

ASX ANNOUNCEMENT

31 OCTOBER 2018

CODE: ALY

BOARD OF DIRECTORS

Mr Lindsay Dudfield
Non-Executive Chairman

Mr Leigh Ryan
Managing Director

Ms Liza Carpena
Non-Executive Director

Mr Anthony Ho
Non-Executive Director

ISSUED CAPITAL

SHARES 440,419,481

OPTIONS 29,500,000 (Unlisted)

PROJECTS

WEST LYNN (earning up to 80%)

LACHLAN (earning up to 80%)

KARONIE (100%)

BRYAH BASIN (80-100%)

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SEPTEMBER 2018 QUARTERLY REPORT

Highlights

WEST LYNN / COBAR BASIN PROJECTS (NSW) – Gold / Base Metals / Ni-Co

- Phase 2 drilling completed at West Lynn Project with results from both Phase 1 and 2 returning outstanding Ni-Co-Al intercepts including:
 - 25m @ 0.99% Ni, 0.06% Co from 36m
 - 22m @ 0.80% Ni, 0.04% Co from 45m
 - 21m @ 0.89% Ni, 0.04% Co from 39m
 - 20m @ 0.87% Ni, 0.04% Co from 31m
 - 15m @ 1.29% Ni, 0.10% Co from 39m
 - 18m @ 1.02% Ni, 0.06% Co from 36m
 - 54m @ 19.1% Al₂O₃ from 16m
 - 51m @ 19.1% Al₂O₃ from 15m
 - 30m @ 20.5% Al₂O₃ from 21m
- Phase 3 aircore and diamond drilling has commenced at West Lynn.
- Crown Land and State Forest Native Title Land Access Agreement in relation to the Overflow Project executed with NT Applicant.
- Overflow surface EM survey and deep diamond drilling to commence mid-Q4.

BRYAH BASIN PROJECT (WA) – Gold / Base Metals

- Sandfire acquires IGO's Farm-in Rights over Bryah Basin base metal prospective tenements earning up to an 80% interest by sole funding at least \$3.1M on exploration by 28 October 2019.
- Alchemy free-carried to completion of a Pre-Feasibility Study and carried on an interest free deferred basis for a further \$5M of Definitive FS expenditure.
- Sandfire to commence first pass aircore drilling Q4 2018
- JORC Code 2012 Edition compliant uncut inferred resource estimate of 1.37Mt @ 2.0 g/t for 87,000oz Au for Hermes South.
- Additional resource drilling completed at Hermes South by Billabong Gold during the quarter. All results pending.
- \$1.7M cash at hand at 30 September 2018.

Alchemy Resources Ltd (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. The Company has built a significant land package in the Karonie greenstone belt in the Eastern Goldfields region in Western Australia, and has entered into a Farm-in and Joint Venture Agreement with Heron Resources Ltd (ASX: **HRR**; “**Heron**”) to earn an 80% interest in the Lachlan Projects in New South Wales. The Company also maintains its interest in the Bryah Basin Project in the gold and base metal-rich Gascoyne region of Western Australia (Figure 1), where farm-in and joint venture partner Billabong Gold Pty Ltd (“**Billabong**”), a subsidiary of TSX-V listed Superior Gold Inc. (TSX-V: **SGI**), and Sandfire Resources NL (ASX: **SFR**) are continuing to advance gold and base metal exploration, respectively.

Work completed by Alchemy during the September 2018 Quarter included completing Phase 2 resource drilling at the West Lynn and Summervale prospects (95 holes for 4,637m), the execution of a Native Title Land Access Agreement with respect to accessing Crown Land within the Overflow Project, and preparations for a high powered surface electromagnetic survey and deep diamond drilling at the Overflow Prospect.

During the quarter a JORC Code 2012 Edition compliant uncut inferred resource estimate of 1.37Mt @ 2.0 g/t for 87,000oz Au (0.6g/t Au lower cut-off) was completed for the Hermes South deposit (formerly Wilgeena), and Billabong completed 51 RC holes totalling 7,308m at Hermes South which aimed to further define a new shallow parallel lode 150m to the south of the main Hermes South ore zone and extend the existing resource down-plunge of currently defined mineralisation. All RC drilling results are pending.

Sandfire has completed a comprehensive geological assessment of all data received from IGO, and planned first pass aircore (AC) drilling which is scheduled to commence in Q4 2018.

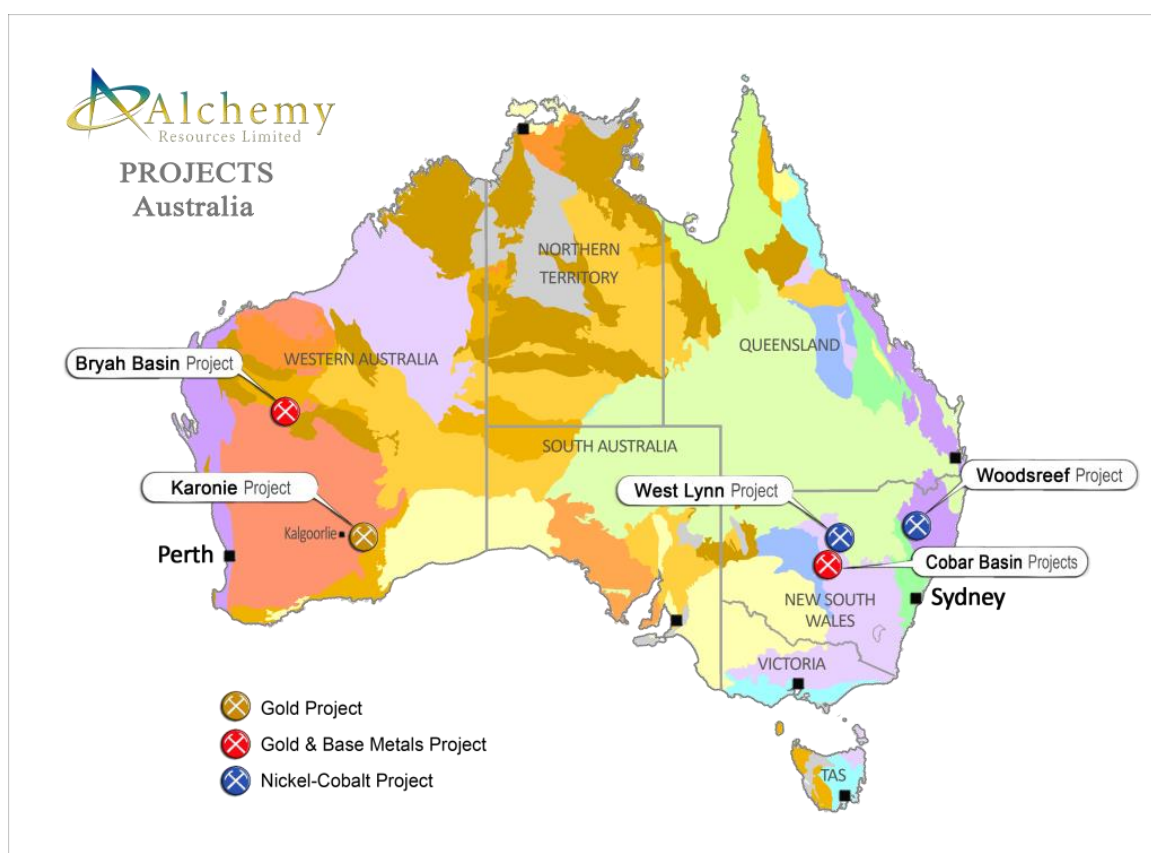


Figure 1: Alchemy Resources' Project Location Map.

Lachlan / Cobar Basin Projects (NSW) (Alchemy earning up to 80%)

The Lachlan / Cobar Basin Projects consist of the Overflow Gold-Base Metal Project, the Eurow Copper-Gold Project, the Girilambone Copper Project and the West Lynn and Woodsreef Nickel-Cobalt Projects, each containing multiple gold and/or base metal and/or nickel-cobalt targets, including drill-ready targets at Overflow, Yellow Mountain, and West Lynn. The projects form part of a Farm-In and Joint Venture with Heron Resources (ASX: HRR) ("Heron"), and are proximal to high profile mining centres in the Cobar Basin and central Lachlan Fold Belt, including Hera/Nymagee (Aurelia Metals Ltd - ASX: AMI), Mallee Bull/Wagga Tank/Southern Nights (Peel Mining Ltd - ASX: PEX), Tritton (Aeris Resources Ltd - ASX: AIS) and the Parkes mining centre (Figure 2).

Alchemy can earn an 80% interest in the eight NSW licences comprising the Farm-In and Joint Venture Agreement by spending \$2M before 30 May 2021, with approximately \$0.85M spent to date¹.

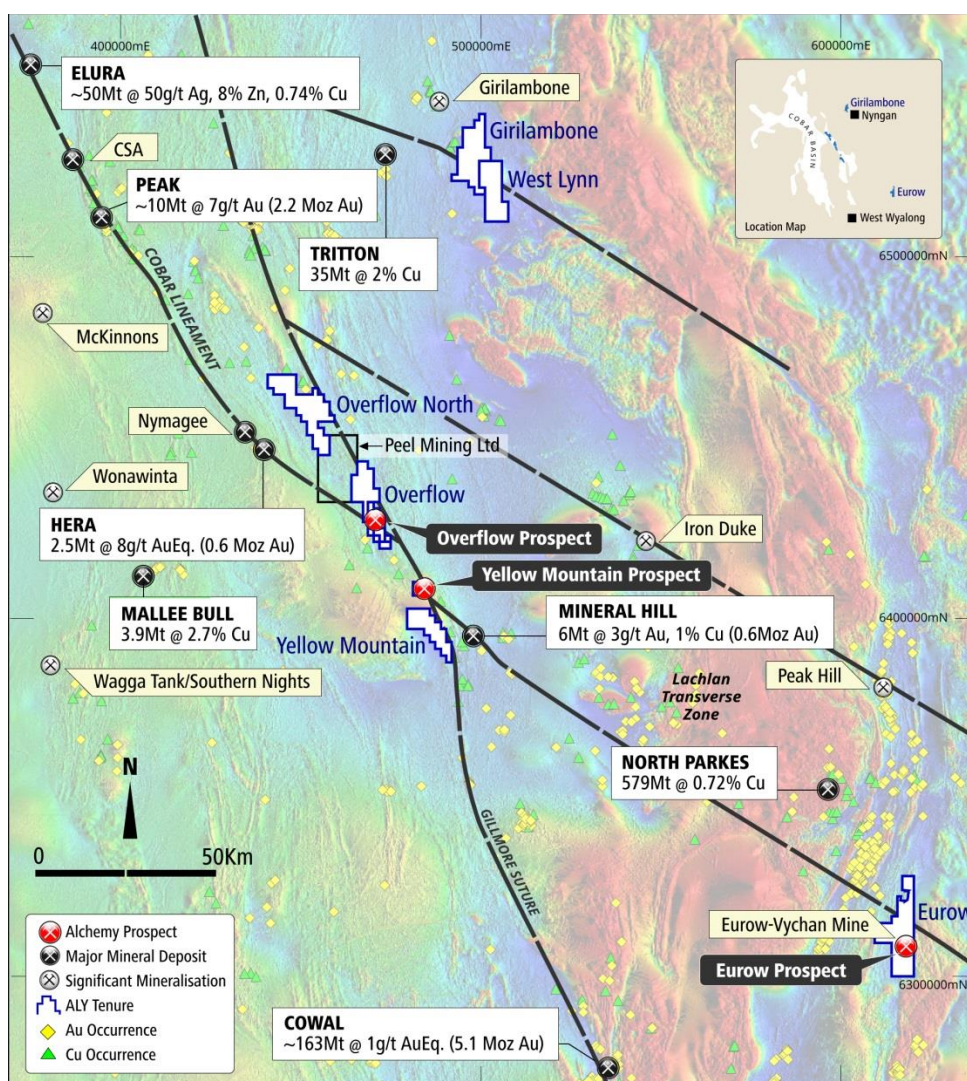


Figure 2: NSW Alchemy / Heron Resources Farm-in / Joint Venture Agreement Projects (including new West Lynn licence).

During the quarter EL5878 which contains the Overflow Prospect was renewed for a further five years.

¹ Refer to Alchemy Resources Limited ASX announcements dated 14 March 2018, and 13 April 2018

West Lynn Ni-Co Project (EL8631)

During the quarter Alchemy completed Phase 2 resource drilling (95 holes for 4,637m) at the West Lynn Nickel-Cobalt Project in the Lachlan Fold Belt, NSW (*Figure 3*). Results for both Phase 1 and Phase 2 drilling were received, identifying broad high grade nickel (Ni) - cobalt (Co) mineralisation within the laterite and saprolite profiles at both West Lynn and Summervale, confirming broad zones of alumina (Al_2O_3) immediately above the Ni-Co mineralised zone, and highlighting the potential to expand the known Ni-Co- Al_2O_3 mineralisation at both the Summervale and West Lynn prospects.

Phase 3 drilling is now underway, comprising infill and extension aircore drilling and 3 PQ triple tube diamond holes to allow for density measurements to be conducted on the mineralised host rocks. Results from all 3 phases of drilling are expected to facilitate the conversion of the existing West Lynn Nickel-Cobalt Exploration Target of 15 - 30Mt @ 0.7 - 0.9% Ni, 0.05 - 0.07% Co^2 to a JORC Code 2012 compliant resource estimate.

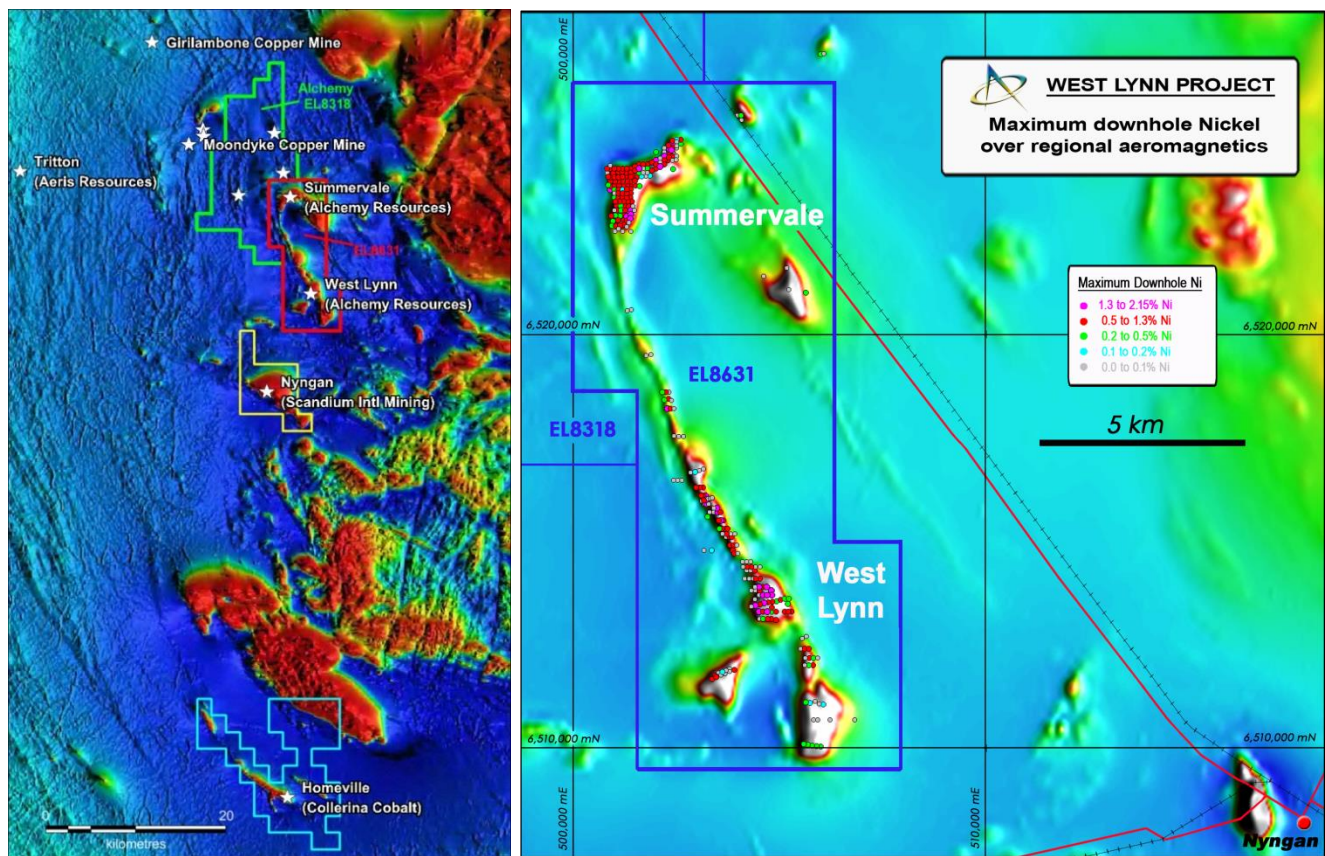


Figure 3: Regional Ni-Co+Sc deposits and selected licences over State-wide TMI aeromagnetic image (left) and Alchemy Farm-in licences (EL8631 & EL8318) and all drilling coloured by maximum downhole Ni(%) over RTP TMI aeromagnetic image (right)

West Lynn Prospect

Fifty one (51) Phase 2 aircore drill holes (WLAC024 – 074) totalling 2,293m were completed at the West Lynn prospect at a 100m x 100m and 100m x 200m drill spacing which Alchemy considers will be sufficient for a JORC Code 2012 compliant inferred resource category (*Figures 3 & 6*). Drilling intersected variably limonitic and ferruginous clay, saprolite and weathered serpentinite units. The higher alumina grades are associated with pale cream to white clay units located immediately above the Ni-Co mineralisation. Both Ni-Co and alumina

² Refer to Alchemy Resources ASX Announcement dated 13 April 2018

mineralisation at West Lynn continues to show good continuity, which is favourable for the forthcoming resource estimation work. Significant Ni-Co results from the Phase 1 & 2 drilling included:

- 25m @ 0.99% Ni, 0.06% Co from 36m (WLAC048)
- 28m @ 0.72% Ni, 0.04% Co from 32m (WLAC047)
- 21m @ 0.89% Ni, 0.04% Co from 39m (WLAC033)
- 22m @ 0.80% Ni, 0.04% Co from 45m (WLAC045)
- 23m @ 0.72% Ni, 0.04% Co from 35m (WLAC029)
- 20m @ 0.74 % Ni, 0.04% Co from 11m (WLAC052)
- 11m @ 1.06% Ni, 0.10% Co from 21m (WLAC007)
- 12m @ 0.94% Ni, 0.12% Co from 10m (WLAC001)

High grade alumina (Al_2O_3) intercepts from the zone above the Ni-Co mineralisation included:

- 19m @ 18.7% Al_2O_3 from 8m (WLAC067)
- 18m @ 19.5% Al_2O_3 from 10m (WLAC069)
- 18m @ 17.9% Al_2O_3 from 15m (WLAC066)
- 19m @ 15.7 % Al_2O_3 from 31m (WLAC043)

Locations of the significant Ni-Co- Al_2O_3 intercepts from the West Lynn Phase 1 & 2 drilling can be seen in plan and cross section (Figures 4 to 6).

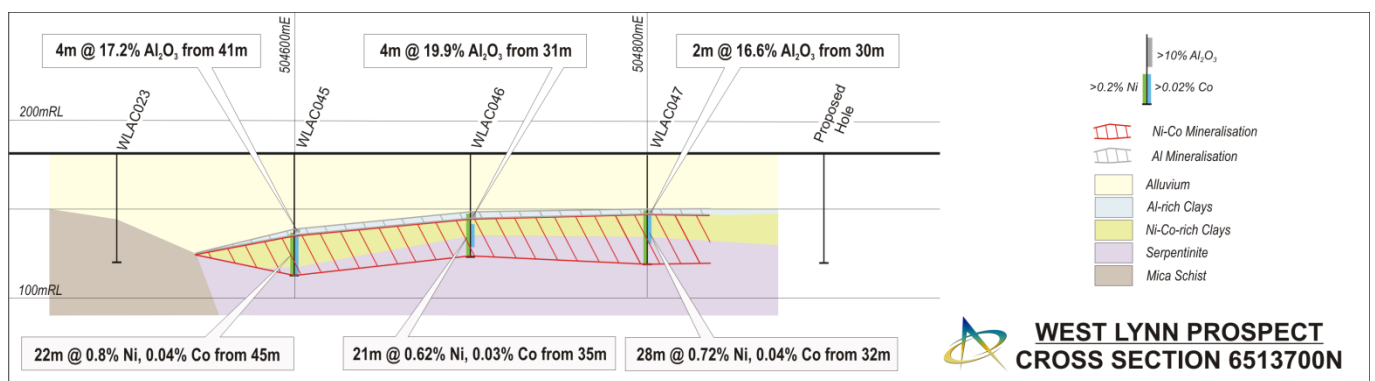


Figure 4: West Lynn Prospect cross section (6513700N) showing recent drill holes, mineralised zones, significant intercepts and geology.

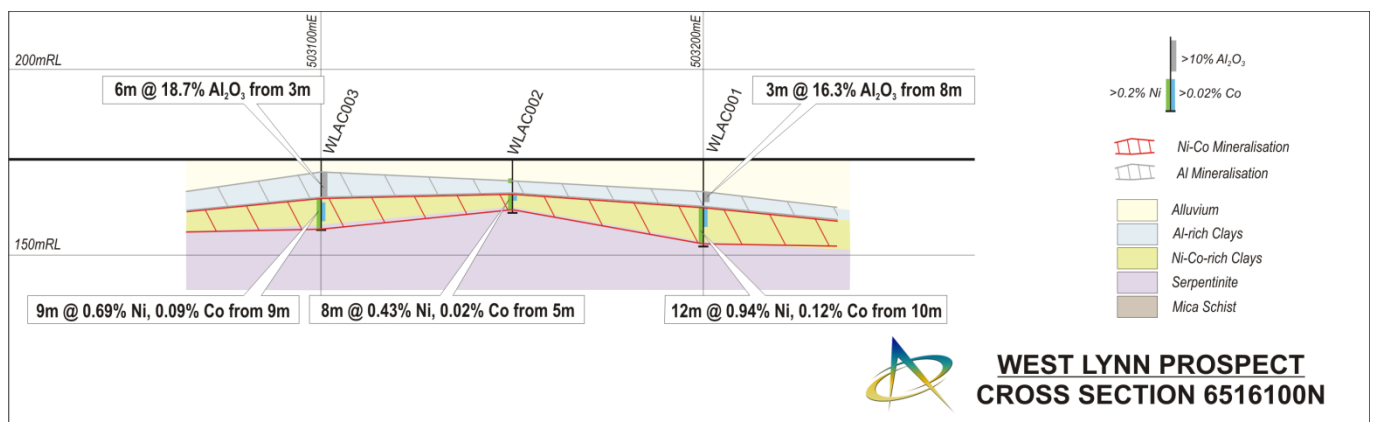


Figure 5: West Lynn Prospect cross section (6516100N) showing recent drill holes, mineralised zones, significant intercepts and geology.

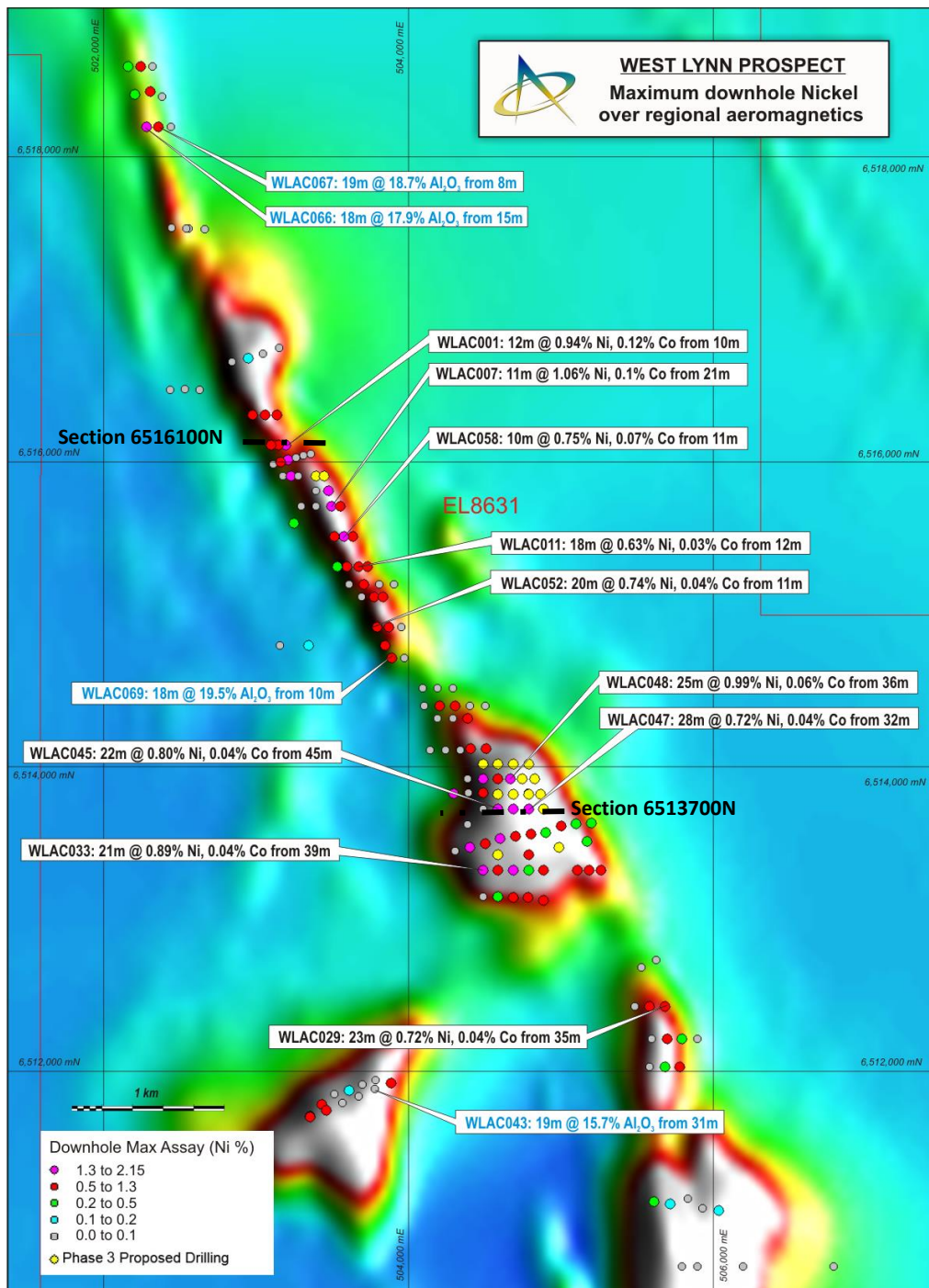


Figure 6: Plan of West Lynn Prospect showing all drilling (coloured by Ni%), Phase 2 significant intercepts (labelled), and proposed Phase 3 resource drilling (yellow dots) over regional aeromagnetic image.

Summervale Prospect

Forty four (44) Phase 2 aircore drill holes (SVAC037 – 080) totalling 2,344m were completed at the Summervale Prospect at a 100m x 100m drill spacing during the quarter (Figures 3 & 9). Most drill holes intercepted broad zones (up to 39m thick) of pale cream to white (aluminium-rich) clay above variably limonitic and ferruginous clay and saprolite before intercepting weathered serpentinite.

Significant Ni-Co results from the Phase 1 & 2 drilling included:

- 15m @ 1.29% Ni, 0.10% Co from 39m (SVAC033)
- 18m @ 1.02% Ni, 0.06% Co from 36m (SVAC069)
- 20m @ 0.87% Ni, 0.04% Co from 31m (SVAC039)
- 19m @ 0.87% Ni, 0.04% Co from 27m (SVAC040)
- 13m @ 0.85% Ni, 0.04% Co from 41m (SVAC004)
- 9m @ 1.14% Ni, 0.07% Co from 42m (SVAC034)
- 10m @ 0.83% Ni, 0.05% Co from 23m (SVAC007)

Broad, high grade alumina (Al_2O_3) intercepts from the zone immediately above the Ni-Co mineralisation included:

- 54m @ 19.1% Al_2O_3 from 16m (SVAC018)
- 51m @ 19.1% Al_2O_3 from 15m (SVAC005)
- 39m @ 16.0% Al_2O_3 from 15m (SVAC011)
- 30m @ 20.5% Al_2O_3 from 21m (SVAC031)
- 33m @ 17.6% Al_2O_3 from 22m (SVAC001)
- 24m @ 20.9% Al_2O_3 from 18m (SVAC010)
- 22m @ 19.4% Al_2O_3 from 18m (SVAC004)

Sampling of the alumina rich layer above the Ni-Co rich clays in the Phase 2 drilling is incomplete with remaining samples from this zone to be submitted with the Phase 3 drill samples.

Locations of the significant Ni-Co- Al_2O_3 intercepts from the Summervale Phase 1 and 2 drilling can be seen in Figure 9, and in selected cross sections below (Figures 7 & 8). Ni-Co mineralisation at Summervale is also associated with variably limonitic and ferruginous clay, saprolite, and weathered serpentinite units. The higher alumina grades are associated with pale cream to white clay units located immediately above the Ni-Co mineralisation. Ni-Co and alumina mineralisation at Summervale also show good continuity along strike and across drill sections.

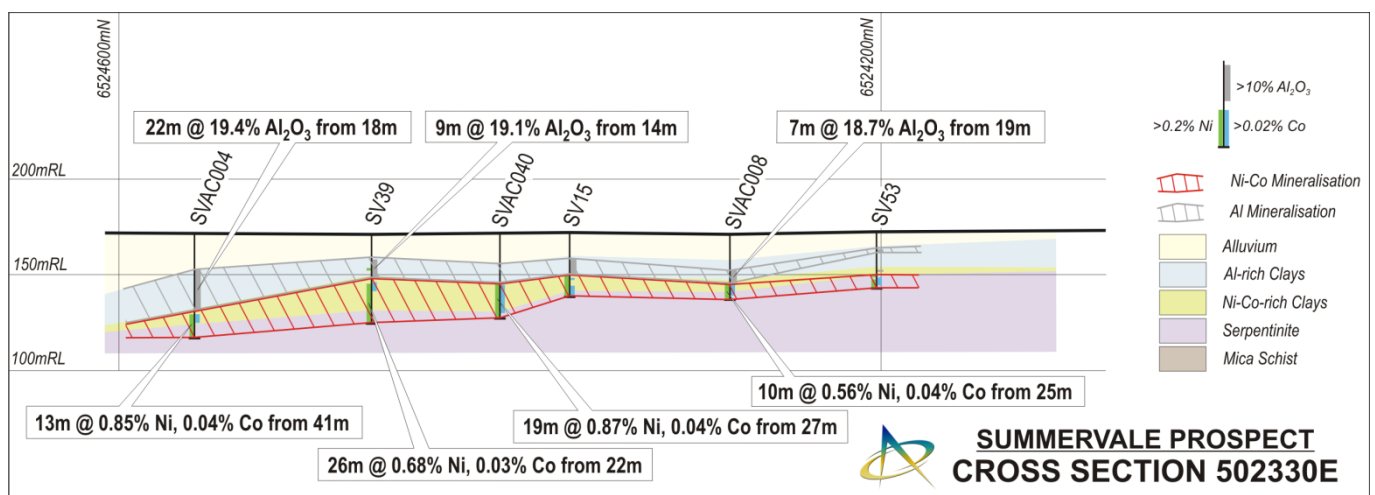


Figure 7: Summervale Prospect cross section (502330E) showing recent and historic drill holes, mineralised zones, significant intercepts and geology.

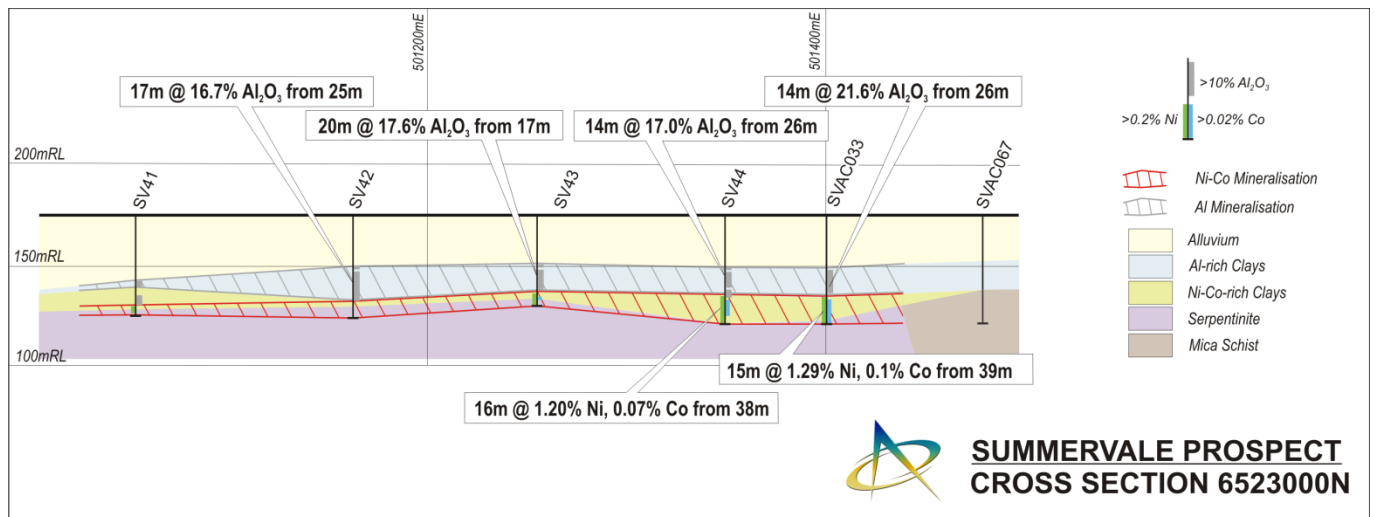


Figure 8: Summervale Prospect cross section (6523000N) showing recent and historic drill holes, mineralised zones, significant intercepts, and geology.

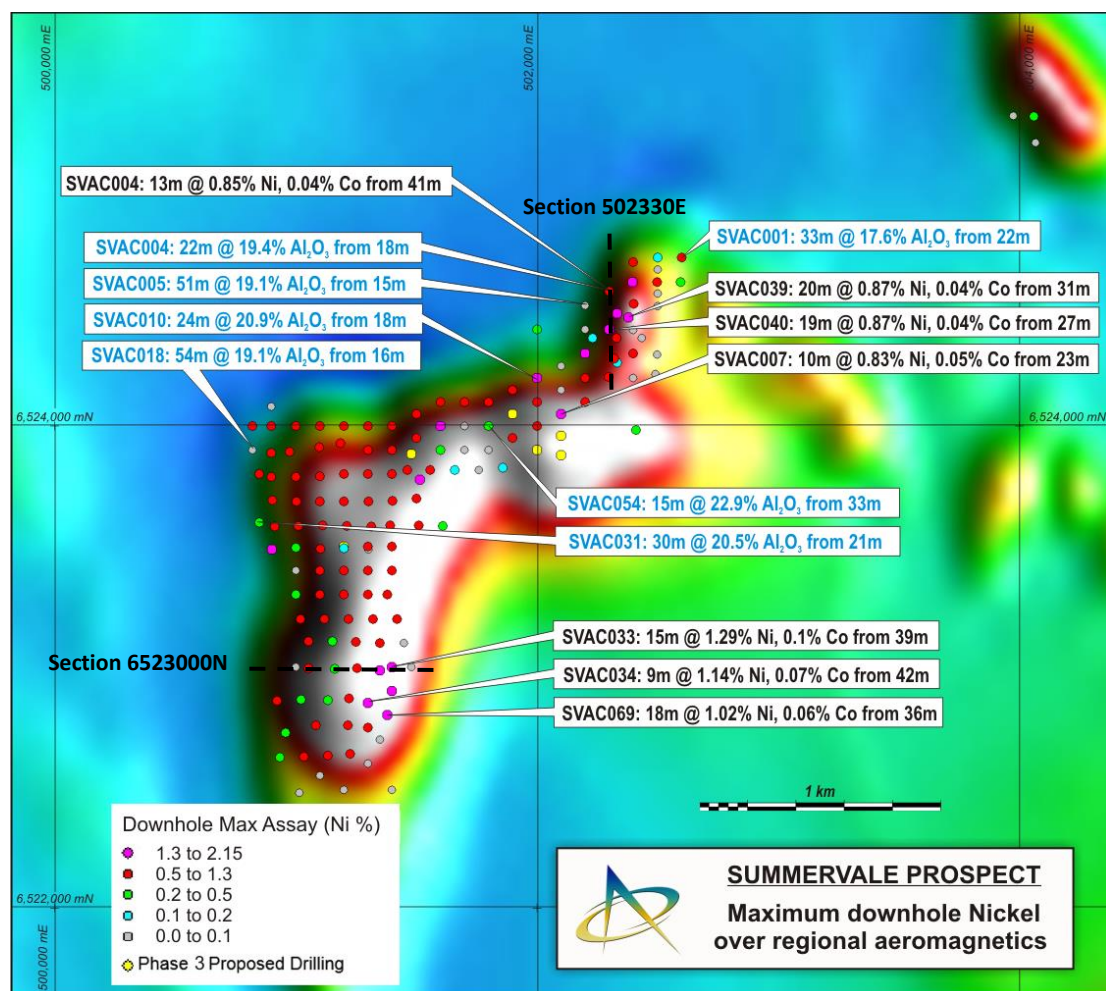


Figure 9: Plan of Summervale Prospect showing all drilling (coloured by Ni%), Phase 1 and Phase 2 significant intercepts (labelled), and proposed Phase 3 resource drilling (yellow dots) over regional aeromagnetic image.

Alchemy is highly encouraged by the nickel, cobalt and alumina results received from the Phase 1 and Phase 2 drilling at the West Lynn Project and sees potential for significant expansion of the currently defined Ni-Co mineralisation by drilling untested sections of the 22km long West Lynn Serpentine magnetic high. This additional drilling will be planned once the results of the Phase 3 drilling have been received and compiled.

Alchemy is also highly encouraged by the alumina results returned from the Phase 1 and Phase 2 drilling from the Summervale Prospect, which compare favourably with the grades for deposits elsewhere in Australia currently being evaluated for High Purity Alumina (HPA), including the FYI Resources Limited (ASX: FYI) Cadoux deposit with a probable ore reserve of 2.9Mt @ 24.4% Al_2O_3 ³. The potential for HPA mineralisation will be further investigated over the coming months.

The nickel and cobalt mineralisation within the clay and saprolite at West Lynn is low in iron (~20% Fe) compared to the typical Ni-Co laterite ore bodies formed in NSW (e.g. Sunrise - ~40% Fe⁴) and Western Australia (e.g. Cawse - >40% Fe⁵). This eliminates the requirement for high pressure acid leaching (HPAL) to control iron precipitation and provides significant processing advantages over other nickel laterite deposits.

Metallurgical sampling has commenced with samples to be shipped to Perth for recovery test work using the DNi Process™. The DNi Process™ is regarded as most efficient at extracting nickel and cobalt from laterites and is the first process to treat the entire profile of a laterite deposit (limonite and saprolite), leading to much better economic use of the resource. The process is based on simple chemistry with continuous, rapid tank leaching, achieving high nickel, cobalt, iron, alumina and magnesium oxide recovery rates. Over 95% of the leach reagent, nitric acid, is recovered and recycled, lowering production costs and efficiently reducing associated environmental issues. Plant Capex is lower than other hydrometallurgical processes, in part because the DNi Process™ does not require high pressures, high temperatures, or exotic processing plant construction materials⁶.

Alchemy is looking forward to receiving additional ore grade results from the Phase 3 aircore drilling in November, receiving the results from preliminary metallurgical test work on the Ni-Co-Al mineralisation in December, and completing the resource estimate for the West Lynn Project early in 2019.

Overflow Gold-Base Metal Project (285km²)

A Native Title Land Access Agreement (“Agreement”) has been executed with the Ngemba, Ngiyampaa, Wangaaypuwan and Wayilwan Aboriginal People. Subject to the terms of the Agreement Alchemy can now conduct all forms of exploration on the Crown Land immediately south and along strike of the Overflow Prospect. The planned high powered ground EM survey over the strong airborne EM conductivity anomaly at the Overflow Prospect is now expected to commence early in November 2018.

Subject to geophysical modelling of the ground EM survey, a deep diamond hole is planned to test the conductivity anomaly at approximately 350m below surface (*Figure 10 - left*). An additional deep diamond hole is planned down plunge of the high grade portion of the known gold and base metal mineralisation at Overflow (*Figure 10 - right*). This drilling will also commence in November 2018.

³ Refer to FYI Resources ASX Announcement dated 24 October 2018

⁴ Refer to NI 43-101 Technical Report – Sunrise Nickel Cobalt Project, NSW. Clean TeQ 26 June 2018

⁵ Refer to Brand et al. 1998, Nickel laterites: classification and features

⁶ Refer to the Direct Nickel website (<http://www.directnickel.com/>)

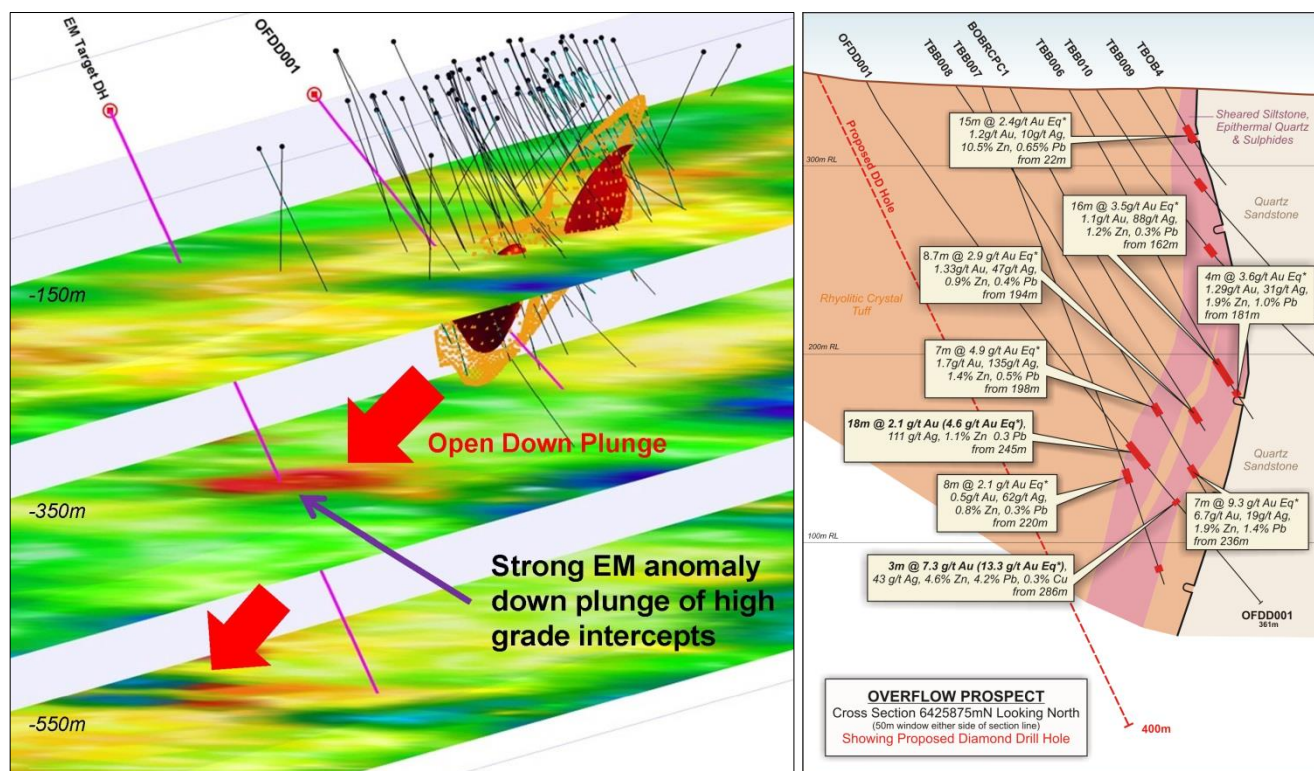


Figure 10: Left: Overflow Prospect 3D view looking down to the NW showing AuEq grade x thickness shells (red = >50gxm AuEq, orange dots = >30gxm AuEq), all historic drill traces (coloured by Au and Cu grades), and planned diamond drill hole (EM Target DH) over VTEM conductivity slices (150m, 350m and 550m below surface). **Right:** Overflow Prospect cross section showing proposed diamond hole targeting the down plunge extension of the high grade portion of the known gold and base metal mineralisation.

Yellow Mountain Copper-Gold Project (93km²)

No work was completed during the quarter.

Eurow Copper-Gold Project (167km²)

No work was completed during the quarter.

Girilambone Copper Project (129km²)

No work was completed during the quarter.

Karonie Project (WA) (Alchemy 100%)

The Karonie Project includes eight exploration licences and one exploration licence application covering 782km² of highly prospective mineralised structures within Kurnalpi Terrain greenstones 100km east of Kalgoorlie (*Figure 11*). The tenements are located along strike of Silver Lake Resources Ltd's (ASX: **SLR**) Karonie/Harry's Hill and French Kiss deposits (reserves/resources of over 560,000oz @ 2.34g/t Au), and also cover 35km of the under-explored, gold endowed Claypan Shear Zone commencing just 12km along strike to the south of Breaker Resources NL's (ASX: **BRB**) Bombora deposit (Indicated and Inferred resource of 24.6Mt @ 1.4g/t Au for 1.1Moz), all within 50km of Silver Lake's Randalls processing plant. No ground work was completed during the quarter.

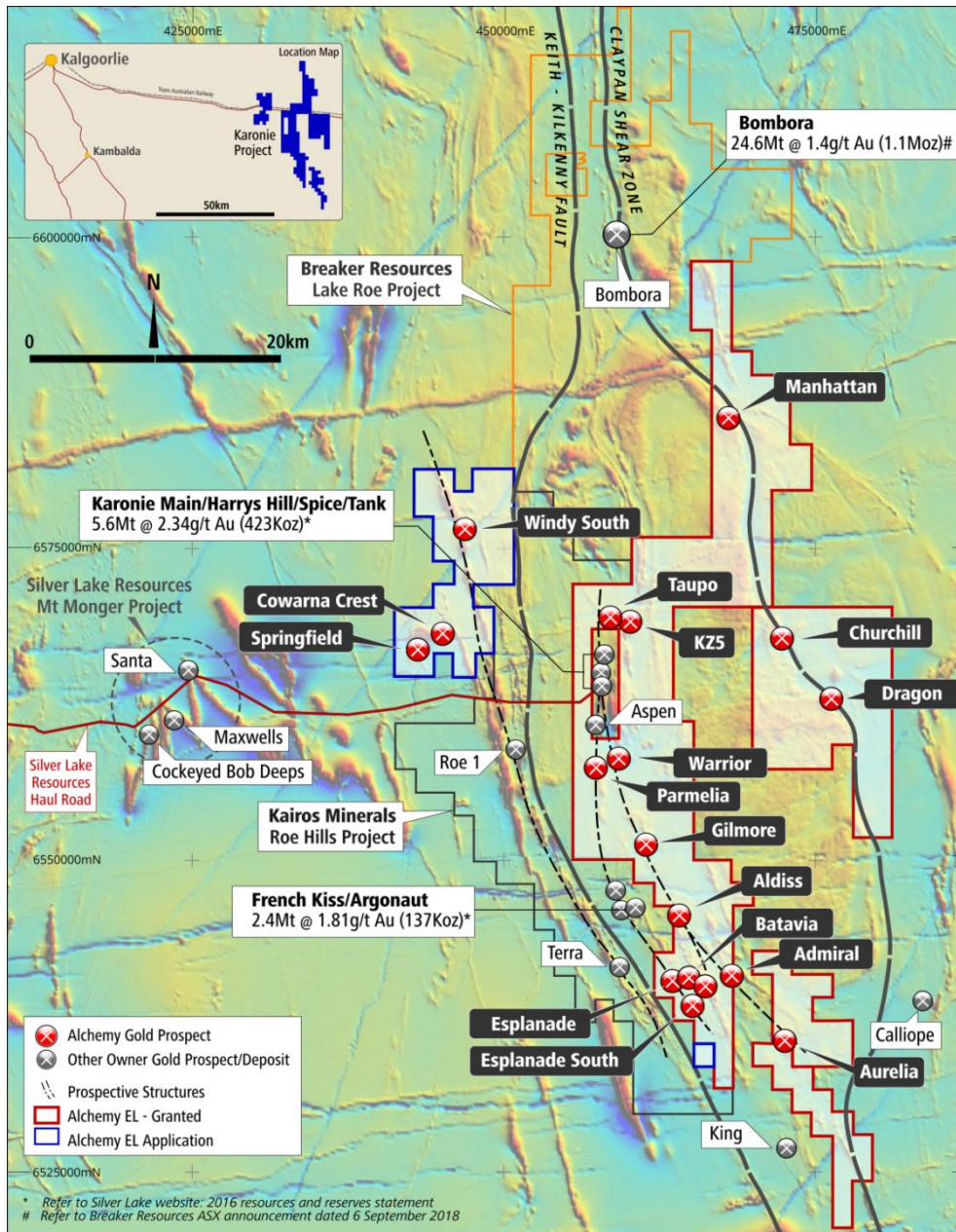


Figure 11: Karonie Project tenements, major deposits, prospects and interpreted major structures over aeromagnetic image

Bryah Basin Project (WA) (Alchemy 80-100%)

Base Metals Exploration (Sandfire earning up to 80%)

During the quarter Alchemy signed a Deed of Covenant - Letter Agreement ("Agreement") allowing leading Australian base metal producer Sandfire Resources NL (ASX: SFR) ("Sandfire") to explore and earn an interest in the Bryah Basin Project, WA by acquiring Independence Group NL's (ASX: IGO) Bryah Basin Project Farm-in Rights.

The Agreement transfers all of IGO's rights and remaining obligations associated with the original Letter Agreement between Alchemy and IGO dated 29 January 2014 to Sandfire⁷, which includes all commodities excluding iron ore, and relates to whole and part tenements that cover the base metal prospective part of Alchemy's Bryah Basin Project (*red outline in Figure 12*). The Agreement retains an earn-in expiry date of 28 October 2019, with \$3.1M remaining to be spent by Sandfire in order to earn up to an 80% interest.

The Agreement with Sandfire will result in a significant ramp up of exploration within the base metal prospective area of the Bryah Basin Project. Sandfire intends to combine its extensive local geological, geophysical and geochemical knowledge gained from exploring and mining of the DeGrussa ore body with the detailed surface electromagnetic work completed by IGO over the strike extensive highly prospective Narracoota / Karalundi Formation contact zone, in order to define base metal targets within the farm-in tenements.

Should a high-value base metal discovery be made, Sandfire's processing facilities at DeGrussa located just 30km to the NE could be a critical component towards a positive feasibility study. Alchemy retains the right to participate as a 20% partner, an equity position that could deliver significant future value to shareholders.

The benefits of the Agreement include:

- Alchemy joining forces with one of Australia's leading base metal mining companies to rapidly advance exploration for base metals in the Bryah Basin Project over the coming 12 months;
- Sandfire's significant financial investment reduces Alchemy's financial risks to project advancement and;
- In the event of a high value base metal discovery, Alchemy has the opportunity to enter a production joint venture with an experienced developer and local mine operator in Sandfire.

The key terms of the Agreement are unchanged from the previous Letter Agreement with Sandfire required to spend a further \$3.1M on the Farm-In and Joint Venture Area by 28 October 2019 to earn an 80% interest (excluding iron-ore rights) in the Joint Venture Area for the tenements held 100% by Alchemy, and a 70% interest (excluding iron ore rights) in the Joint Venture Area for four tenements (E52/1668, E52/1678, E52/1722 and E52/1730), whereby Sandfire would hold 70%, Alchemy 10% and Jackson Minerals Pty Ltd ("Jackson") would maintain its 20% interest free-carried to a decision to mine. Under the terms of the Sandfire JV, Alchemy is free-carried on further exploration to completion of a Pre-Feasibility Study and then carried on an interest-free deferred basis for a further \$5M of Definitive Feasibility Study expenditure, with subsequent costs repaid from 50% of Alchemy's share of free cash flow from production following commencement of mining.

Work completed by Sandfire to date has included a comprehensive geological assessment of all data received from IGO, and planning of first pass AC drilling which is scheduled to commence in Q4 2018. Several Programs of Work (PoW) including aircore drilling and follow-up reverse circulation and diamond drilling across the interpreted prospective stratigraphy throughout the project area have been submitted to DMIRS. First pass aircore drilling will consist of an 800 x 100m spaced grid over prospective Karalundi and Narracoota Formation stratigraphy, with infill drilling planned down to 400m. Drilling is expected to commence early in Q4 2018, subsequent to PoW approval and Native Title survey completion.

⁷ Refer to Alchemy Resources ASX Announcement dated 30 January 2014

Integration quality control of IGO and Alchemy data into Sandfire databases has commenced. This is scheduled for completion during the next quarter. A review of existing geophysical datasets is also planned to commence early in the next quarter, and will include a review of any down hole or surface electromagnetic surveys completed, inversions of legacy AEM geophysical data and stitching of all data into the current Sandfire datasets.

Gold Exploration (Superior Gold earning up to 80%)

Exploration of Alchemy's tenements that cover the gold prospective part of the Bryah Basin Project (*Figure 12*) continued under a farm-in and joint venture arrangement with Billabong Gold Pty Ltd, a subsidiary of Superior Gold Inc (TSX-V: **SGI**). Under the terms of the Billabong Gold JV, up to 80% in Alchemy's interests in the gold prospective tenements can be earned through earn-in exploration expenditure of \$1.2M within three years. Upon fulfilment of the earn-in expenditure, Alchemy's interest is carried on an interest-free deferred basis to production, with Alchemy to repay the deferred amount from 50% of its share of free cash flow from production following commencement of mining.

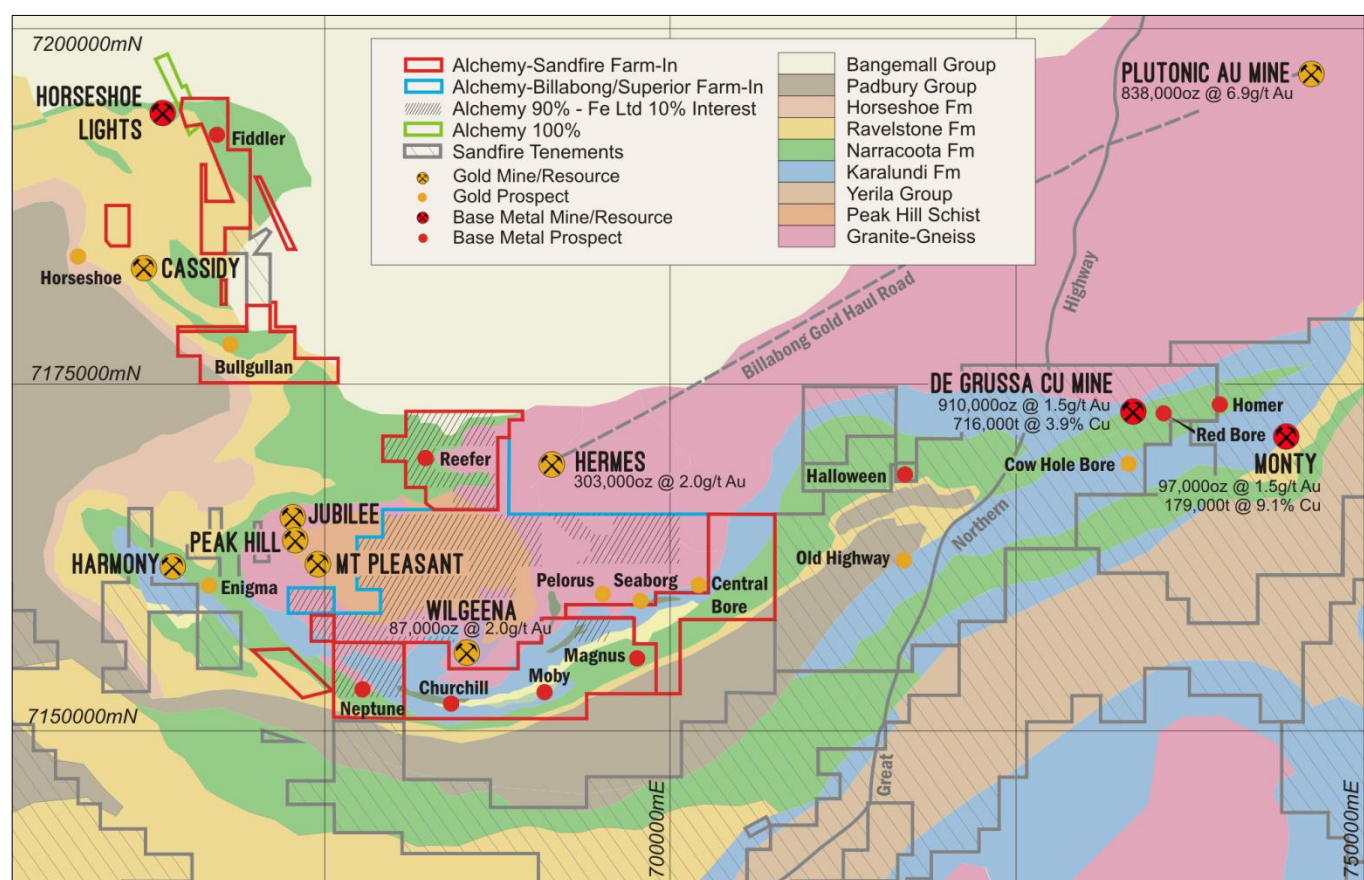


Figure 12: Bryah Basin Project – Alchemy-IGO Farm-In and Billabong Gold Farm-In tenements and gold and base metal prospects over regional geology interpretation.

During the quarter a JORC Code 2012 Edition compliant uncut inferred resource estimate of 1.37Mt @ 2.0 g/t for 87,000oz Au (0.6g/t Au lower cut-off) was completed for the Hermes South deposit (formerly referred to as the Wilgeena deposit)⁸. Hermes South is located approximately 20km south-southwest of the Hermes mining operation, and 65km southwest of the Plutonic gold mine (*Figure 12*).

⁸ Refer to Alchemy Resources ASX Announcements dated 3 August 2018 and 6 August 2018

The Hermes South resource modelling and resource estimation was completed by Stephen Godfrey of Resource Evaluation Services Pty Ltd, an external and independent resource consultancy. Details of the updated Hermes South inferred resource estimate, which is very similar to the JORC Code 2004 resource estimate completed by Simon Coxell, is shown in Table A below:

Table A: Hermes South JORC Code 2004 and 2012 Inferred Mineral Resource Estimate comparison

Hermes South	Inferred			
	Tonnes (Mt)	Au grade (g/t)	Au (oz)	Lower Cut (g/t Au)
Uncut (JORC 2004)	1.37	1.99	87,373	0.5
Uncut (2012)	1.37	1.97	87,093	0.6
Cut (20g/t Au) (2004)	1.37	1.40	61,434	0.5
Cut (20g/t Au) (2012)	1.37	1.53	67,783	0.6

Metallurgical test-work undertaken on oxidised core from the Hermes and Hermes South gold deposits, obtained from the diamond drilling program in 2010, indicates that the ore is amenable to treatment in a conventional crush, grind and CIL plant with good recoveries across all size fractions. A high proportion of gold is contained in the coarse fraction, and the test-work indicates that a large percentage (40-60%) of the free gold at Hermes South could be recovered by gravity concentration. No technical issues have been identified that would result in a poor recovery or extenuating cost issues.

The Hermes South Prospect and resource is strategically located and can be readily serviced by extending the existing Billabong Gold haul road that links Plutonic to the Hermes deposit. Recent drilling by Billabong Gold discovered a new shallow parallel lode 150m to the south of the main Hermes South ore zone and confirmed the potential to increase the existing resource down-plunge of currently defined mineralisation.

During the quarter Billabong Gold completed an additional 51 reverse circulation drill holes totalling 7,308m at Hermes South. The program aimed to further define the shallow parallel lode to the south of the main Hermes South ore zone and to extend the existing resource down-plunge of currently defined mineralisation. All results are pending.

An updated resource estimate is planned in order to help determine the potential for Hermes South to become a second open pit and part of the production profile for the Plutonic Gold Operation.

Please direct enquiries to:

Mr Leigh Ryan – Managing Director

Telephone: +61 8 9481 4400 Email: Leigh@alchemyresources.com.au

APPENDIX 1
Schedule of Mining Tenements as at 30 September 2018

Project/Tenement	State	Status	Interest start Qtr	Interest end Qtr	Co-holder	Notes
Bryah Basin Project						
E52/1668	WA	Granted	80%	80%	Jackson Minerals Pty Ltd	1, 2, 3
E52/1678	WA	Granted	80%	80%	Jackson Minerals Pty Ltd	1, 2, 3
E52/1722	WA	Granted	80%	80%	Jackson Minerals Pty Ltd	1, 2
E52/1723-I	WA	Granted	100%	100%		2, 4, 5
E52/1730	WA	Granted	80%	80%	Jackson Minerals Pty Ltd	1, 2, 3
E52/1731	WA	Granted	100%	100%		2, 4
E52/1810	WA	Granted	100%	100%		2
E52/1852	WA	Granted	100%	100%		4
E52/2360	WA	Granted	100%	100%		2
E52/2362	WA	Granted	100%	100%		2, 4, 6
E52/3292	WA	Granted	100%	100%		2
E52/3405	WA	Granted	100%	100%		2, 4, 6
E52/3406	WA	Granted	100%	100%		2, 4, 6
E52/3407	WA	Granted	100%	100%		2, 6
E52/3408	WA	Granted	100%	100%		2, 4, 6
E52/3409	WA	Granted	100%	100%		2, 6
E52/3472	WA	Granted	100%	100%		2
E52/3475	WA	Granted	100%	100%		2
M52/722	WA	Granted	100%	100%		2, 4, 6
M52/723	WA	Granted	100%	100%		2, 4, 6
M52/737	WA	Granted	100%	100%		4, 6
M52/795	WA	Granted	100%	100%		2, 4, 6
M52/844-I	WA	Granted	100%	100%		2, 6
M52/1049	WA	Granted	100%	100%		4, 6
P52/1425	WA	Granted	100%	100%		2
P52/1427	WA	Granted	100%	100%		2
P52/1428	WA	Granted	100%	100%		2
P52/1429	WA	Granted	100%	100%		4
P52/1467	WA	Granted	100%	100%		2
P52/1468	WA	Granted	100%	100%		2
P52/1469	WA	Granted	100%	100%		2
P52/1470	WA	Granted	100%	100%		2
P52/1531	WA	Granted	100%	100%		2
P52/1532	WA	Granted	100%	100%		2
P52/1533	WA	Granted	100%	100%		2
P52/1534	WA	Granted	100%	100%		2
P52/1535	WA	Granted	100%	100%		2
P52/1538	WA	Granted	100%	100%		4
P52/1539	WA	Granted	100%	100%		4
P52/1565	WA	Granted	100%	100%		9
P52/1566	WA	Granted	100%	100%		9
P52/1567	WA	Granted	100%	100%		9
P52/1568	WA	Granted	100%	100%		9
P52/1572	WA	Granted	100%	100%		9

Project/Tenement	State	Status	Interest start Qtr	Interest end Qtr	Co-holder	Notes
Karonie Project						
E28/2575	WA	Granted	100%	100%		7
E28/2576	WA	Granted	100%	100%		7
E28/2601	WA	Granted	100%	100%		7
E28/2619	WA	Granted	100%	100%		7
E28/2643	WA	Granted	100%	100%		7
E28/2657	WA	Granted	100%	100%		7
E28/2667	WA	Granted	100%	100%		7
E28/2668	WA	Granted	100%	100%		7
E28/2681	WA	Application	-	-		7
E28/2752	WA	Application	-	-		7
E28/2818	WA	Appl. Ballot	-	-		7
E28/2821	WA	Appl. Ballot	-	-		7
E28/2824	WA	Appl. Ballot	-	-		7
Lachlan Projects						
EL5878 - Overflow	NSW	Granted	0%	0%	ALY earning up to 80%	8
EL7941 - Overflow	NSW	Granted	0%	0%	ALY earning up to 80%	8
EL8267 - Overflow Nth	NSW	Granted	0%	0%	ALY earning up to 80%	8
EL8356 - Yellow Mtn	NSW	Granted	0%	0%	ALY earning up to 80%	8
EL8192 - Eurow	NSW	Granted	0%	0%	ALY earning up to 80%	8
EL8318 - Girilambone	NSW	Granted	0%	0%	ALY earning up to 80%	8
EL8631 - West Lynn	NSW	Granted	0%	0%	ALY earning up to 80%	8
EL8711 - Woodsreef	NSW	Granted	0%	0%	ALY earning up to 80%	8

Notes:

1. Jackson Minerals Pty Ltd, a subsidiary of Fe Ltd (ASX: FEL), retains a 20% interest free-carried to a decision to mine.
2. Sandfire Resources NL (ASX: SFR) has a right to explore and earn a 70-80% interest (excludes iron ore) in whole or part tenements by sole funding a total of \$3,100,000 of exploration expenditure prior to 28 October 2019, with Alchemy free-carried up to completion of a pre-feasibility study.
3. Billabong Gold Pty Ltd has a right to explore and earn a 70% interest in whole or part tenement by sole funding a total \$1,200,000 on exploration expenditure over tenements or parts of tenements marked (3) & (4).
4. Billabong Gold Pty Ltd has a right to explore and earn an 80% interest in whole or part tenement by sole funding a total \$1,200,000 on exploration expenditure over tenements or parts of tenements marked (3) & (4).
5. PepinNini Robinson Range Pty Ltd retains a 1% NSR on iron ore.
6. 100% minerals rights for all minerals, excluding iron ore; Carey Mining Iron Ore JV – Alchemy Resources 50%, Carey Mining 50% iron ore.
7. Goldtribe Corporation Pty Ltd, a subsidiary of Alchemy Resources Ltd, has 100% interest in the tenement.
8. Alchemy Resources (NSW) Pty Ltd, a subsidiary of Alchemy Resources Ltd, has a right to explore and earn up to an 80% interest in tenements by sole funding a total of \$2,000,000 on exploration expenditure.
9. Alchemy Resources (Three Rivers) Pty Ltd, a subsidiary of Alchemy Resources Ltd, has 100% interest in the tenement.

The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Mr Leigh Ryan, who is the Managing Director of Alchemy Resources Limited and holds shares and options in the Company. Mr Ryan 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 Ryan 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 at the Hermes South Gold Deposit is based on information compiled by Stephen Godfrey, who is an employee of Resource Evaluation Services Pty Ltd, a consultant to Alchemy Resources Limited. Mr Godfrey is a Member of the Australian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy 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 Godfrey consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.