ASX ANNOUNCEMENT

ASX: ALY

21 September 2022

Infill soil geochemistry shows high tenor lithium anomalism at Karonie

HIGHLIGHTS

- **Assay results received for 793 infill soil samples taken at Cherry, Hickory and Pecan Prospects at the 100% owned Karonie Project in Western Australia.**
- **Results highlight significant lithium and coincident pathfinder anomalism over all areas.**
- **Cherry and Hickory Prospect infill soils show elevated lithium and pathfinder elements over a 2km x 1.2km zone with mineralisation open in all directions.**
- **Pecan results show multiple discrete anomalies outside of the mapped pegmatite outcrops which may indicate additional zones under shallow cover.**
- **Maiden Lithium focussed RC drill program of 3,000-5,000m set to commence in October 2022, initially targeting high tenor anomalism at Hickory Prospect.**
- **Multiple follow-up drill programs planned to test the Cherry, Pecan and Mesquite areas.**

Alchemy Resources Limited (ASX: ALY) ("Alchemy" or "the Company") is pleased to announce it has received assay results for its infill soil sampling at the 100% owned Karonie Project in Western Australia. A total of 793 infill soil samples were taken over three target areas on a 100m x 40m offset grid pattern along the prospective "Goldilocks Trend" along a strike length of over 7km. Results show coherent and coincident lithium, beryllium, niobium, tin, tantalum and rubidium across the three areas. This soil data along with the rock chip assay data and detailed mapping has contributed to the planning of the phase 1 reverse circulation ("RC") drill program, which is due to commence in October 2022. The drill program will focus on the Hickory area initially, due to its significant density of pegmatites with associated strong pathfinder anomalism in rock chips and soils. Planning is underway for future drill programs and soil sampling to test the areas under cover to the north and south to ascertain additional prospectivity.

Chief Executive Officer Mr James Wilson commented: *"This latest round of results continues to validate our exploration strategy at Karonie. It demonstrates the excellent potential for further success in lithium focussed exploration. The soil anomalies remain open in all directions so there's excellent upside to grow the scale of this target. We view this as just the start of a significant lithium exploration campaign for Alchemy over our large 100% owned tenure. Our maiden drill program will commence in early October in what is a very exciting time for our Company and our shareholders."*

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CHERRY AND HICKORY INFILL SOIL SAMPLING

Alchemy has completed an infill soil sampling program over the high priority Cherry and Hickory Prospects on a 100m x 40m grid spacing. The infill soils were used to gain a better understanding of the high tenor anomalism that was identified in the regional spaced 400m x 400m soil geochemistry in April 2022. 551 samples were collected at Cherry and Hickory and submitted for 4-Acid digest multi-element analysis for 48 elements.

Assay results of the soil samples have now been received. The soil geochemistry highlights a coincident high-level lithium, beryllium, tantalum and tin anomaly in the north end of the Hickory Prospect, displaying common pathfinder elements for lithium, caesium and tantalum ("LCT")-pegmatites.

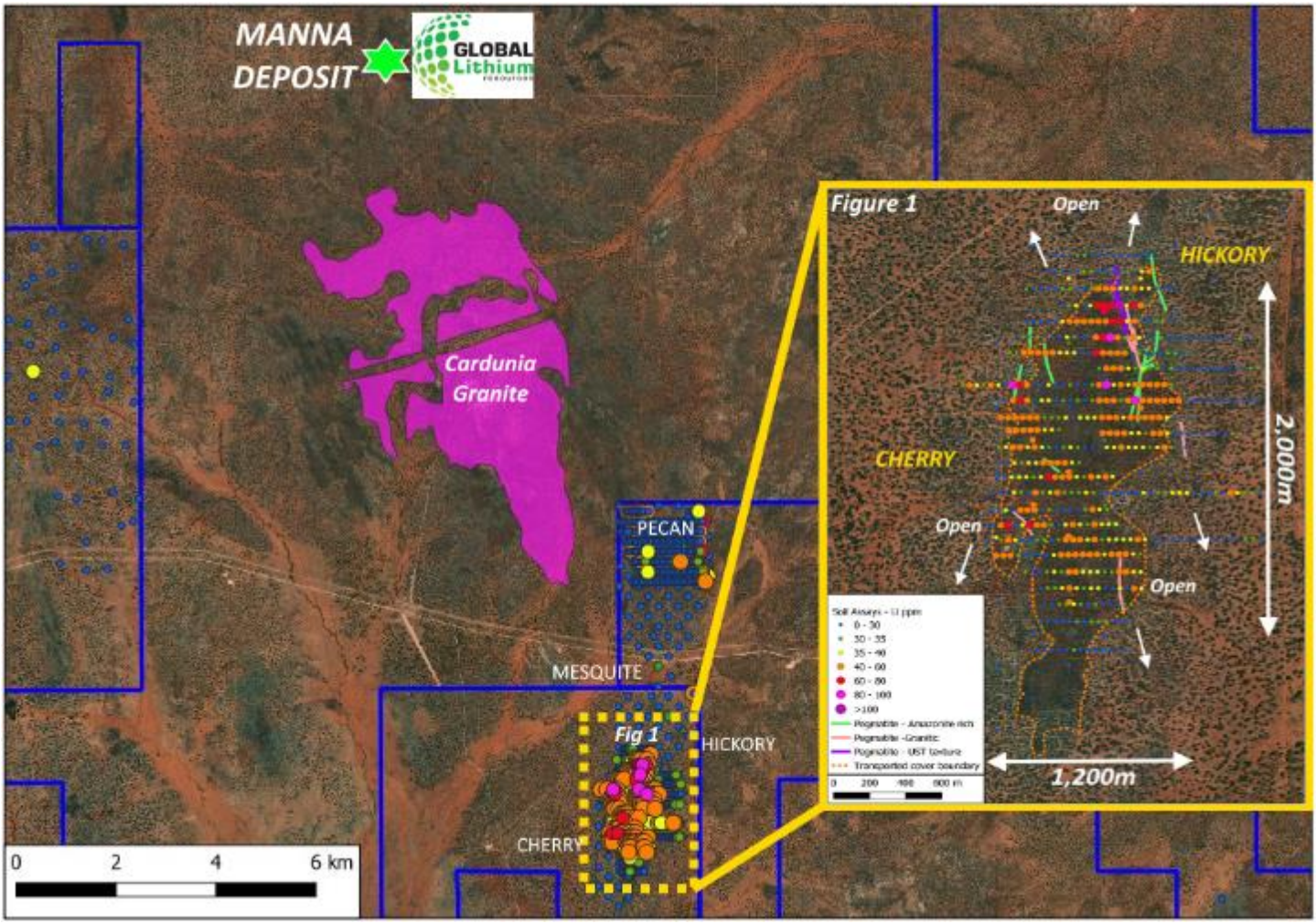

Figure 1: Cherry, Hickory, Pecan and Mesquite Prospects in relation to nearby deposits and the Cardunia Granite.

Transported colluvial sands have been mapped on the edges of the areas of soil sampling. These areas appear to mask geochemical response on the outskirts of the prospect, meaning that the anomalism is open to the north, south, east and west under cover. Future soil sampling may be necessitated by bedrock sampling via auger or aircore drilling to penetrate the younger, transported surface cover.

The Cherry and Hickory Prospects show two relatively distinct trends which remain open in all directions. The size of this zone, largely limited by the density of sampling, now sits at ~2,000m x 1,200m.

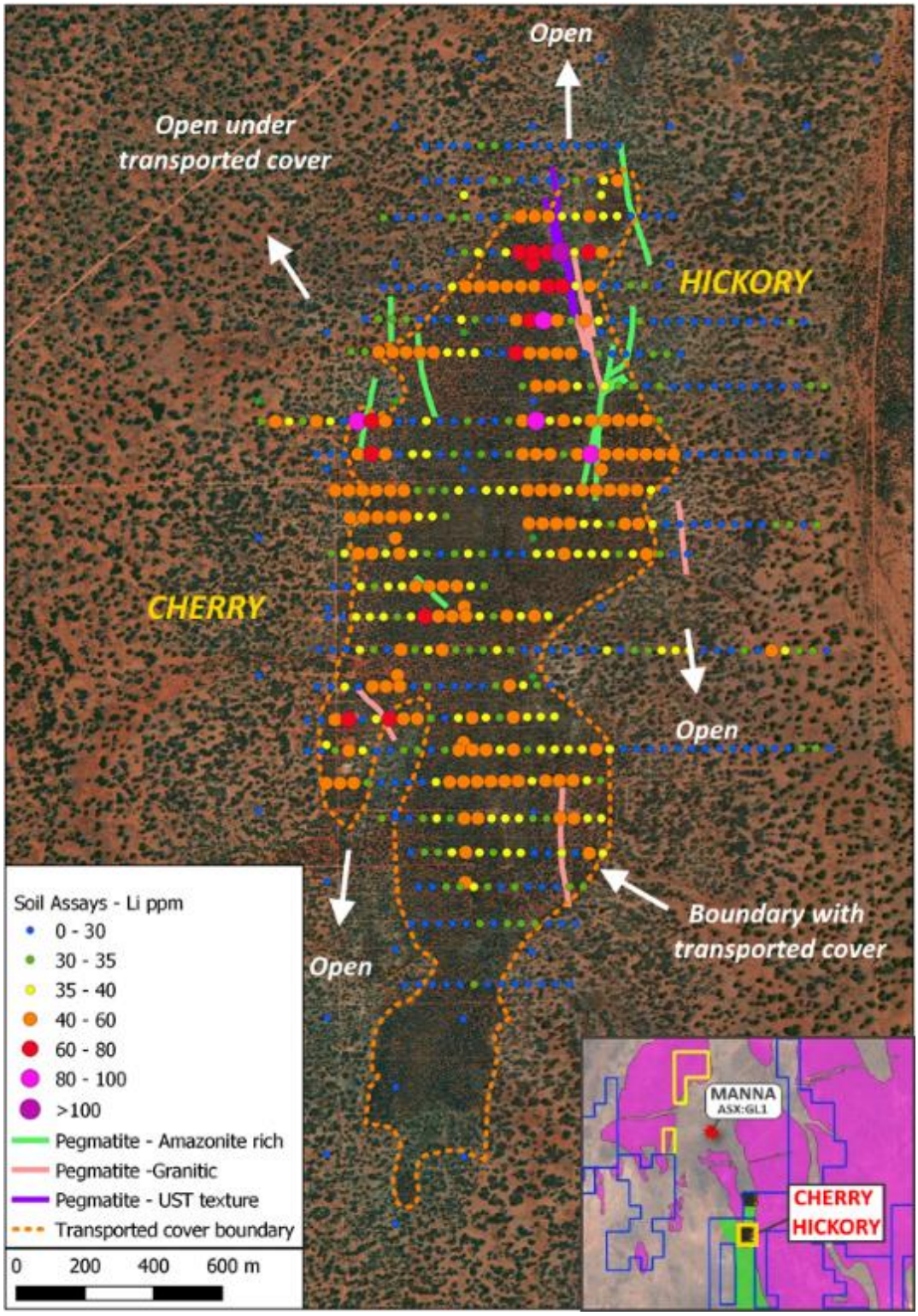

Figure 2: Infill lithium in soil assays at Cherry/Hickory prospects.

HICKORY RC DRILLING

The infill soil sampling, detailed mapping and rock chip sampling that Alchemy has completed over the previous six months has contributed to planning the first phase of drilling to be undertaken at the Hickory Prospect. The drilling is planned to commence in early October and will consist of 33 RC holes for ~3000-5000m. Drilling will target 1,200m of strike length of the pegmatites that have been identified by field mapping. Depth of holes will be up to 150m downhole with spacings of 80m to provide adequate cross over to establish dyke orientation. In addition, a stratigraphic line will be drilled across Hickory to Cherry to establish if there are additional pegmatites under the thin surface cover.

The program will target the Uniaxial Solidification Textured ("UST") pegmatites at the northern end of the Hickory Prospect where the higher tenor lithium in soils anomaly occurs. The UST textured pegmatites are also where the highest tenor pathfinder elements also occur. Drilling will also test the pegmatites under the transported cover to the north along strike.

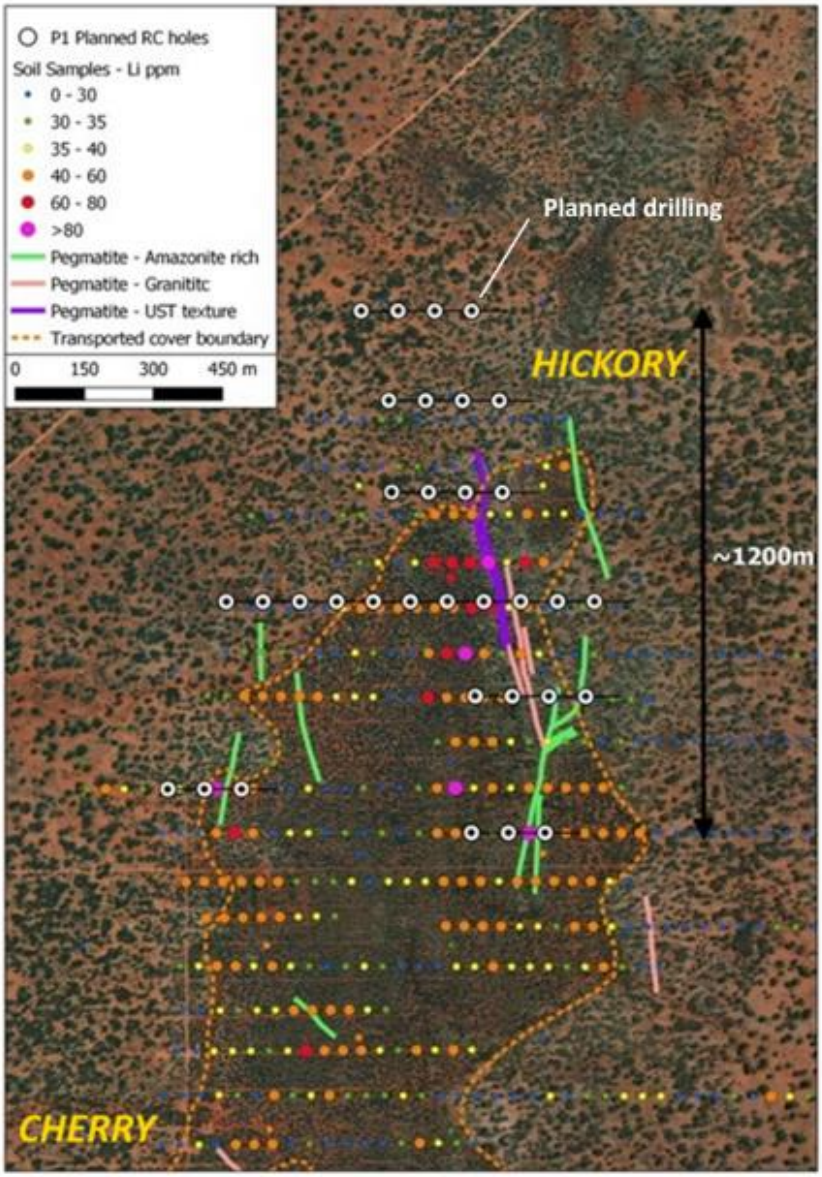

Figure 3: Planned RC drilling at Cherry and Hickory Prospects.

PECAN INFILL SOIL SAMPLING

Alchemy has completed an infill soil sampling program over the high priority Pecan Prospect on a 200m x 50m grid over a 1600m x 1500m area. 242 samples were collected at Pecan and submitted for 4-Acid Digest multi-element analysis for 48 elements. Soil geochemistry highlighted scattered but coincident beryllium, gallium, niobium and rubidium, which are common LCT-pegmatite pathfinder elements. The alluvial channels that are seen throughout the Pecan Prospect appear to mask any geochemical response in the soil geochemistry despite previously released[1] rock-chip assays along the outcropping pegmatites reporting high pathfinder elements up to 221ppm Cs, 5880ppm Rb and 55.2ppm Ta (Figure 4). This suggests there is little or no surface dispersion, or that the surface cover is transported.

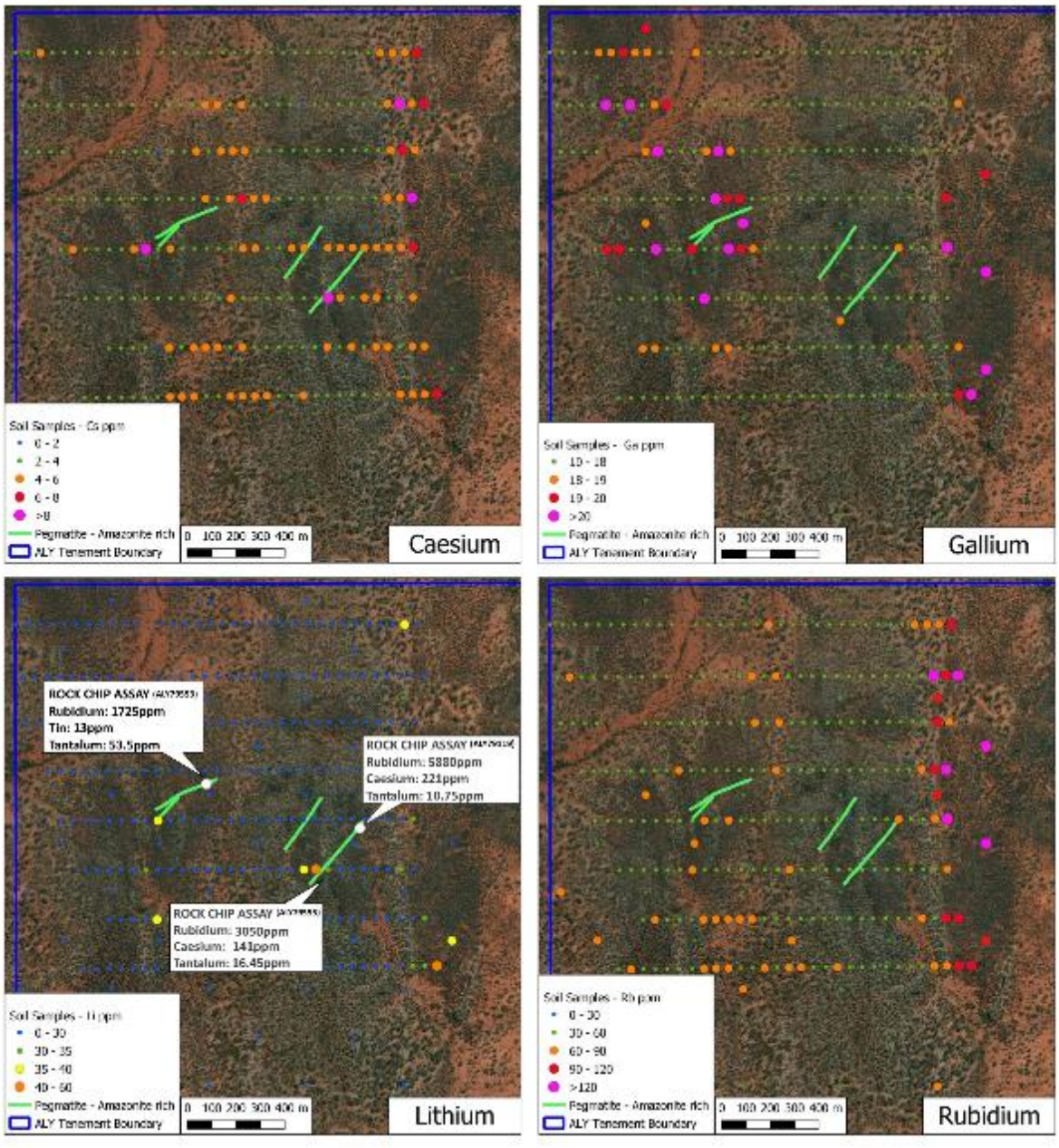

Figure 4: Pecan Soil Geochemical Assays (Li, Ga, Rb, Cs) and previously released rock chip results[1].

[1] *Refer to Alchemy Resources Limited ASX Announcement 29 July 2022 – Lithium and Gold exploration update*

NEXT STEPS

- Commence first pass RC drill program at Hickory.
- Ground truthing of all infill and the new regional soil sampling target areas at Red Oak and Alder.
- Plan additional sampling programs for soil anomalies along strike at Cherry and Hickory.
- Continue to progress Land Access Agreements and heritage access for the Pecan Prospect.

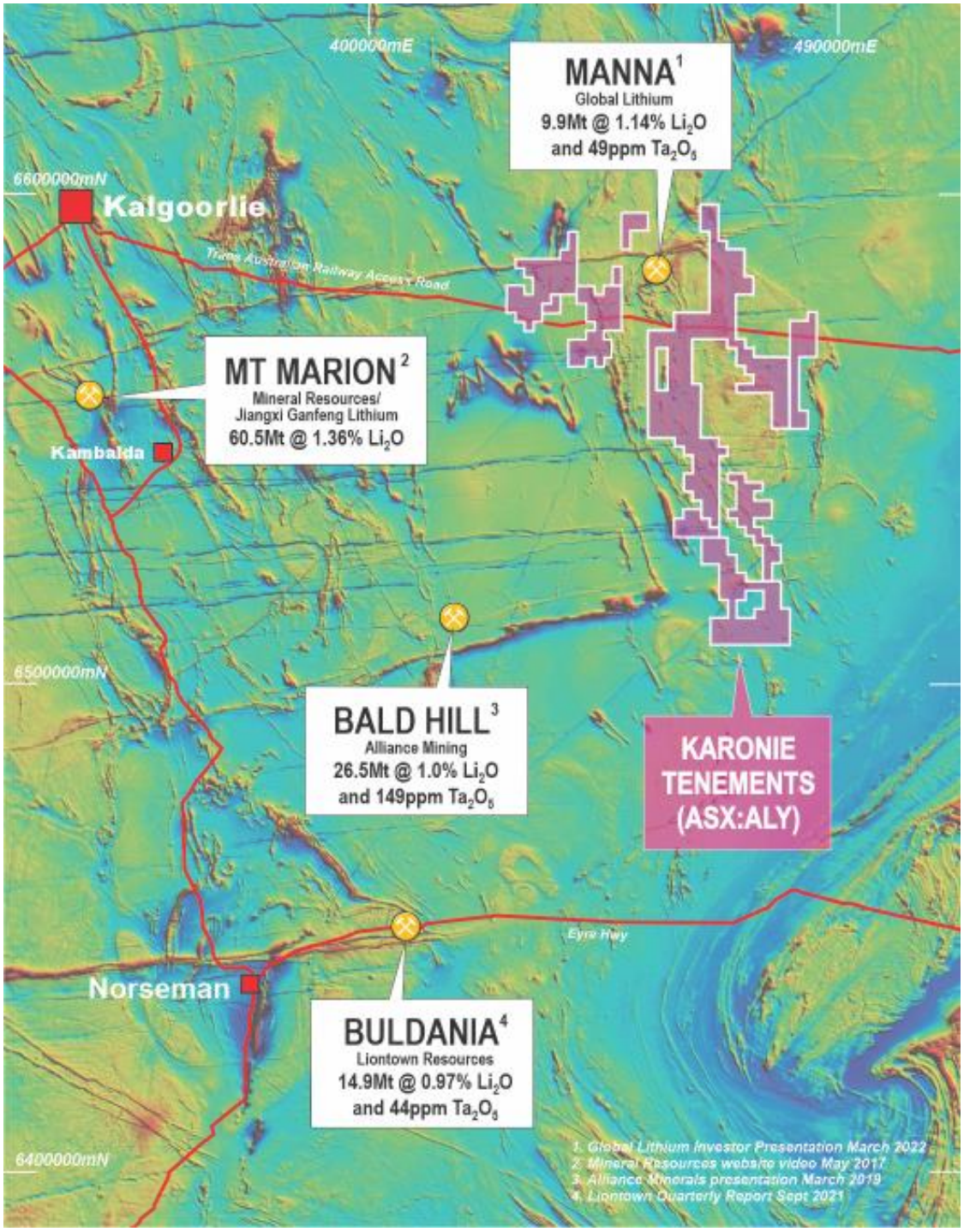

Figure 5: Karonie Projects and nearby Lithium development assets.

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 battery metals 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 (Figure 1). 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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APPENDIX A

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	Karonie soils collected from below the surface organic layer at a depth of approximately 20cm. Soil samples are sieved on site and the ~1mm fraction is retained for geochemical analysis. Karonie Soil sample weights are approximately 300 grams. All sieved material collected is collected in either calico bags or kraft packets (up to 300 grams). The soil sampling techniques utilised for Karonie are considered standard industry practice. The random rock chip samples are irregularly spaced which is considered appropriate for regional scale level lithium and gold exploration.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	No Drilling results reported
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	No drilling results reported

Criteria	JORC Code explanation	Commentary
	Measures taken to maximise sample recovery and ensure representative nature of the samples. *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* *The total length and percentage of the relevant intersections logged.*	Soil sample sites are described noting landform and nature of soil media. Soil sample descriptions are considered qualitative in nature.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.* *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Sample preparation of Alchemy samples follows industry best practice standards at accredited laboratories. Sample preparation comprises oven drying, jaw crushing and pulverising to -75 microns (80% first pass). Karonie Soil samples collected on a 400x400 and 500x500m pattern (in addition to various ad-hoc patterns due to landform irregularities). Sample sizes (0.2kg – 1.5kg) are considered appropriate for the technique. Rock Chip samples were collected in dry conditions and placed in numbered calico bags and grouped in polyweave bags for dispatch to the laboratory. Rock Chip sample sizes were generally 1.5-3.0kg. All rock chip samples have subsequently been delivered to the ALS Laboratory in Kalgoorlie.
Quality of assay data and	*The nature, quality and appropriateness of the assaying and laboratory procedures*	Karonie Soil samples submitted to ALS laboratories for 48 elements by four acid digest,

Criteria	JORC Code explanation	Commentary
laboratory tests	*used and whether the technique is considered partial or total.* *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	ICP-MS finish (ME-MS61L). This technique is considered total for elements assayed. The analytical techniques and quality control protocols used are considered appropriate for the data to be used.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.* *The use of twinned holes* *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* *Discuss any adjustment to assay data.*	No drilling results reported. Primary soil sampling data was collected electronically. No twinned holes or drilling results are reported.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	A handheld GPS was used to locate the data positions, with an expected +/-5m vertical and horizontal accuracy. The grid system used for all collar locations is the UTM Geocentric Datum of Australia 1994 (MGA94 Zone 51). GPS measurements of sample positions are sufficiently accurate for first pass geochemical sampling. Nominal RL's were assigned from 1 sec (30m) satellite data.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*	Soil sampling line spacing varied between 400m to ~500m within each prospect area, and on these sample spacings vary from ~200m to ~400m. Unknown sample representivity at this early stage of exploration sampling. No compositing undertaken on soil samples.

Criteria	JORC Code explanation	Commentary
	Whether sample compositing has been applied.	
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type* *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	The orientation of the soil sampling lines has not considered to have introduced sampling bias. No compositing undertaken on soil samples.
Sample security	*The measures taken to ensure sample security.*	Samples are collected in polyweave bags and delivered directly from site to the assay laboratory in Kalgoorlie by Alchemy employees.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No review has been carried out to date.

APPENDIX B

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	Type - Exploration Licence (currently in good standing) Reference name –Karonie & Roe Hills Reference number – E28/2575, E28/2880, E28/2681, E28/2667, E28/2976 Location – 100km east of Kalgoorlie, Australia. Ownership – 100% Goldtribe Corporation Pty Ltd (a wholly owned subsidiary of Alchemy Resources Limited) Overriding royalties - none The land is 100% freehold. No Wilderness Reserves, National Parks, Native Title sites or registered historical sites are known. No environmental issues are known.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	A significant amount of exploration has been conducted across the majority of E28/2575, E28/2880, E28/2681, E28/2667, E28/2976. Previous exploration companies include Freeport McMoran Ltd, Poseidon Gold Ltd, WMC, Goldfields Pty Ltd, Integra Mining Ltd, Border Gold, and Silver Lake Resources. Exploration work completed across the area covered by E28/2575, E28/2880, E28/2681, E28/2667, E28/2976 has included desktop studies and collaborative research, geological and regolith mapping, soil sampling, RAB, Aircore, RC and diamond drilling, and numerous airborne and ground geophysical surveys (magnetics, gravity, IP, surface EM and downhole EM).
Geology	*Deposit type, geological setting and style of mineralisation*	Deposit Type (gold)– Structurally controlled, shear zone and dolerite hosted mesothermal gold mineralisation. Geological setting – Proterozoic Woodline Formation overlying variably folded Archean

Criteria	JORC Code explanation	Commentary
		and sheared sediments and mafic volcanic units. Multiple deformation events leading to complex faulting and metamorphism ranging from greenschist to amphibolite facies. Style of mineralisation – quartz vein hosted gold mineralisation within steep west dipping shear zones. Better grades and tonnages are associated with isoclinally folded (or otherwise thickened) coarser grained mafic units (dolerites). Gold mineralisation is associated with strong silicification-carbonate-biotite + calc-silicate alteration and observed steep north plunging fold axes and lineation's correlate with steep north plunging high grade ore shoots. Deposit Type (lithium) – The company is also targeting lithium-caesium-tantalum mineralisation hosted by granitic pegmatites. The company undertook large scale exploration in 2018-2020 focussing on gold exploration. There is no record of exploration for lithium exploration within the project areas. Areas of interest sit within the prospective "Goldilocks Zone", a defined corridor in which Lithium-Caesium-Tantalum pegmatite occur. The zone lies outboard of the granitic terrain and within the greenstone belts.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.*	No drillholes are reported.

Criteria	JORC Code explanation	Commentary
	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	No levelling of the raw geochemical data was undertaken. Images of the individual elements were generated using IOGas software and proprietary analysis via the geochemical consultant.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	Not applicable.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Appropriate plans and have been included in the body of this announcement.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and*	Not applicable.

Criteria	JORC Code explanation	Commentary
	high grades and/or widths should be practiced avoiding misleading reporting of Exploration Results.	
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	All meaningful data and relevant information have been included in the body of the report.
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Appropriate plans are provided in the body of the report.