

ASX ANNOUNCEMENT

29 APRIL 2019

CODE: ALY

BOARD OF DIRECTORS

Mr Lindsay Dudfield
Non-Executive Chairman

Mr Leigh Ryan
Managing Director

Ms Liza Carpene
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%)

Suite 8/8 Clive Street
WEST PERTH WA 6005

Phone: +61 8 9481 4400
Facsimile: +61 8 9481 4404

www.alchemyresources.com.au



Nitric Acid Leach Testwork Results West Lynn Project, NSW

Highlights

- Greater than 85% nitric acid leach recoveries for both Ni and Co in blended laterite/saprolite samples.
- 92% and 80% nitric acid leach recoveries for Ni and Co respectively in weathered serpentinite samples.
- Hydrochloric acid leach testwork and high purity alumina (HPA) production determination on West Lynn kaolinite samples due Q2 2019
- West Lynn kaolinite HPA resource due Q3 2019

Alchemy Resources Limited (ASX: ALY) ("Alchemy") is pleased to announce additional excellent recoveries from metallurgical testwork completed by Direct Nickel (DNi) using a nitric acid leach via the patented DNi Process™. Recoveries for both nickel and cobalt from composite blended laterite/saprolite samples returned averages of 87.1% for nickel and 86.9% for cobalt (Table 1), similar to the separate laterite and saprolite samples. Recoveries for composite weathered serpentinite samples collected from the base of the mineralised zone returned averages of 91.6% for nickel and 79.6% for cobalt (Table 2). Recoveries for by-product elements (Al, Fe, Mg) were also in line with initial composited laterite and saprolite samples.

Table 1 - Nitric Acid Leach Recoveries

Blended Lat/Sap	Ni	Co	Al	Fe	Mg
West Lynn	89.4%	88.6%	71.2%	64.3%	93.4%
Summervale	84.7%	85.3%	63.6%	59.8%	89.4%
Avg	87.1%	86.9%	67.4%	62.0%	91.4%

Table 2 – Nitric Acid Leach Recoveries

Weathered Serpentinite	Ni	Co	Al	Fe	Mg
West Lynn	93.4%	84.9%	85.3%	61.4%	97.5%
Summervale	89.8%	74.3%	90.6%	52.5%	97.3%
Avg	91.6%	79.6%	88.0%	57.0%	97.4%

The nitric acid leach testwork on blended and weathered serpentinite samples was conducted at 110⁰C under atmospheric pressure over a period of 6 hours. Bench scale kinetic leaching testwork is planned for the Summervale and West Lynn blended samples. Three kinetic tests at different acid additions will be completed with samples taken every hour over a 6-hour leach period.

Simulus Laboratories have commenced hydrochloric acid leach testwork and HPA production determination on the Summervale kaolinite samples collected from the alumina rich kaolinite horizon located above the Ni-Co resource. The results are expected in Q2 with a subsequent Summervale alumina resource expected in Q3 2019.

Background information:

The West Lynn Project forms part of the Heron Resources Limited (ASX: HRR) Farm-in Agreement where Alchemy has earned 51% (earning up to 80%).

Please direct enquiries to:

Mr Leigh Ryan – Managing Director

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

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.