

ASX ANNOUNCEMENT

4 NOVEMBER 2019

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 550,524,351

OPTIONS 22,000,000 (Unlisted)

PROJECTS

KARONIE (100%)

WEST LYNN (51% earning up to 80%)

LACHLAN (51% earning up to 80%)

BRYAH BASIN (10-20%)

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Alchemy commences Drilling at the Karonie Gold Project, WA Eastern Goldfields

Highlights

- Drilling is underway at Alchemy's Karonie Project to identify Karonie style gold mineralisation immediately along strike of the Aldiss Mining Centre.
- 1,000m of RC drilling planned at Parmelia, KZ5 and Taupo Prospects.
- 2,000m of AC drilling planned at the Taupo Prospect.
- Assay results expected by mid to late December.

Alchemy Resources Limited (ASX: ALY) ("Alchemy") is pleased to announce the commencement of ~1,000m of reverse circulation (RC) drilling and ~2,000m of aircore (AC) drilling within the 100% owned Karonie Gold Project in the Eastern Goldfields, WA (*Figure 1*). Drilling has been designed to test high priority Karonie style gold targets immediately along strike to the north and south of the Silver Lake Resources Ltd (ASX: SLR) Aldiss Mining Centre.

Two RC holes are currently being drilled at the Parmelia Prospect to the south of Silver Lake's Tank South Prospect which recently returned some spectacular results including 17m @ 24.7g/t Au, 24m @ 9.4g/t Au, 10m @ 10.1g/t Au, and 31m @ 4.4g/t Au ¹. The Parmelia RC holes are targeting the down plunge component of an aircore intercept (10m @ 1.0g/t Au from 32m ²) returned from Gold Fields Australasia Pty Ltd wide spaced drilling completed in 2002.

RC drilling at the KZ5 Prospect is targeting the up-plunge position of previous Integra Mining Limited diamond drilling intercepts including 11m @ 1.9g/t Au from 244m, 6m @ 2.7g/t Au from 277m, and 20m @ 1.6g/t Au from 190m ³. VMS style mineralisation has also been identified at the prospect with previous drilling returning up to 0.88% Zn, 0.12% Cu and 6.67g/t Au ³.

Planned AC drilling at the Taupo Prospect will be undertaken on 200m line spacings immediately after the planned RC drilling has been completed. The prospect is just 2km along strike to the north of the Karonie Main Open Cut mine where drilling aims to test the strike extensions of several previous AC drill intercepts including 26m @ 1.8g/t Au from 36m, and 4m @ 2.8g/t Au from 76m ².

¹ Refer to Silver Lake Resources Limited ASX announcement dated 18 June 2019

² Refer to Gold Fields Australasia Pty Ltd open file annual report (C63/2000) dated 5 December 2002

³ Refer to Integra Mining Limited ASX announcement dated 14 October 2009

Both RC and AC drilling should be completed in about two weeks with the first assay results expected by mid-December.

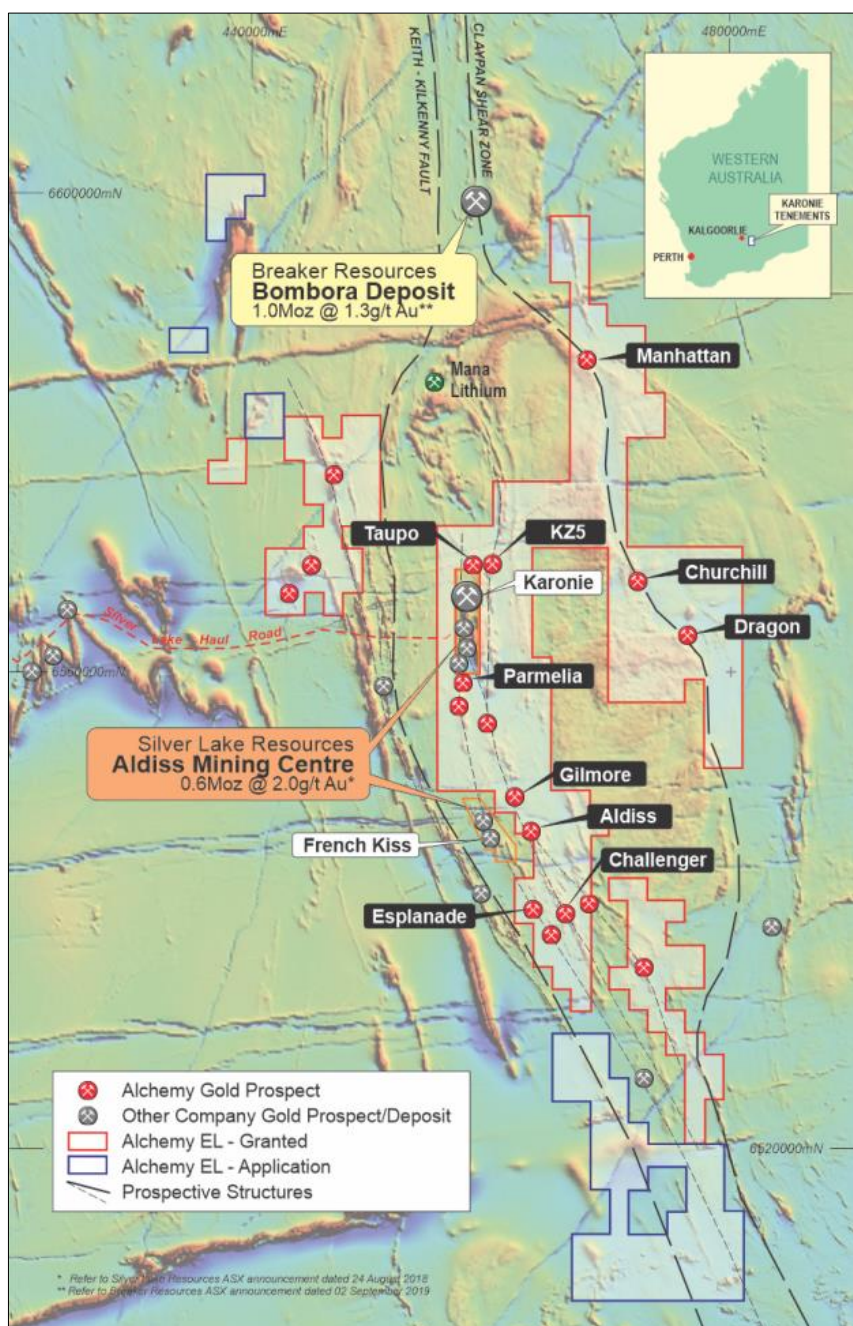


Figure 1: Karonie Project tenements, prospects and interpreted structures over aeromagnetic image.

Please direct enquiries to:

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The information in this report that relates to 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.