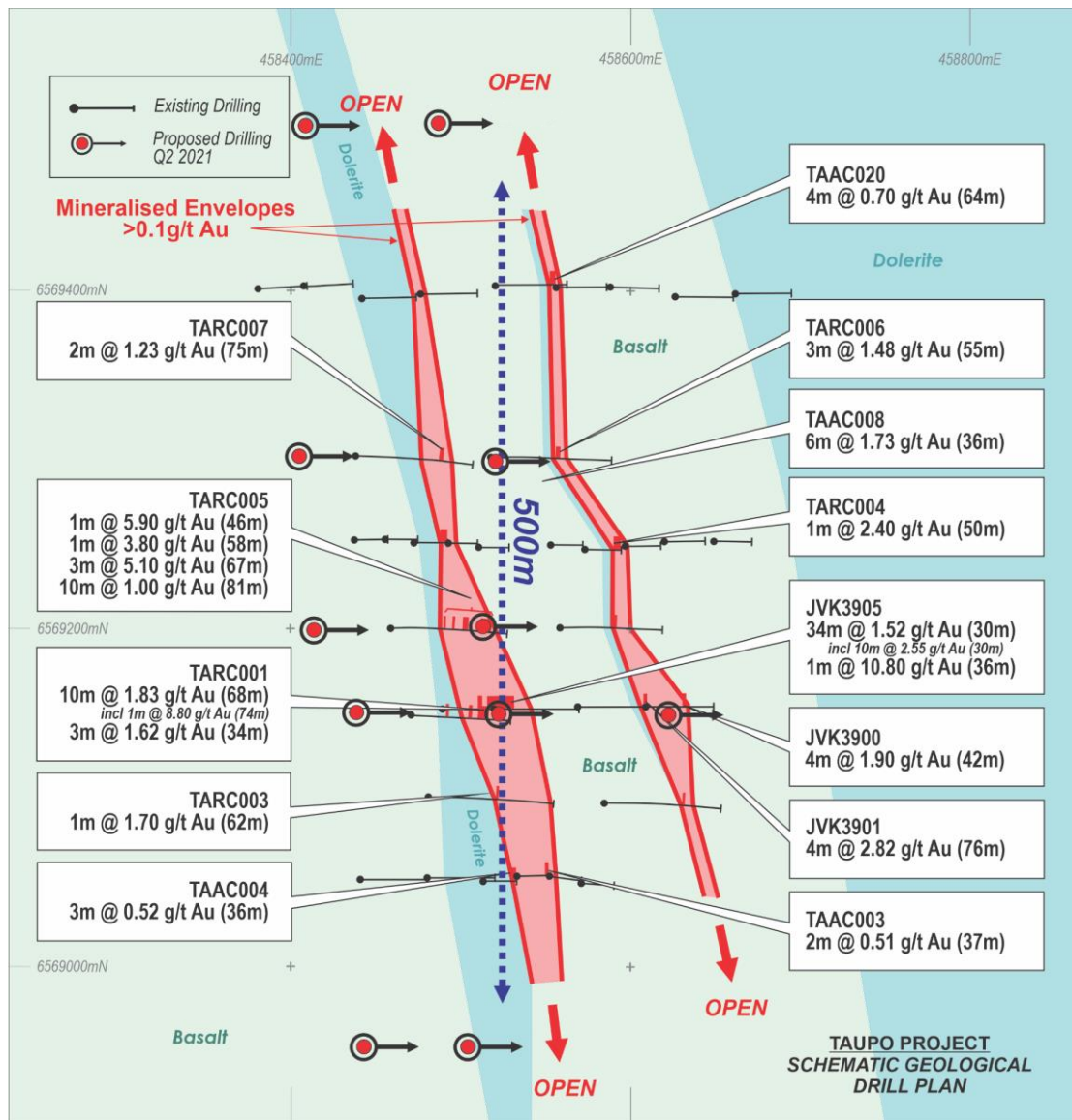


Figure 4: Taupo mineralisation and proposed drilling

Warrior Drill Program (Phase 1)

The Warrior drill program consists of six (6) wide spaced RC drillholes with varying target depths of between 80-150m to test a coincident Magnetic/Gravity anomaly. RAB drilling (8 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, 19th March 2018)

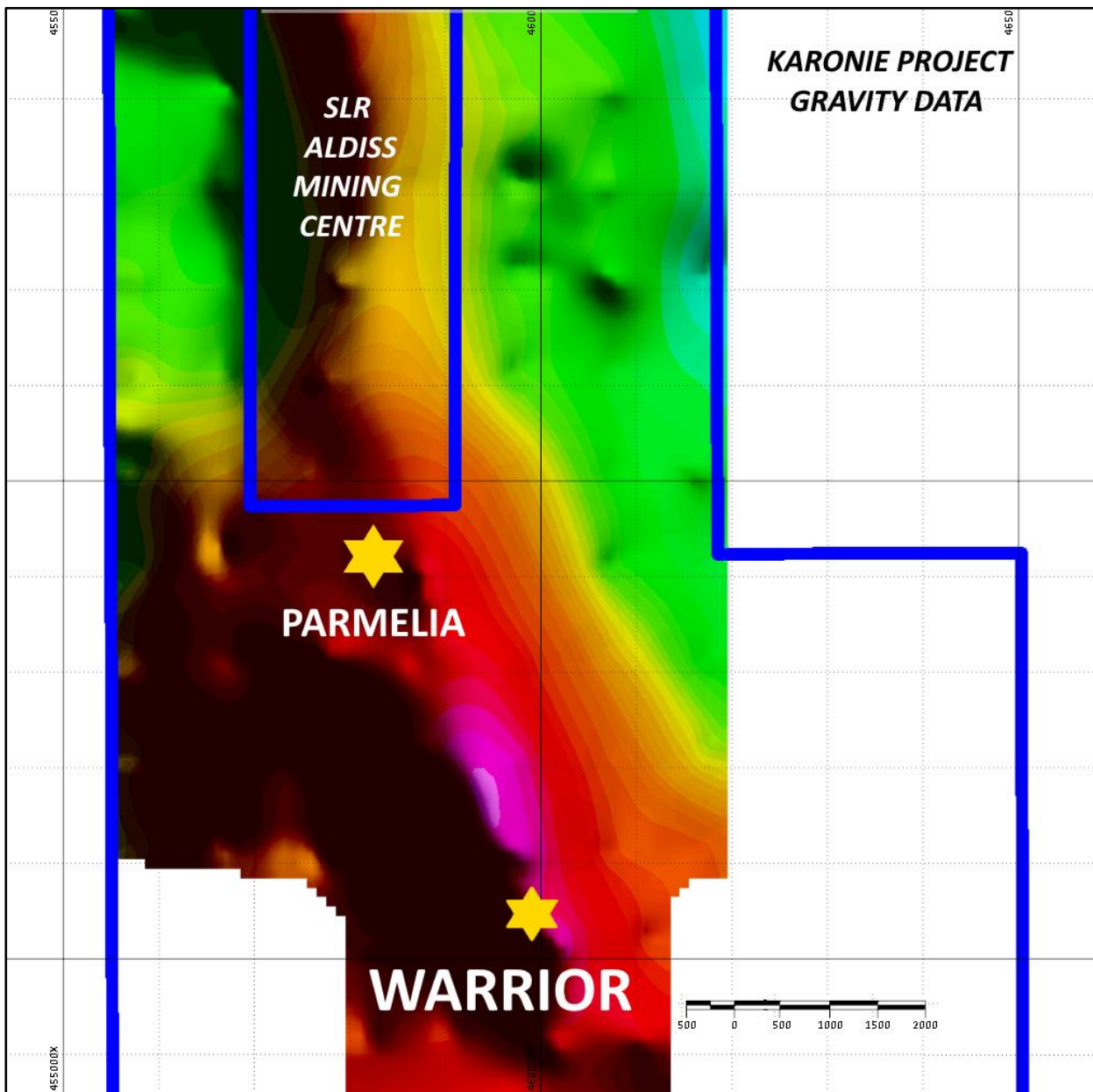


Figure 5: Warrior Project with gravity survey data

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. 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:

James Wilson
Chief Executive Officer
E: james@alchemyresources.com.au
P: 08 9481-4400