

4 October 2021

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JOINT 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%)

HIGH RESOLUTION UAV MAGNETIC SURVEYS COMMENCE AT KARONIE

HIGHLIGHTS

- High resolution UAV magnetic surveys set to commence at Alchemy's 100% owned Karonie Gold Project (E28/2575) in Western Australia.
- Four separate surveys have commenced to better define existing and new targets along strike from existing resources and at new regional targets at Western Brown and Gilmore.
- Surveys will provide up to 5x better resolution than historic data.
- Results will be able to better pinpoint the magnetic dolerite host rock and to refine drill targets more efficiently.
- Program to take approximately seven days to complete with results and interpretation expected to be completed in late October.

Alchemy Resources Limited (ASX: ALY) ("Alchemy" or "the Company") is pleased to announce the commencement of high-resolution UAV magnetic surveys at the 100% owned Karonie project in Western Australia.

The surveys will help give a better understanding of the areas from the recent field mapping and aid in interpreting basement geology and mineralisation trends. Alchemy is planning to drill test these areas shortly. To refine the targets for drill testing the Company has engaged Pegasus Airborne Systems to undertake detailed UAV magnetic geophysical surveys. The surveys are currently underway and will be conducted over the structures to the north of the existing Taupo and KZ5 resources, Karonie east and to the south at the new greenfields Western Brown lakes target and the Gilmore trends. Results and interpretation of the magnetics data are expected to be completed in late October.

Chief Executive Officer Mr James Wilson commented:

"Concurrent with our proposed drill programs, we have engaged Pegasus Airborne Systems to complete a very detailed drone based geophysical survey over high priority areas at Karonie. I am very keen to define the structural framework that potentially hosts mineralisation north and south of the nearby Aldiss Mining Operations, which remains poorly tested by modern exploration methods. The geophysics will give us the detail needed to ensure our target generation is efficient and any follow-up drilling planned is as effective as possible."

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KARONIE DRONE MAGNETIC SURVEYS

The geophysical surveys at Karonie (Figure 1) are designed to give the Company the requisite detail in the trends of mineralisation being observed in recent drilling. Understanding the structural framework has been a key area of focus over the last nine months that has been supported by detailed field mapping completed earlier this year. Alchemy sees significant exploration opportunity along strike from existing resources at Karonie. Historical reconnaissance drilling has proven to be largely ineffective or too wide spaced to target the short strike length but high-grade structures. Alchemy believes that high detail magnetics will provide much better resolution to target the magnetic dolerite host rock, as well as the key north-south and north-east trending structural features, which are key elements of the mineralising events at Karonie.

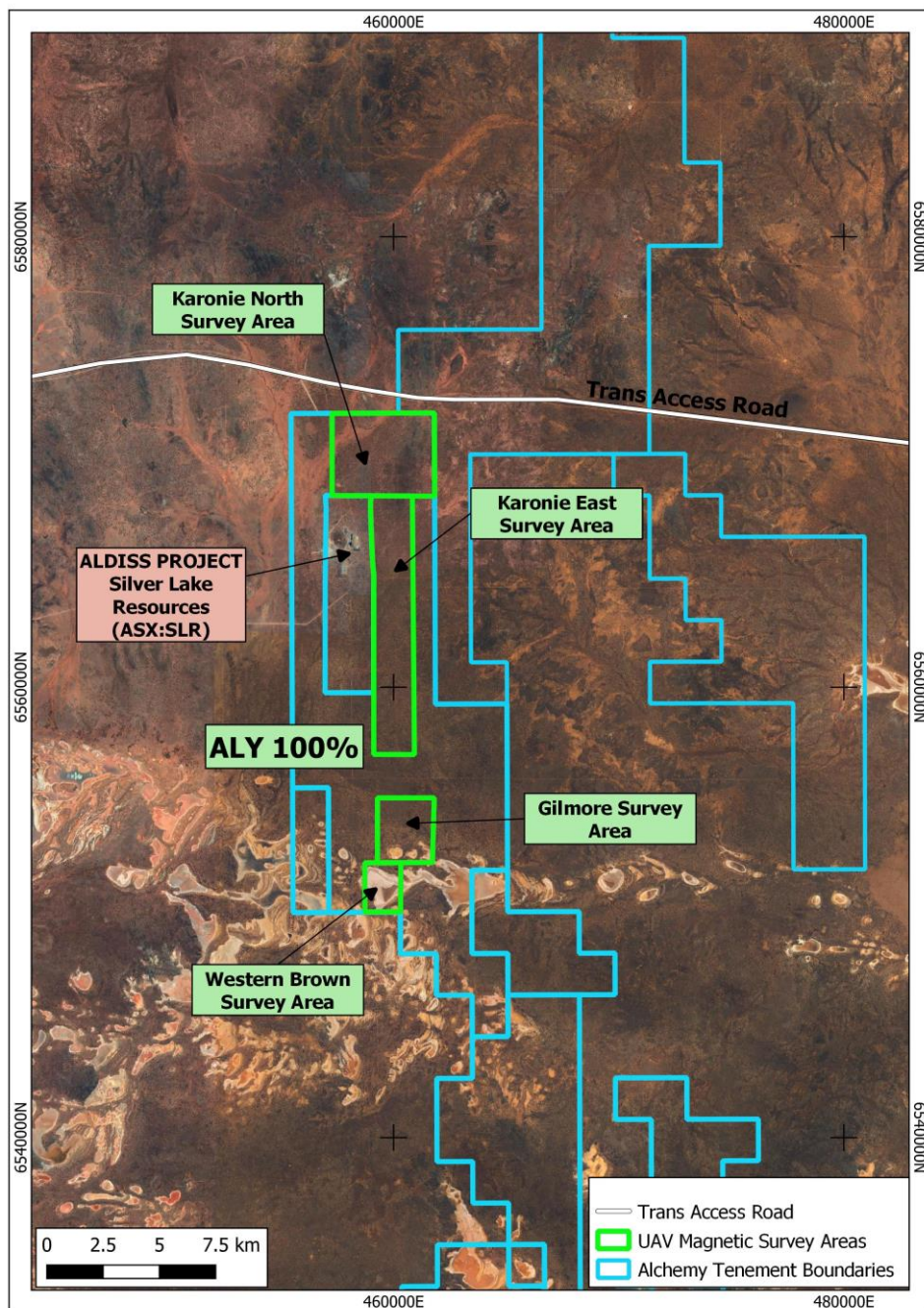


Figure 1: UAV magnetic survey areas at Karonie

KARONIE RESOURCE TARGETS

Two surveys are planned around the Aldiss Mining Centre to better understand the structures that control mineralisation at the Karonie Prospect. The northern Karonie survey area will be used to aid in advancing the understanding on the mineralisation controls for the Taupo and KZ5 resource¹. The high-resolution magnetics will assist Alchemy in determining the strike extent of potential mineralised structures to the north for up to 3km along strike from these areas. The Karonie East survey area is a newly defined area of interest for Alchemy. The area has wide spaced drilling with RAB drilling that was relatively ineffective at testing basement geology. The RAB drilling over the target area is generally 150m X 1,000m spacing and is believed to have missed the primary zone of interest. The magnetic survey will assist defining new drill targets in structurally disrupted magnetic dolerites, which are the typical host of gold mineralisation in the Karonie area.

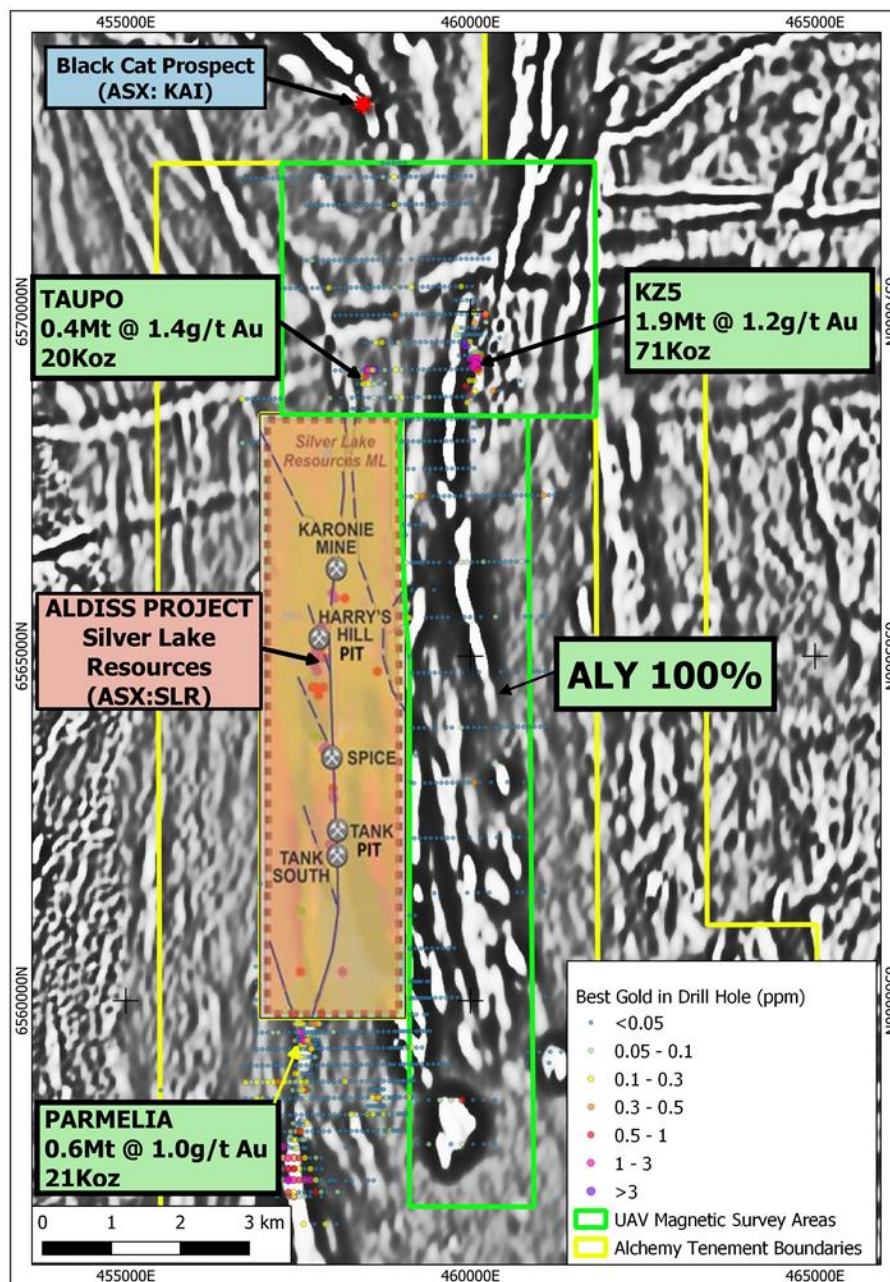


Figure 2: Magnetic survey areas in proximity to Resource areas and the Aldiss Mining Operations

¹ Refer ALY announcement 31 August 2021

REGIONAL TARGET AREAS

Western Brown and Gilmore

Western Brown is a newly defined 2km² greenfields target that was identified during recent field work (Figure 3). The target is defined by a magnetic dolerite that is disrupted by a major NE-striking fault corridor; these NE fault corridors commonly control mineralisation throughout the Karonie province. The intersection point of the fault corridor and the magnetic dolerite is interpreted to be situated in the middle of a large Salt Lake and has never been drill tested. The same NE-striking fault corridor that intersects the dolerites at Western Brown also disrupts fractionated magnetic dolerites at the Gilmore prospect. Both targets have seen very little effective drilling, with a majority of RAB drilling at Gilmore not being able to penetrate transported cover to test basement geology. The high-resolution magnetic survey will be used to better map the dolerite units and structures to aid hole planning for the phase 3 drill program at Karonie.

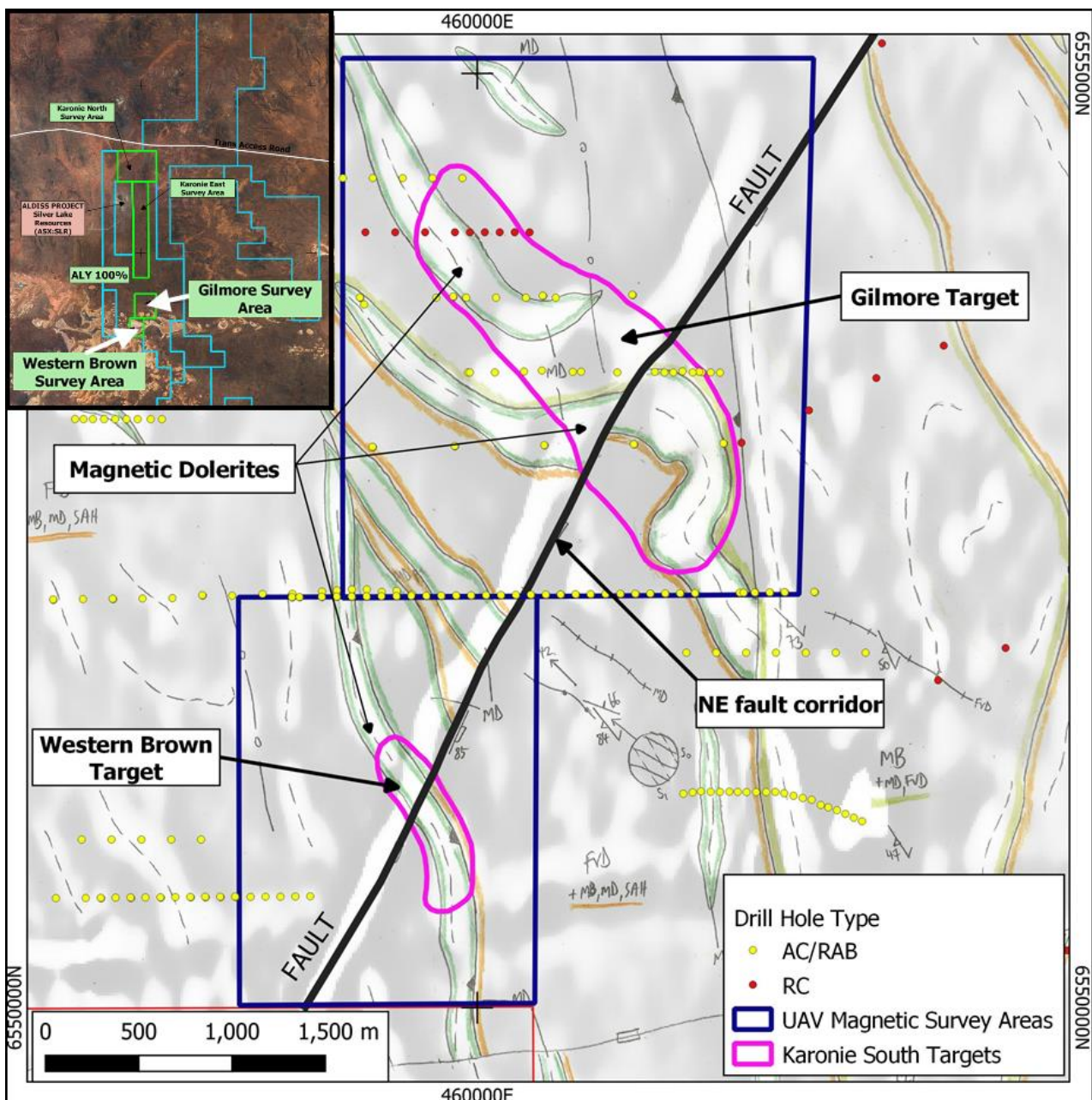


Figure 3: UAV magnetic survey areas for the newly defined Western Brown and Gilmore targets.



Figure 4: Pegasus Airborne Systems field crew on site and UAV set-up

ABOUT THE KARONIE PROJECT

The Karonie Project contains more than 40km of strike extent of Archean greenstone belt in the Eastern Goldfields of Western Australia. 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 that 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 given the already substantial gold endowment in the area (Aldiss Project Resources >595koz @ 2.0g/t Au – see SLR ASX announcement dated 15 September 2021), Alchemy will focus its near-term exploration efforts to the discovery of additional high-grade gold mineralisation adjacent to these areas.

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, 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.

This announcement has been approved for release by the Board.

For further information please contact:

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COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results is based on information compiled by Mr James Wilson, who is the Chief Executive Officer of Alchemy Resources Limited and holds shares and options in the Company. Mr Wilson is 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 Wilson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based on information compiled by Richard Maddocks, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy. Richard Maddocks is an employee of Auranmore Consulting. Richard Maddocks has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Richard Maddocks consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.