

21 January 2022

BOARD AND MANAGEMENTMR LINDSAY DUDFIELD
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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%)

KARONIE DRILLING COMMENCED**HIGHLIGHTS**

- **Major Gold focussed aircore drill program has commenced at the Karonie Gold Project 110km east of Kalgoorlie testing multiple high priority targets.**
 - **110 holes planned for 7,000m of drilling**
 - **Expected to take 2-3 weeks to complete**
 - **First assays expected in late February 2022**
- **The campaign is evaluating multiple high tenor targets at the Karonie East trend, which stretches over a 10km strike extent adjacent to the Aldiss Mine operated by Silver Lake Resources (ASX: SLR).**

Alchemy Resources Limited (ASX: ALY) ("Alchemy" or "the Company") is pleased to announce that a major aircore ("AC") drill program is underway at the 100% owned Karonie Gold Project, located 110km east of Kalgoorlie.

A 110-hole AC program commenced today testing regional targets within the Karonie Gold Project area. This will include holes along the Karonie East corridor which extends for approximately 10km.

Karonie East shares analogous geological features to the Aldiss Mining Operations owned by Silver Lake Resources (ASX: SLR) ("SLR"), located adjacent to the prospect.

Target generation has been based on a combination of the high-resolution magnetics flown in late 2021, combined with the multi-element geochemistry of historic bottom of hole samples and structural mapping completed during 2021.

Re-assaying with multi-element geochemistry shows multiple gold anomalies coincident with pathfinder anomalism in proximity to key geological structures along the trend, which have not been adequately tested.

A large proportion of the historic holes along the trend were drilled in the late 1990s or early 2000s and either did not penetrate the younger calcrete cover or were too widely spaced.

Chief Executive Officer Mr James Wilson commented:

"We are excited to be back out drill testing numerous targets along the ~10km long Karonie East corridor. The high-resolution magnetics flown in late 2021 highlighted numerous targets which pin-pointed high tenor structures in proximity to existing open pit mines. The previous holes, which were drilled over 20 years ago, did not penetrate the younger cover or were too widely spaced to be considered effective".

Alchemy Resources Limited

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KARONIE PROJECT EXPLORATION (WA ALY 100%)

PHASE 2 AIRCORE DRILL PROGRAM (7,000m) – COMMENCED

Phase 2 of Alchemy's planned drilling is focussed on the Karonie East target area as a priority target, after the high-resolution magnetics pin-pointed multiple high tenor structures in proximity to the existing deposits¹ and open pits at the adjacent Aldiss Mining Operations currently operated by SLR.

The program will consist of approximately 110 holes for 7,000m of drilling to test multiple targets along the 10km long Karonie East trend and features geological and structural features analogous those found in the adjacent Aldiss deposit.



Figure 1: Bostech AC drill rig at Karonie East

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 and high-resolution magnetics. Alchemy has also successfully sampled historic holes at Karonie East for multi-element geochemistry which returned anomalous results over key structures, supporting the view that historical exploration did not adequately test the targets. In Alchemy's view the historic drilling did not penetrate the calcrete cover or was too wide spaced to target the model of short strike length but high-grade structures at Karonie.

¹ Refer ALY announcement 31 August 2021

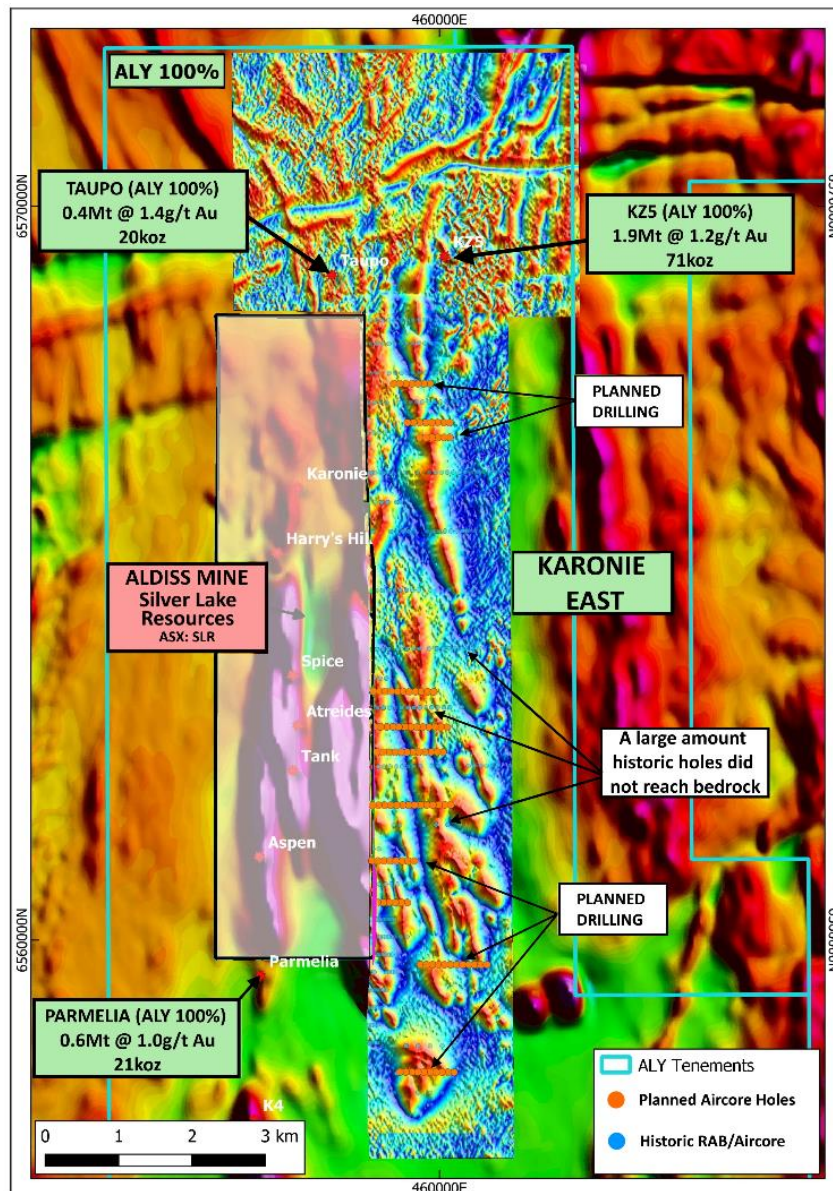


Figure 2: Karonie East drill targets

PLANNED ACTIVITIES FOR THE REMAINDER OF THE YEAR AT KARONIE

PHASE 3 DRILL PROGRAM – Commencing Q2-Q3 2022

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 are what generally control mineralisation throughout the Karonie province. The intersection point of the fault corridor and the magnetic dolerite is 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. This target has seen very little effective drilling, with most of the RAB drilling at Gilmore not being able to penetrate through transported cover to basement geology. Alchemy has secured EIS Co-Funding for these targets, which is seen as additional technical validation of their potential to host new discoveries in the region.

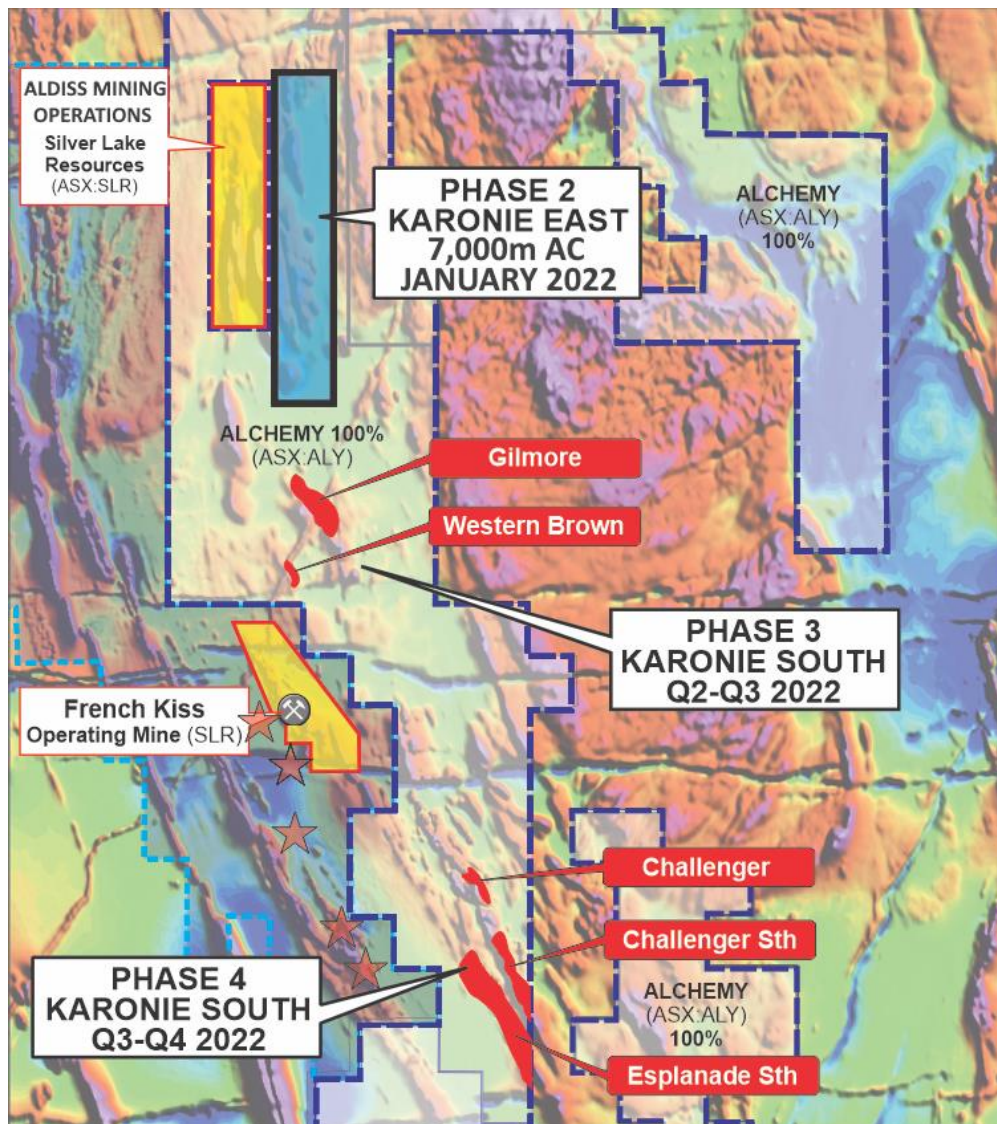


Figure 3: Karonie drill targets

PHASE 4 DRILL PROGRAM – Commencing Q3-Q4 2022

Challenger and Esplanade South

Challenger is a more advanced target that has known fresh rock mineralisation. Intercepts of up to 10m at 1.46 g/t gold (from 128m) in ISRC10351² are hosted within a thick high-Fe quartz dolerite sill, which is a similar host rock to the mineralisation at Bombora and the Golden Mile. AC drilling has defined a significant Au-Bi-Mo-Te-W-Sb anomaly in the area, which is considered a strong pathfinder for gold mineralisation. The area has had historic Reverse Circulation (RC) drilling only and was drilled in a SW orientation, which would have failed to adequately test the SW dipping fold limb at Challenger and NE orientated drillholes are recommended to test the structure sufficiently.

² Refer ALY announcement 24 May 2016

The Challenger South target is the southern extension of a high-Fe quartz dolerite sill that is seen at the Challenger prospect, that is disrupted/demagnetised by a NE-striking fault corridor. Historical AC drilling coverage is ~400m x 160m, which Alchemy believes is too broad spaced to define tight lode mineralisation that is typical along the Keith Kilkenny Shear Zone, especially with the stripped regolith profile that is seen in the area.

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; “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 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.

This announcement has been approved for release by the Board.

For further information please contact:

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Forward looking statements This announcement contains “forward-looking statements”, including statements about the scheduling of drilling programs. All statements other than those of historical facts included in this announcement, are forward-looking statements. Forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual events or results to differ materially from future events or results expressed, projected or implied by such forward-looking statements. The Company does not undertake to release publicly any revisions to any “forward-looking statement” to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.