

ASX ANNOUNCEMENT

20 NOVEMBER 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 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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Drilling Program Completed at the Karonie Gold Project, WA Eastern Goldfields

Highlights

- RC and AC drilling successfully completed at Alchemy's Karonie Project to identify Karonie style gold mineralisation along strike of the Aldiss Mining Centre.
- 734m of RC drilling completed at Parmelia, KZ5 and Taupo Prospects.
- 1,198m of AC drilling completed at the Taupo Prospect.
- Strong silica-pyrite alteration intersected at Parmelia and Taupo
- Semi-massive pyrite-pyrrhotite intersected within basalt at KZ5
- Assay results expected by mid to late December.

Alchemy Resources Limited (ASX: ALY) ("Alchemy") is pleased to announce the completion of 734m of reverse circulation (RC) drilling and 1,198m of aircore (AC) drilling within the 100% owned Karonie Gold Project in the Eastern Goldfields, WA (*Figure 1*). The drilling tested 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 drilled at the Parmelia Prospect to the south of Silver Lake's Tank South Prospect intersected strong silica-pyrite alteration within dolerite down plunge of a previous Gold Fields Australasia Pty Ltd aircore intercept of 10m @ 1.0g/t Au from 32m¹. A moderate amount of quartz veining was also intersected.

RC drilling at the KZ5 Prospect intercepted black shale above a broad zone of silica-chlorite-albite altered basalt from 115m to 150m with up to 35% semi-massive pyrite-pyrrhotite mineralisation. The hole targeted 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 190m². The alteration and sulphide mineralisation encountered supports the volcanogenic massive sulphide (VMS) style of mineralisation interpreted by previous explorers.

¹ Refer to Gold Fields Australasia Pty Ltd open file annual report (C63/2000) dated 5 December 2002

² Refer to Integra Mining Limited ASX announcement dated 14 October 2009

RC drilling at the Taupo Prospect, located 2km along strike to the north of the Karonie Main Open Cut mine, intersected strong silica-biotite-pyrite altered basalt within a strong carbonate alteration zone immediately beneath previous AC drill intercepts of 26m @ 1.8g/t Au from 36m, and 4m @ 2.8g/t Au from 76m³. AC drilling at Taupo intersected variable silica-chlorite-biotite-carbonate altered basalt and dolerite units with up to 30% limonitic vein quartz beneath 17m to 34m of transported alluvium.

The first assay results are expected by mid-December.

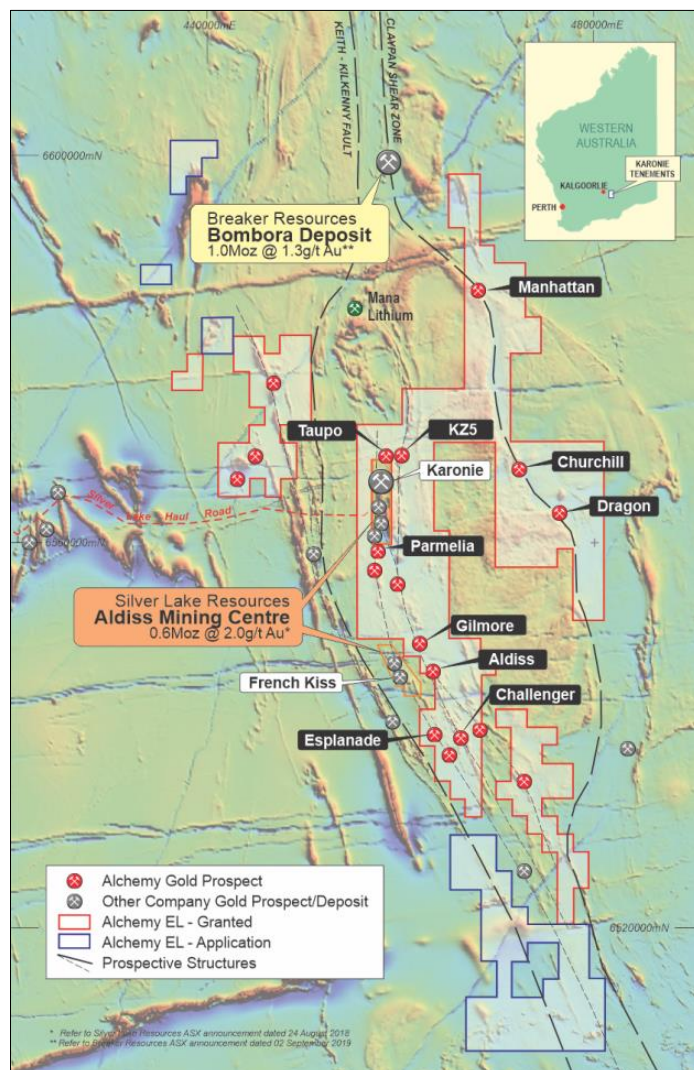


Figure 1: Karonie Project tenements, prospects and interpreted structures over aeromagnetic image.

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.

³ Refer to Gold Fields Australasia Pty Ltd open file annual report (C63/2000) dated 5 December 2002