

28th May 2021**BOARD AND MANAGEMENT**MR LINDSAY DUDFIELD
NON-EXECUTIVE CHAIRMANMR JAMES WILSON
CHIEF EXECUTIVE OFFICERMS LIZA CARPENE
NON-EXECUTIVE DIRECTORMR ANTHONY HO
NON-EXECUTIVE DIRECTORMS 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%)

Phase One Drill Program Completed at the Karonie Gold Project

KEY POINTS

- Phase One Reverse Circulation drilling at Alchemy's Karonie Gold Project 110km east of Kalgoorlie has been completed.
- The aim of the program was to infill and extend mineralisation along strike from the Aldiss Mining Centre and testing of geophysical targets to the south-east.
- 3,121m of RC drilling has been completed at Parmelia, Taupo, KZ5 and Warrior Prospects.

Alchemy Resources Limited (ASX: ALY) ("Alchemy") is pleased to announce the completion of 27 holes for 3,121m of Reverse Circulation ("RC") drilling within the 100% owned Karonie Gold Project, 110km east of Kalgoorlie in Western Australia. The drilling tested high priority "Karonie" style targets immediately along strike to the north and south of Silver Lake Resources Ltd (ASX: SLR) Aldiss Mining Centre.

Drilling at Parmelia Prospect included 5 holes for a total of 684m, targeting the strike extensions and down dip extents of existing intercepts including 26m @ 1.6g/t Au¹ from 83m. Drilling intersected zones of silica altered dolerites with variable levels sulphides and quartz veining².

Drilling at the Warrior Prospect included 4 holes for 444m of drilling, targeting a coincident Electro Magnetic and Gravity anomaly. Drilling intersected silica altered dolerites and black shales with quartz veining and sulphides².

Drilling at the KZ5 Prospect included 9 holes for 913m, targeting the up/down dip and along strike extension of the zones of existing mineralisation including 26m @ 1.30g/t Au¹ from 125m. Drilling intersected variably altered dolerites with zones of sulphides and quartz veining close to the interpreted strike extension locations.

Drilling at the Taupo Prospect included 9 holes for 1,081m, targeting infill and extension of the two primary lodes of mineralisation along strike from previous results including 10m @ 1.8g/t Au¹ (from 68m). Drilling intercepted zones of altered dolerites, quartz veining and sulphides in proximity to the interpreted strike extension locations.

It must be cautioned that visual observations and estimates are uncertain in nature and hence in no way are intended to be a substitute for analytical results.

All RC drill samples have been submitted to ALS Kalgoorlie. Additional drilling is planned subject to results.

1. Refer to ALY ASX announcement – Significant Intercepts returned from Karonie Gold Project 9 December 2019

2. Refer to ALY ASX announcement – Karonie Exploration Update 6 May 2021

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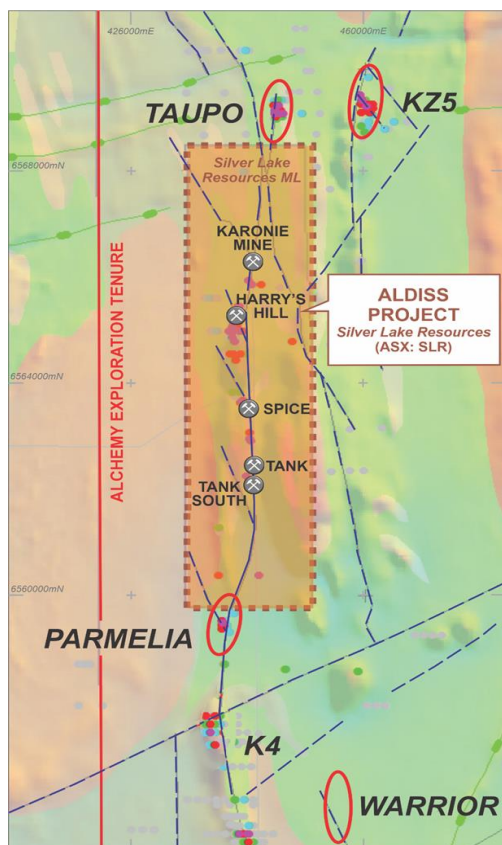


Figure 1: Karonie Project Prospects location

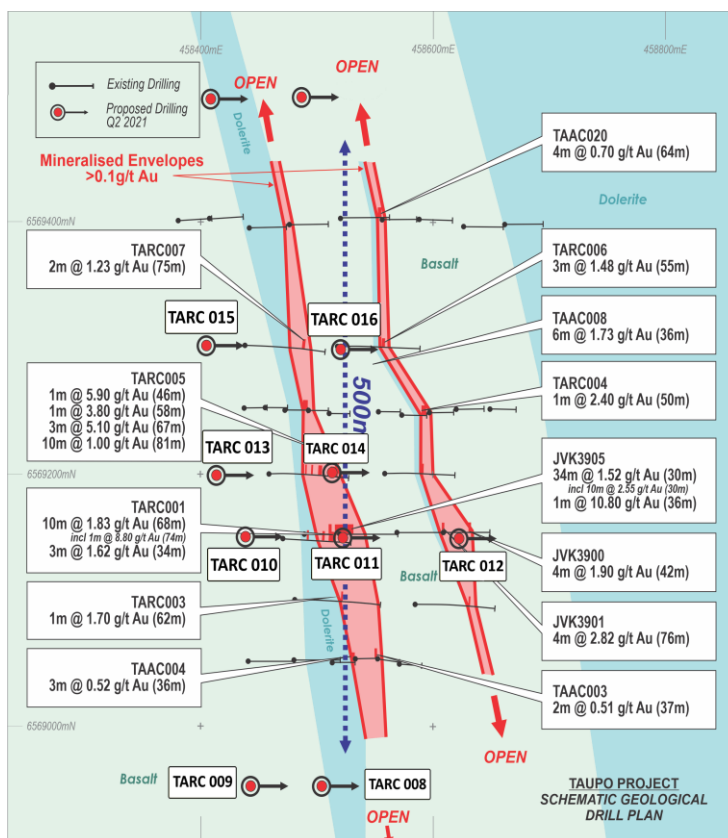


Figure 2: Taupo Prospect planned and completed drillholes

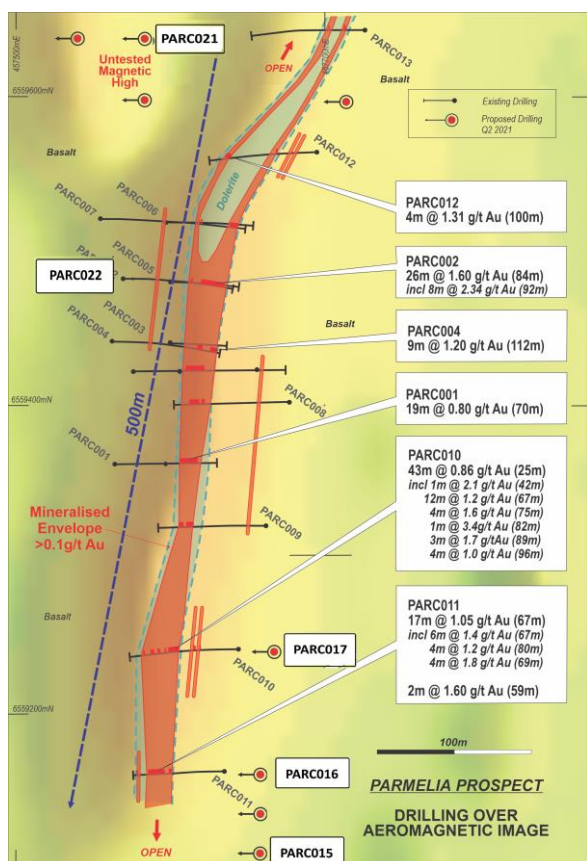


Figure 3: Parmelia Prospect drillholes

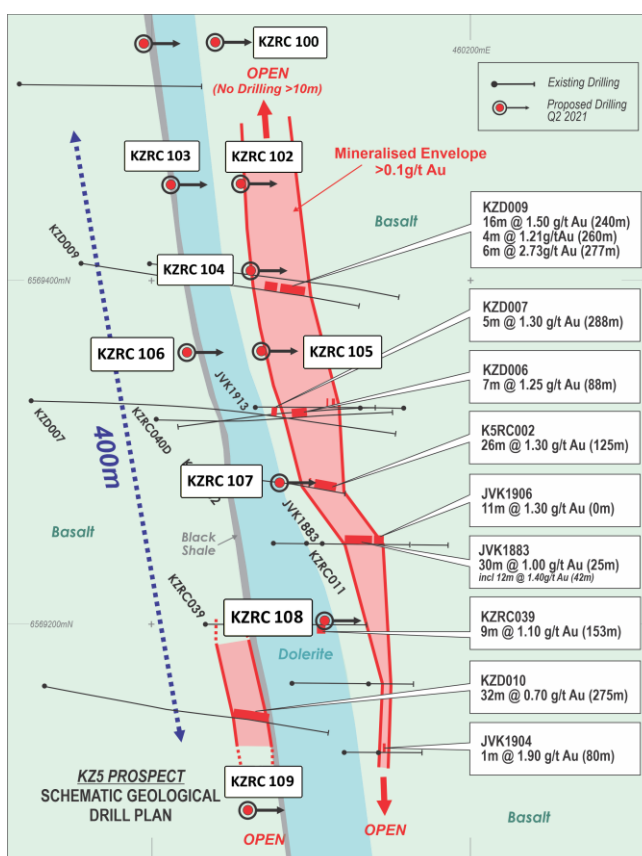


Figure 4: KZ5 Prospect planned and completed drillholes

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 a 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: **SGL**; “**Superior**”), and Sandfire Resources Limited (ASX: **SFR**; “**Sandfire**”) 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.

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