

18 November 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%)

**KARONIE EXPLORATION UPDATE****HIGHLIGHTS**

- High resolution magnetic surveys completed at Alchemy's 100% owned Karonie Gold Project in WA, adjacent to Silver Lake Resources (ASX: SLR) Aldiss Gold Mine.
- Full interpretation using all available data has generated multiple targets, including the new Karonie East target which has ~10km strike extent.
- Exploration Incentive Scheme ("EIS") co-funding grant of up to \$111k secured to drill test Gilmore and Western Brown prospects.
- Heritage surveys underway, drilling at Karonie East planned for early January 2022.

Alchemy Resources Limited (ASX: ALY) ("Alchemy" or "the Company") is pleased to announce the completion of high-resolution UAV magnetic surveys at the 100% owned Karonie Project in Western Australia. The aim of the survey was to refine Alchemy's gold exploration drill targeting in these areas and to generate new targets.

The surveys were conducted over structures to the north of the existing Taupo and KZ5 resources at Karonie East, and to the south at the new greenfields Western Brown and Gilmore targets.

At the new Karonie East target, the work identified several magnetic and structural features demanding immediate investigation due to their geological similarity to the adjacent Aldiss Mine deposits. Alchemy believes these areas have been poorly tested due to the large amount of historic drill testing which did not reach bedrock. Drill testing is planned for early 2022, pending heritage clearance later in November 2021.

Alchemy is also pleased to advise that it has been successful in securing an EIS grant from the Western Australian Department of Mines, Industry and Regulation ("DMIRS") to co-fund drilling at the Western Brown and Gilmore target areas. Alchemy acknowledges this significant support from the DMIRS.

*Chief Executive Officer Mr James Wilson commented:*

"The UAV magnetics has generated very significant targets to test in our upcoming exploration programs. The highly competitive EIS co-funding grant adds weight to the prospectivity as it is determined by an independent panel of experts. We look forward to getting boots on the ground to start testing these high-quality targets, which have not seen significant exploration in over 20 years".

**Alchemy Resources Limited**

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## KARONIE DRONE MAGNETIC SURVEYS

The geophysical surveys at Karonie (Figure 1) were designed to provide greater detail on the trends of mineralisation observed in recent drilling. Understanding the structural framework of the area has been a key focus over the last nine months that has been supported by recent detailed field mapping. Ground truthing of the historical reconnaissance drilling has shown a significant amount of previous RAB drilling to be ineffective or too wide spaced to target short strike length but high-grade structures. The high-resolution magnetic survey has significantly refined the location of the magnetic dolerite host rock, as well as north-south and north-east trending structural features, which are key elements of the mineralising events at Karonie.

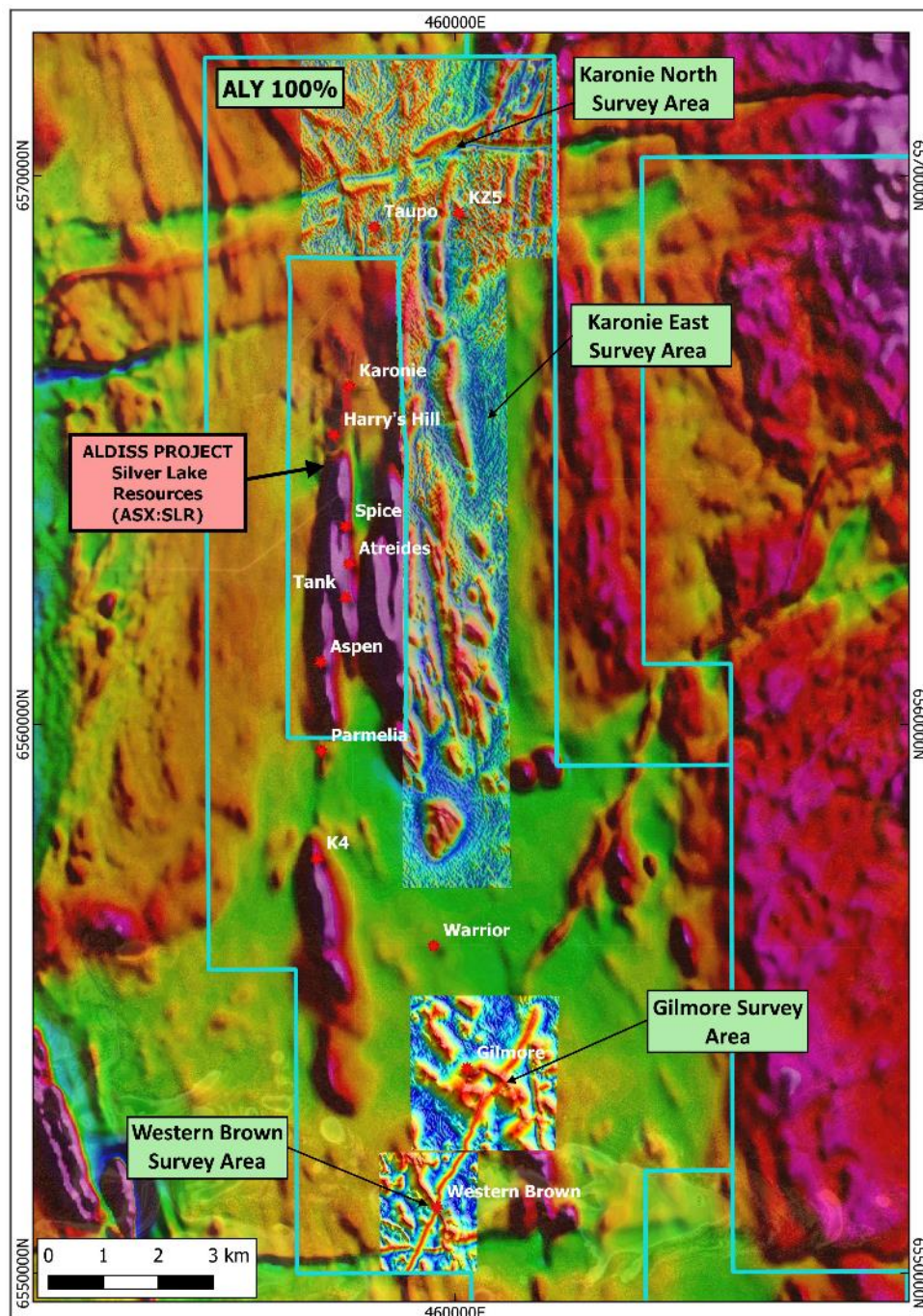


Figure 1: UAV magnetic survey areas at Karonie



## KARONIE RESOURCE TARGETS

Two surveys were conducted around the Aldiss Mining Centre to better understand the structures that control mineralisation at the Karonie Project. Data from the northern Karonie survey area will be used to aid understanding of the mineralisation controls for the Taupo and KZ5 resources<sup>1</sup>. Results show a structural jog to the north of KZ5, which correlates with a historic EM plate from a survey in the mid-2000s and which has never been followed up.

### Karonie East

The Karonie East survey area is a newly defined area of interest for Alchemy. The area has wide spaced RAB drilling (generally 150m X 1km line spacing) that was relatively ineffective at testing basement geology (see Figure 2). Ground truthing revealed that a large portion of the historic holes in the region failed to reach basement, often terminating in calcrete or younger cover. Samples have been taken and submitted for multi-element geochemistry to analyse for pathfinder elements which may assist in targeting.

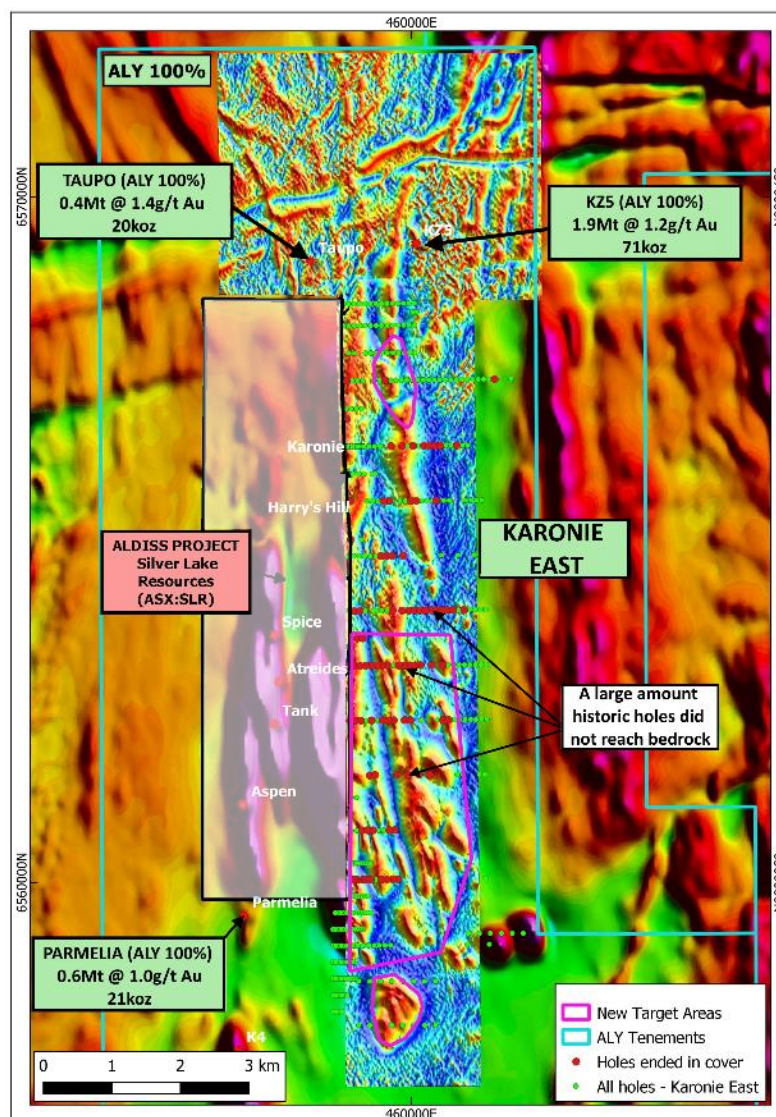


Figure 2: Magnetic survey areas in proximity to Resource areas and the Aldiss Mining Operations

<sup>1</sup> Refer ALY announcement 31 August 2021

## REGIONAL TARGET AREAS

### Western Brown and Gilmore

Western Brown is a newly defined 2km<sup>2</sup> 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 north-east-striking fault corridor; these north-east 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 north-east-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.

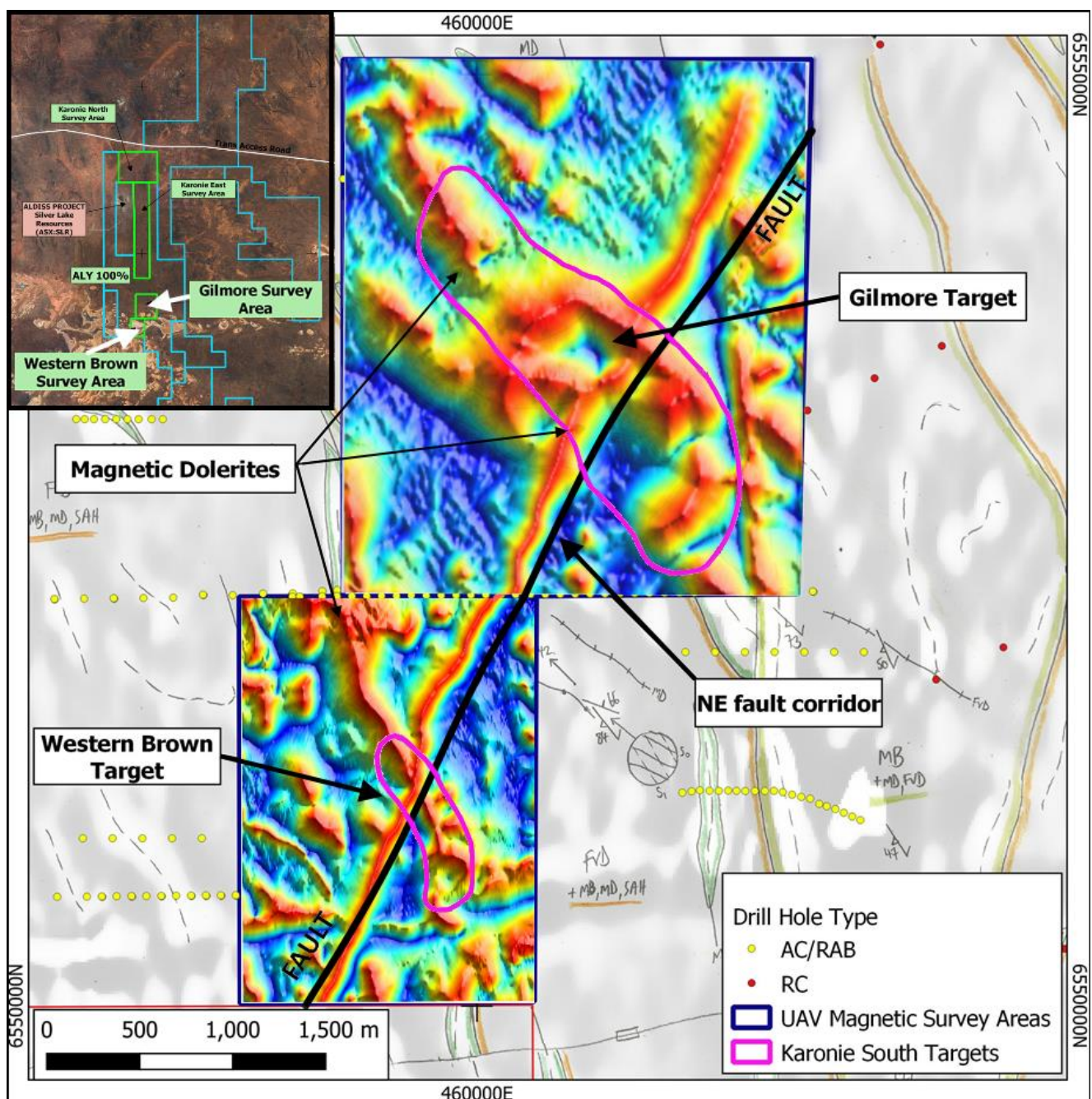


Figure 3: UAV magnetic survey areas for the newly defined Western Brown and Gilmore targets.



## EIS CO-FUNDING GRANT AWARDED

Alchemy has been notified by the Western Australian DMIRS that it has been successful in its proposal for an EIS funding grant of up to \$111,300 for its Western Brown and Gilmore target areas. The aim of the grant is to stimulate innovative exploration drilling in greenfield and under-explored parts of the state, and the awarding of the EIS grant validates Alchemy's belief that the potential for short strike length but high-grade structures in the area has not been adequately tested.

At Western Brown, Alchemy conducted a significant structural mapping exercise which interpreted the dolerite host rock to be cut by a large north-east trending fault and late-stage Proterozoic dyke. The target area (~2km<sup>2</sup>) is under a salt lake and has not been tested by modern exploration (refer Figure 3).

The Gilmore target is also largely untested with transported cover rendering geochemical sampling ineffective, and previous RAB and aircore drilling considered either too wide spaced or too shallow to adequately test the target (refer Figure 3). Alchemy plans diamond core and deep RC drilling along untested sections of the shear zone outlined by the high-resolution magnetics.

## 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 of 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 on the discovery of high-grade gold mineralisation adjacent to these areas.

Shallow drilling carried out by previous explorers indicates that the Project 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 Alchemy 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.