ASX ANNOUNCEMENT

22 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%)

Suite 8/8 Clive Street
WEST PERTH WA 6005

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

www.alchemyresources.com.au

Drilling Program Completed at the Karonie Gold Project, WA Eastern Goldfields - Addendum

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") would like to provide clarification of visual estimates stated in the announcement dated 20 November 2019. 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 (PARC001-002) drilled at the Parmelia Prospect to the south of Silver Lake's Tank South Prospect intersected silica-biotite alteration within dolerite from 71m to 89m and 61 to 89m respectively, down plunge of a previous Gold Fields Australasia Pty Ltd aircore intercept of 10m @ 1.0g/t Au from 32m [1]. Up to 5% quartz veining and up to 5% disseminated pyrite was also intersected over the same intervals.

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 190m [2]. 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 silica-biotite altered basalt with up to 10% quartz-carbonate veining and 1% disseminated pyrite from 49m to 69m within a strong carbonate alteration zone from 38m to 113m (EOH) immediately beneath previous AC drill intercepts of 26m @ 1.8g/t Au from 36m, and 4m @ 2.8g/t Au from 76m [3]. Eleven of the twenty-four AC holes drilled at Taupo intersected variable amounts silica±chlorite±biotite±carbonate altered basalt and dolerite units with up to 30% limonitic vein quartz beneath 17m to 34m of transported alluvium.

It must be cautioned that visual observations and estimates are uncertain in nature and hence in no way are intended to be a substitute to analytical results. The analytical results of the intervals in question will be reported to the market when the Company receives them.

The first assay results are expected by mid-December.

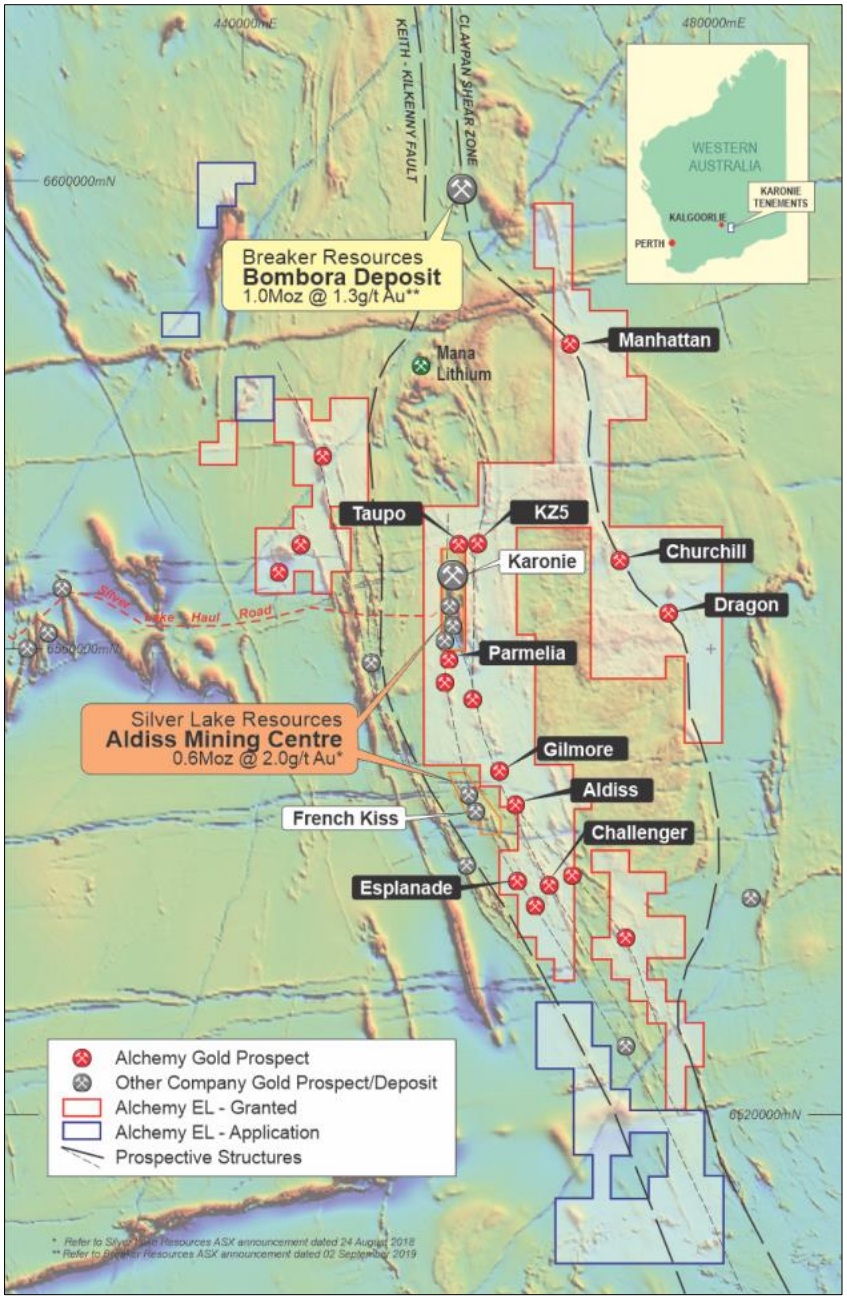

***Figure 1**: Karonie Project tenements, prospects and interpreted structures over aeromagnetic image.*

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

Table A – Karonie RC and AC Collar Information

Hole ID	Easting (MGA94z51)	Northing (MGA94z51)	RL	Dip (degrees)	Azimuth (degrees)	Total Depth (m)	Prospect
PARC001	457564	6559362	296	-55	87.5	110	Parmelia
PARC002	457570	6559482	295	-55	88.7	119	Parmelia
K5RC001	460028	6569287	353	-55	88.0	59	KZ5
K5RC002	460034	6569286	355	-54	89.0	163	KZ5
K5RC003	460494	6569000	367	-52	88.0	170	KZ5 Sth
TARC001	458470	6569148	335	-55	88.0	113	Taupo
TAAC001	458571	6569049	338	-60	93.0	39	Taupo
TAAC002	458552	6569053	337	-60	97.0	38	Taupo
TAAC003	458532	6569053	335	-60	87.0	37	Taupo
TAAC004	458513	6569050	335	-60	88.5	39	Taupo
TAAC005	458649	6569251	341	-60	89.0	46	Taupo
TAAC006	458620	6569251	340	-60	88.0	48	Taupo
TAAC007	458597	6569248	340	-60	88.0	42	Taupo
TAAC008	458573	6569246	339	-60	89.0	42	Taupo
TAAC009	458553	6569249	339	-60	89.5	38	Taupo
TAAC010	458532	6569251	338	-60	90.5	35	Taupo
TAAC011	458510	6569248	337	-60	91.0	35	Taupo
TAAC012	458492	6569250	339	-60	89.0	34	Taupo
TAAC013	458472	6569250	338	-60	88.5	38	Taupo
TAAC014	458455	6569252	338	-60	89.5	41	Taupo
TAAC015	458437	6569252	338	-60	88.0	48	Taupo
TAAC016	458662	6569398	341	-60	88.0	67	Taupo
TAAC017	458626	6569396	341	-60	90.5	71	Taupo
TAAC018	458588	6569402	341	-60	92.0	57	Taupo
TAAC019	458556	6569402	341	-60	90.0	68	Taupo
TAAC020	458520	6569403	341	-60	89.0	84	Taupo
TAAC021	458476	6569398	340	-60	89.5	71	Taupo
TAAC022	458441	6569395	340	-60	88.0	65	Taupo
TAAC023	458407	6569402	340	-60	87.0	57	Taupo
TAAC024	458380	6569401	339	-60	87.5	58	Taupo

Please direct enquiries to:

Mr Leigh Ryan – Managing Director

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

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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.

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.*	Samples referred to in this Public Report are reverse circulation (RC) and Aircore (AC) drill samples, obtained using an 'industry standard' drill rig (350psi / 1150cfm & 800psi / 1400 cfm booster), drilling equipment and sampling practices. RC drilling obtained 1m samples dispensed into plastic buckets via an industry standard cyclone. An industry standard cone splitter was used to obtain one reduced size 1m sample "split" for gold analysis (1 to 3kg) and large 1m plastic bag of drill chips. Samples for gold analysis were collected at 1m intervals. The RC samples obtained are considered to be representative of the material drilled. Aircore drilling, using a blade bit (and occasionally a hammer with standard RC button bit) obtained 1m samples dispensed into plastic buckets via an industry standard cyclone. An industry standard PVC spear was used to obtain a sample for gold analysis. Samples for gold analysis were composited into 4m sample intervals or smaller intervals at EOH. The aircore samples obtained are considered to be representative of the material drilled. Sampling was carried out using documented Alchemy Resources Limited sampling and QAQC procedures (detailed below).
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.).*	RC drilling was completed from surface using 3m x 3.5" RC drill rods, a 4.25" hammer (with a standard sample retrieval collar) and a 4.9" RC tungsten button drill bit. Aircore drilling was completed from surface using 3m x 3.5" aircore drill rods and a 4.0" aircore blade bit.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *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.*	Sample recoveries and moisture content estimates were logged / recorded into spreadsheets by the field assistant then uploaded into a database. There were very few (<1%) significant sample recovery problems. No relationship exists between sample recovery and grade, and accordingly no bias has occurred as a result of loss/gain of 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.*	Geological logging was completed on all RC and AC holes, with colour, weathering, grain-size, lithology, alteration, mineralogy, veining, textures/structure and comments on other significant features noted. Logging of sulphide mineralisation and veining is quantitative. All holes were logged in full. Representative samples of bedrock collected from each metre of each RC hole were retained in labelled chip sample trays. These are stored at the Plutonic Gold Mine. Representative samples of bedrock collected from at or near the end of each hole were retained in labelled chip sample trays. These are stored in Perth. No judgement has yet been made by independent qualified consultants as to whether RC or AC samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.
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.*	RC samples were cone split and collected in a pre-numbered calico bag every metre. The opening shoots were adjusted to collect between 1 and 3 kg of sample. All samples were 1m samples. Residual sample material was collected every metre in large green plastic bags and retained on site for resampling if required. All AC samples were dry and sampled using an industry standard spear. All samples were

Criteria	JORC Code explanation	Commentary
	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.*	4m composite samples except for end of hole samples which were either 1m, 2m, or 3m composite samples. One commercial laboratory standard or blank laboratory standard, one blank sample (barren basalt) and one duplicate sample was inserted every 50 samples for both RC and AC drilling (i.e. 6% QAQC samples). RC and AC sample sizes are considered appropriate for the style of mineralisation, the thickness and consistency of the intersections, the sampling methodology and the assay ranges for the primary elements analysed.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures 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.*	All RC and AC samples were sent to the ALS Laboratory in Perth for sample preparation and analysis. Preparation of the samples follows industry laboratory best practice involving logging of sample weights, drying the entire sample in an electric oven set at 105ºC+5ºC for several hours (drying time dependent on moisture content), then crushing the entire sample (>70% -6mm). A split of 2.5 to 3kg was taken and then pulverized to 85% passing 75µm using an Essa LM5 grinding mill. A representative sample was split and bagged as the analytical sample. All samples are being analysed using ALS method code Au-AA26 for Au (up to 50g Fire Assay with AAS finish) and selected samples using ME-ICP61 for a multi acid digestion with HF and ICPAES analysis for a suite of 33 elements. Laboratory QAQC involves the use of internal laboratory standards using certified reference material, blanks, splits and duplicates as part of in-house procedures. Alchemy used commercially available reference materials (Lab Standards) with a suitable range of values, that were inserted every 50 samples. Assay results have not been received as yet.

Criteria	JORC Code explanation	Commentary
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.*	Assay results have not been received as yet. No twinned holes were drilled in the current drilling campaign. Data is collected by qualified geologists and geo-technicians working under the supervision of a qualified geologist, and entered into Excel spreadsheets. Validation rules are in place to ensure no data entry errors occur. Data is loaded into an Acquire database by an experienced database administrator, and reviewed by an Alchemy geologist, who is a competent person.
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 collar positions, with an expected +/-5m vertical and horizontal accuracy. Down hole surveys were collected every 30m using a single shot Axis Mining Technology downhole camera. The grid system used for all collar locations is the UTM Geocentric Datum of Australia 1994 (MGA94 Zone 51). The drill collar and down hole location accuracy is considered appropriate for this stage of exploration.
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.* *Whether sample compositing has been applied.*	Drill line spacings range from 100m to 150m within each prospect area, and on these drill lines hole spacings vary from ~20m to ~45m. No Mineral Resource or Reserve has been reported for this drilling. AC samples have been physically composited into 4m, 3m, or 2m composites.
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*	Gold bearing structures and lithologies in the area drilled are interpreted to dip steeply to the west and plunge moderately down to the east. All holes were drilled at between -52 degrees and -60 degrees towards the grid east (88.7^0

Criteria	JORC Code explanation	Commentary
	have introduced a sampling bias, this should be assessed and reported if material.	magnetic) (approx. right angles to lithological trends). No orientation based sampling bias has been identified.
Sample security	*The measures taken to ensure sample security.*	All drill samples were collected in pre-numbered calico bags and subsequently put into large green plastic bags and stored in a sea container on site until transported to ALS Kalgoorlie. All samples were transported via company vehicle to ALS Kalgoorlie and subsequently transported to Perth by ALS for prep and sample analysis.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	Considering the preliminary nature of the drill program, no external audit or review of the sampling techniques or sample data capture has been conducted to date.

Section 2 Reporting of Exploration Results

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 Reference number – E28/2575 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. 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 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 – Structurally controlled, shear zone hosted mesothermal gold mineralisation. Geological setting – Proterozoic Woodline Formation overlying variably folded Archean sediments and mafic volcanics. 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 + calc-silicate alteration, and observed steep north plunging fold axes and lineations correlate with steep north plunging high grade ore shoots.
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*	All drill hole information is tabulated within the body of the announcement.

	○ *hole length.* *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.*	Assay results have not been received as yet
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').*	Assay results have not been received as yet.
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 cross sections will be reported as soon as drilling assay results have been received.

Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Assay results have not been received as yet.
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.*	
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.*	Follow-up Reverse Circulation (RC) drilling will be dependent on the amount and tenor of significant assay results received from this AC / RC drill program