

ASX ANNOUNCEMENT

30 APRIL 2020

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 27,000,000 (Unlisted)

PROJECTS

WEST LYNN (earning up to 80%)

LACHLAN (earning up to 80%)

KARONIE (100%)

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



MARCH 2020 QUARTERLY REPORT

Highlights

KARONIE PROJECT (WA) – Gold

- POW approvals for follow-up RC drilling at the Taupo and Parmelia gold prospects received.
- Soil sampling and mapping commenced on the Claypan Shear Zone, and Roe Hills trend within the Karonie Project.
- Evaluation of historic surface IP, surface EM and downhole EM conductors at KZ5 completed.

OVERFLOW PROJECT (NSW) – Gold / Base Metals

- Field preparations for Overflow diamond drilling completed.
- Field reconnaissance of historic copper and gold workings to the NE of Hera completed.

BRYAH BASIN PROJECT (WA) – Gold / Base Metals

Sandfire:

- POW approvals and partial heritage clearances for 1,400 proposed AC holes received for the Fiddler, Bullgullan and Reefer prospect areas.
- Ground EM survey to be completed prior to commencing Phase 2 infill and follow-up drilling.

Superior:

- Heritage Survey of the Wilgeena to Hermes proposed haul road underway and soil sampling continuing at Jones Prospect.

CORPORATE

- Cash at hand at 31 March 2020 was \$1.0M

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 (*Figure 1*). Alchemy has a significant land package in the Karonie greenstone belt in the Eastern Goldfields region in Western Australia, and has a 51% interest in the Lachlan/Cobar Basin Projects in New South Wales. Alchemy also maintains its interest in the Bryah Basin Project in the gold and base metal-rich Gascoyne region of Western Australia, where Superior Gold Inc. (TSX-V: **SGL**; “**Superior**”), and Sandfire Resources Limited (ASX: **SFR**; “**Sandfire**”) are continuing to advance gold and base metal exploration, respectively.

During the quarter the Company received Program of Work (POW) approvals for follow-up RC drilling at the Taupo and Parmelia gold prospects, and commenced soil sampling and mapping at the Calista Prospect on the Claypan Shear Zone, and along the Roe Hills trend within the Karonie Project. The commencement of the follow up RC drilling and RAB drilling along the Claypan Shear Zone at the Manhattan, Dragon, and Churchill prospects has been delayed due to restrictions and market uncertainty resulting from the COVID-19 pandemic.

Field reconnaissance of several historic copper and gold workings to the NE of Hera, and field preparations for the Overflow diamond drilling were completed within the Overflow Project in NSW. The proposed diamond drilling at the Overflow Prospect will commence as soon as COVID-19 restrictions ease.

No drilling was completed within the Bryah Basin Project during the quarter, however Sandfire planned and commenced Heritage Surveys for ~1,400 AC drill holes at the Fiddler, Bullgullan and Reefer prospect areas. The drilling is targeting copper-gold mineralisation within the Narracoota volcanics and the Ravelstone Formation sediments. Due to COVID-19 restrictions heritage surveys over the remaining areas have been postponed. A ground electromagnetic (EM) survey along the DeGrussa VMS host rocks is to be completed prior to commencing Phase 2 infill drilling and follow-up drilling of previous copper and gold intercepts.

Superior commenced a Heritage Survey of the Wilgeena to Hermes proposed haul road, however due to COVID-19 restrictions completion of the heritage survey has been postponed. Superior collected an additional 65 close spaced soil samples from the Jones prospect where sampling is continuing.

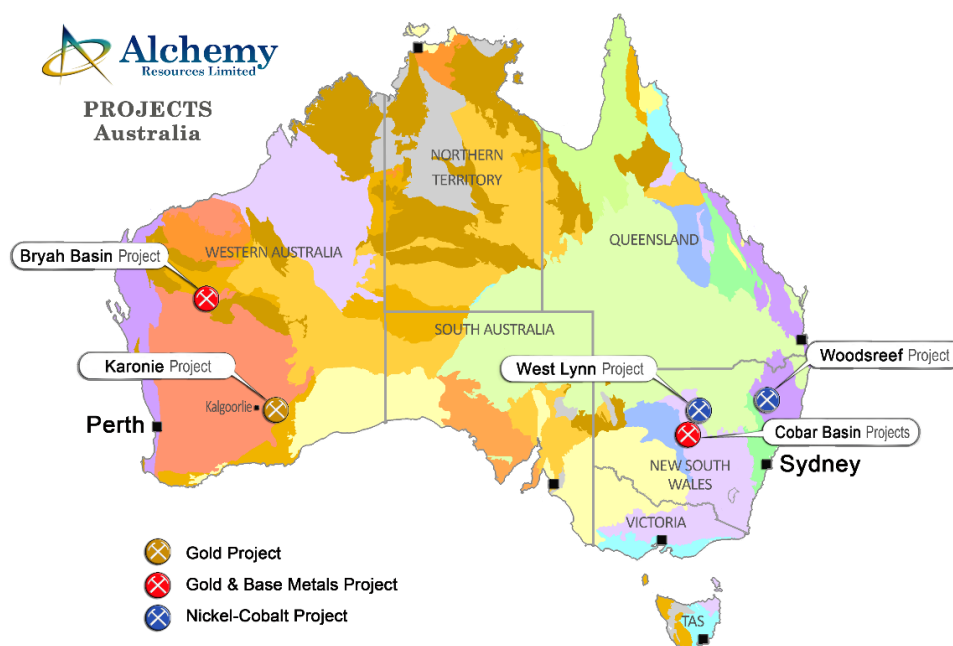


Figure 1: Alchemy Resources Project Location Plan

Karonie Project (WA) (Alchemy 100%)

The Karonie Project now includes eleven exploration licences and three exploration licence applications covering 1,226km² of highly prospective mineralised structures within Kurnalpi Terrain greenstones 100km east of Kalgoorlie (Figure 2). 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 593,000oz @ 2.0g/t Au)¹ within 50km of Silver Lake's Randalls processing plant, and cover 36km 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 23.2Mt @ 1.3g/t Au for 1.0Moz)².

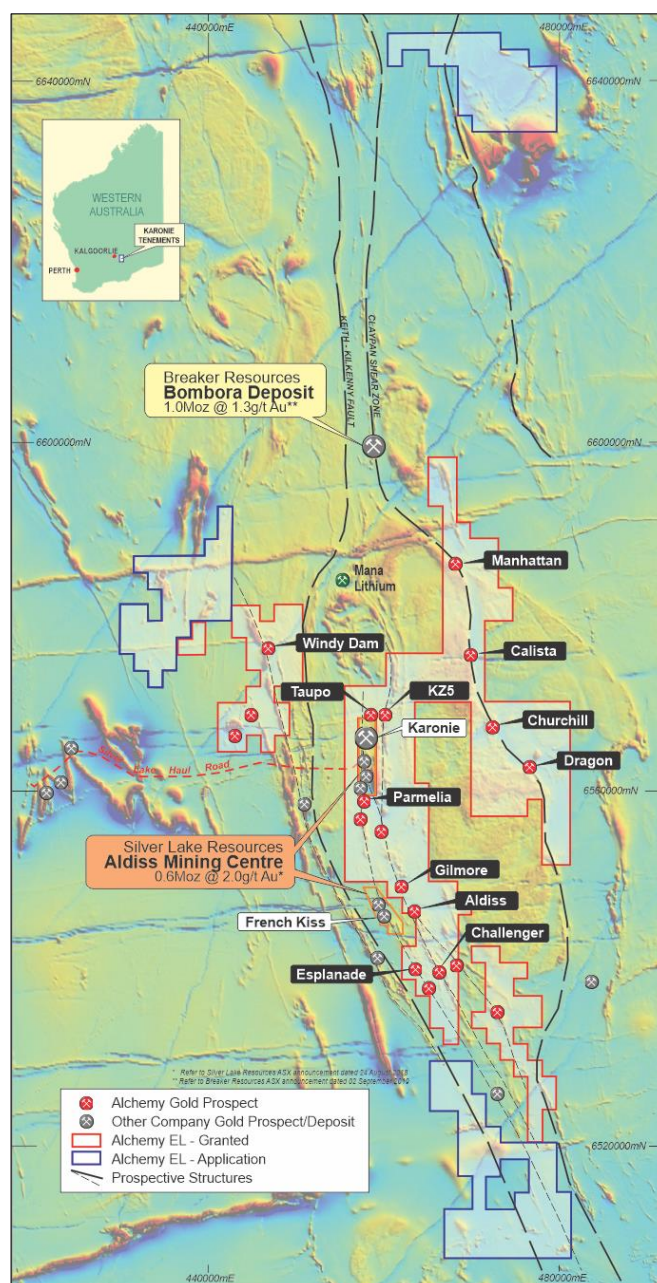


Figure 2: Karonie Project tenements, deposits, prospects and interpreted major structures over aeromagnetic image

¹ Refer to Silver Lake Resources Limited's ASX announcement "Mineral Resource and Ore Reserve Statement" dated 24 August 2018

² Refer to Breaker Resources Limited's ASX announcement "Bombora on track to be significant new open pit mine with ~30% increase in Indicated Resource to 803,000oz" dated 2 September 2019. CP's: T. Sanders, A. Barker, C. Shore.

Subsequent to successful Reverse Circulation (RC) and Aircore (AC) drilling during the previous quarter, Alchemy planned, submitted and received POW approvals for follow-up RC drilling at the Taupo and Parmelia gold prospects located immediately along strike to the north and south of the Silver Lake Resources' Aldiss Mining Centre.³ The RC drilling planned for the Parmelia Prospect located 2km south of Silver Lakes' Tank South Prospect aims to test the up-dip and northern strike extensions of a mineralised, altered dolerite that returned significant intercepts including **26m @ 1.6g/t Au** from 83m (incl. **13m @ 2.1g/t Au** from 87m) (*Figure 3*). Planned RC drilling at the Taupo Prospect located 2km along strike to the north of the Karonie Main Open Cut mine aims to test the immediate strike extensions of several recent AC intercepts including **10m @ 1.8g/t Au** from 68m (incl. 7m @ 2.5g/t Au from 68m), **6m @ 1.7g/t Au** from 36m to EOH, and **6m @ 1.0g/t Au** from 32m to EOH (*Figure 3*).

Historical drilling along strike to the north and south of both prospects is limited to wide spaced shallow vertical drill holes that are ineffective for identifying primary mineralisation within the plunging gold shoots common in the Karonie-Aldiss region. The commencement of the RC drill program and RAB drilling along the Claypan Shear Zone at Manhattan, Dragon, and Churchill prospects has been delayed due to the restrictions and market uncertainty imposed by the COVID-19 pandemic, however low impact exploration at the Karonie Gold Project has commenced, with soil sampling and mapping over areas of outcrop and subcrop at the Calista Prospect on the Claypan Shear Zone and at the Windy Dam Prospect on the Roe Hills trend now underway (*Figure 2*).

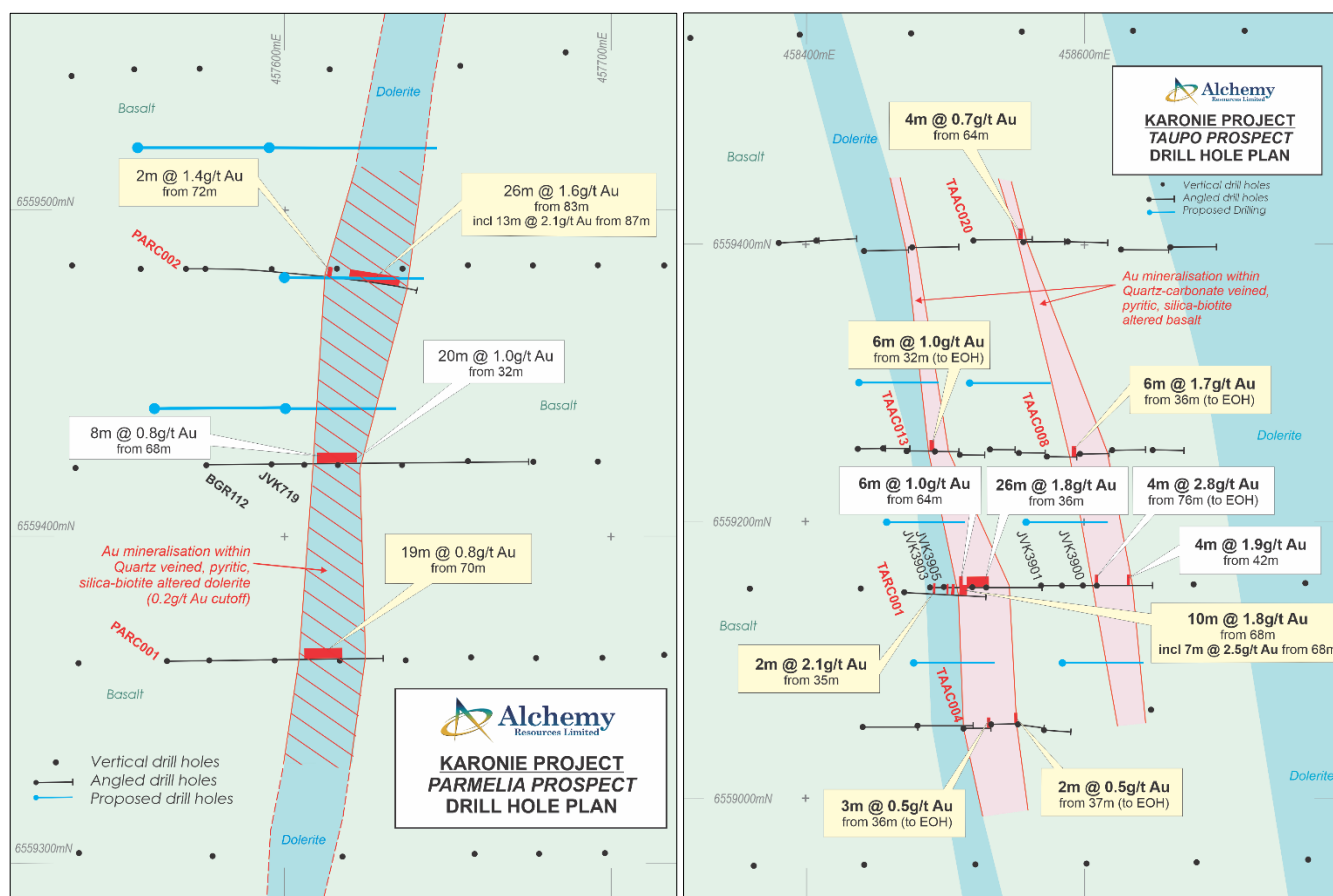


Figure 3: Parmelia Prospect (left) and Taupo Prospect (right) significant intercepts and planned drilling over interpreted geology (Alchemy intercepts in yellow text boxes)

Multi-element results from the recently completed infill soil sampling at KZ5 were evaluated and a review of all KZ5 geophysical surveys was completed. Additional drilling has been planned to test several off-hole conductors

³ Refer to Alchemy Resources Limited's ASX announcement "Significant Intercepts returned from Karonie Gold Project, Eastern Goldfields, WA" dated 9 December 2019. CP: L. Ryan

potentially reflecting additional massive sulphide mineralisation. The program has also been put on hold subject to further COVID-19 restrictions.

Lachlan / Cobar Basin Projects (NSW) (Alchemy 51%, earning up to 80%)

The Lachlan / Cobar Basin Projects consist of the Overflow Gold-Base Metal Project, the West Lynn Nickel-Cobalt-Alumina Project, and the Eurow Copper-Gold Project, each containing multiple gold and/or base metal and/or nickel-cobalt targets, including drill-ready targets at Overflow and West Lynn. The projects form part of a Farm-In and Joint Venture with Heron Resources Ltd (ASX: **HRR**), 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.

Alchemy has earned a 51% interest in the eight NSW licences, and subject to the Farm-In and Joint Venture Agreement can earn an 80% interest by spending a total of \$2M before 30 May 2021⁴. Alchemy's exploration expenditure to date under the Agreement is ~\$1.65M.

Overflow Gold-Base Metal Project (285km²)

During the quarter fieldwork on the Overflow Project included field reconnaissance of several historic copper and gold workings to the NE of Hera, and field preparations for the Overflow diamond drilling (*Figure 4*). Freehold lot boundaries were surveyed and hole locations pegged by a licenced surveyor.

The Cooperative Drilling grant application submitted to the NSW Department of Planning, Industry and Environment for one deep diamond hole targeting high-grade gold-silver-zinc-lead mineralisation down plunge to the south of the Overflow historic workings was not successful; nevertheless, the proposed diamond drilling program remains unchanged and will commence as soon as COVID-19 restrictions ease.

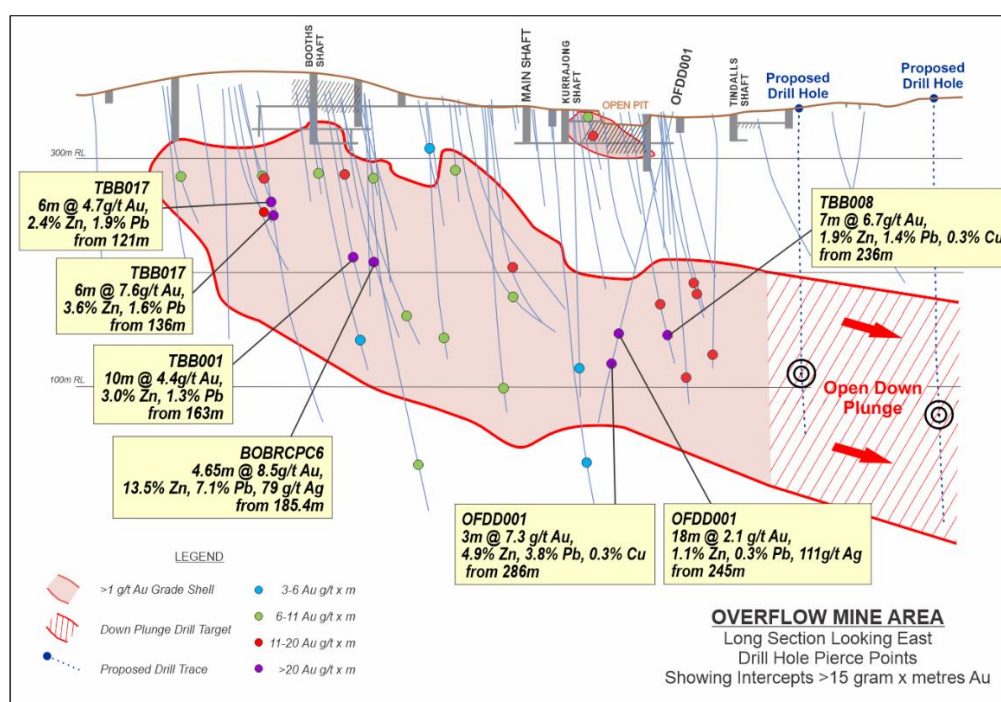


Figure 4: Overflow Prospect Long Section showing >1g/t Au grade shell, drill intercept pierce points (coloured by gram x metres) and proposed diamond drilling

⁴ Refer to Alchemy Resources Limited's ASX announcement "December 2018 Quarterly Report" dated 31 January 2019. CP's: S. Godfrey, L. Ryan

West Lynn Ni-Co-Alumina Project (100km²)

No work was completed during the quarter.

Yellow Mountain and Eurow Copper-Gold Projects (260km²)

No work was completed during the quarter.

Girilambone Copper Project (129km²)

No work was completed during the quarter.

Bryah Basin Project (WA) (Alchemy 10-20%)

Base Metals Exploration (Sandfire 70-80%)

Subsequent to spending over \$6M on the Bryah Basin base metal tenements in 2019, Sandfire earned a 70% interest in the Bryah Basin Project owned 80% Alchemy / 20% Jackson Minerals Pty Ltd (a wholly owned subsidiary of Fe Ltd (ASX: **FEL**)), and an 80% interest in Alchemy's 100% owned tenements (*Figure 5*). Alchemy is now 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 the deferred amount to be repaid from 50% of Alchemy's share of profits earned through production.

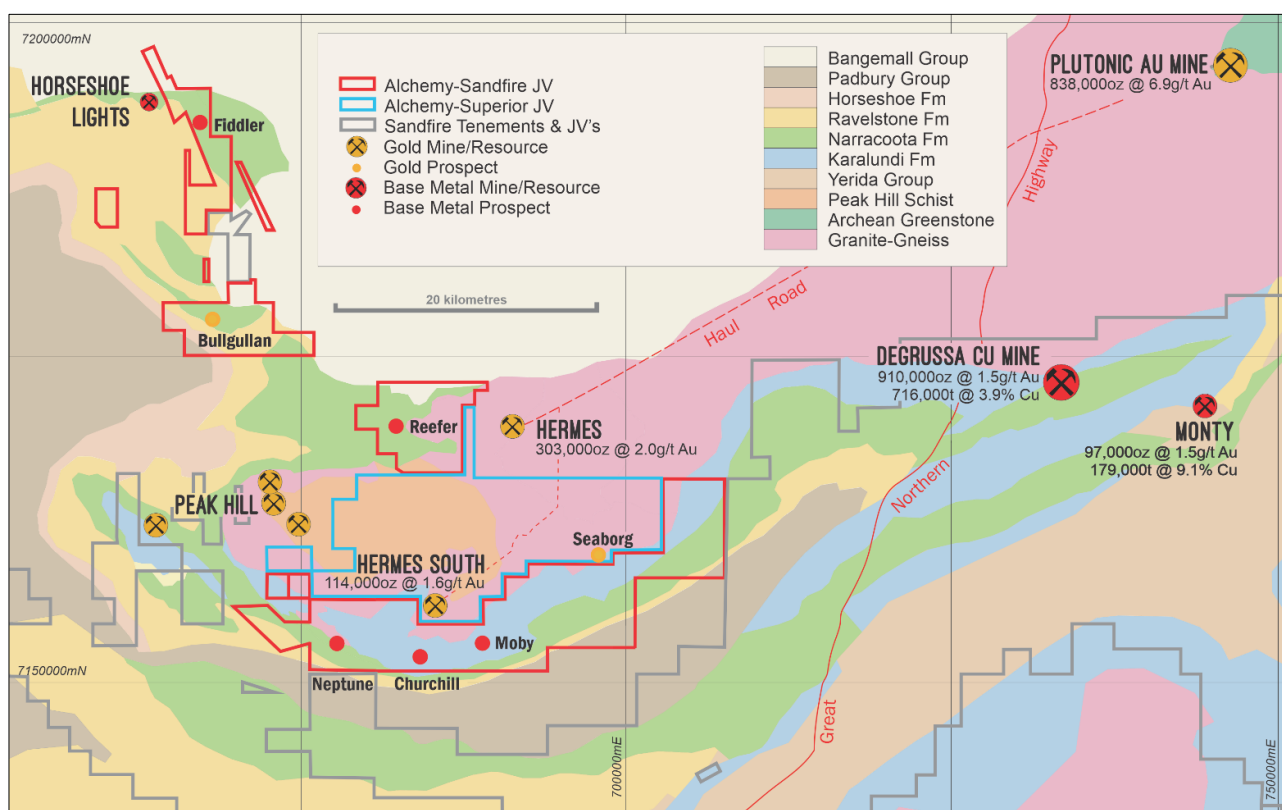


Figure 5: Bryah Basin Project – Sandfire Resources JV and Billabong Gold JV areas over interpreted geology.

Sandfire did not undertake any drilling on the Joint Venture tenements during the quarter. The eastern part of the moving loop electromagnetic (MLEM) survey designed to further improve targeting of the DeGrussa volcanogenic massive sulphide (VMS) horizon is due to be completed in Q2 2020. Phase 2 infill drilling at 400m spaced drill line coverage and follow-up drilling of previous copper and gold intercepts within the DeGrussa VMS host rocks will be subsequent to processing of the EM data (*Figure 6*). The resulting models will then be used to target VMS mineralisation and further refine Phase 2 drilling.

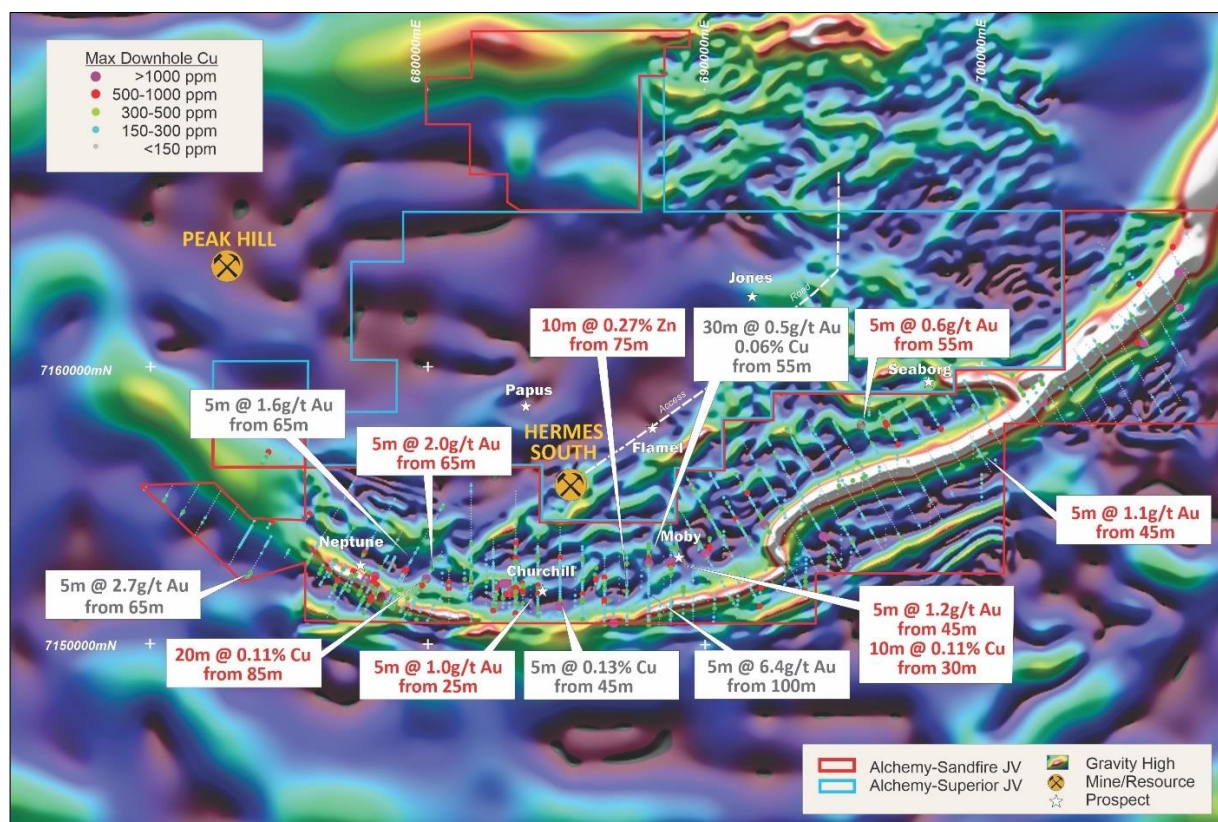


Figure 6: Sandfire AC/RC and previous drilling (coloured by maximum downhole copper), recent Sandfire drilling results (labelled in red), and JV tenement outlines over regional gravity image⁵.

Approximately 1,400 AC drill holes have been planned across the Fiddler (400m x 100m spacing), Bullgullan (800m x 100m spacing) and Reefer (800m x 100m spacing) prospect tenements (Figure 5). The drilling will target copper-gold mineralisation within the Narracoota volcanics and the Ravelstone Formation sediments. POW approvals and partial heritage clearances for the Fiddler and Bullgullan programs have been received. Due to COVID-19 restrictions heritage surveys over the remaining areas have been postponed.

Gold Exploration (Superior Gold 70-80%)

Exploration of Alchemy's tenements that cover the gold prospective part of the Bryah Basin Project (blue outline in Figure 5) continued under a farm-in and joint venture arrangement with Billabong Gold Pty Ltd ("**Billabong Gold JV**"), a subsidiary of Superior Gold Inc (TSX-V: SGI "**Superior**"). Under the terms of the Billabong Gold JV, 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 the commencement of mining.

The Billabong Gold JV contains a JORC 2012 compliant resource of **2.2Mt @ 1.6g/t for 114,000oz Au** at the Hermes South deposit⁶. Hermes South is located approximately 20km south-southwest of the Hermes mining operation, and 65km southwest of the Plutonic gold mine (Figure 5). The mineralisation remains open at depth and there is excellent potential for further drilling to expand the area of gold mineralisation and add to the known resource, and Alchemy is hopeful that the Hermes South deposit will become part of the production profile for the Plutonic Gold Operation. A miscellaneous Licence application to accommodate the development of a haul road between the existing Hermes Haul road and the Hermes South resource area has now been granted, and pit optimisation, design and scheduling work for Hermes South is underway.

⁵ Refer to Alchemy Resources Limited's ASX Announcement dated 23 September 2019 "Bryah Basin Base Metals JV – Exploration Update" CP: L. Ryan

⁶ Refer to Alchemy Resources Limited's ASX Announcement dated 8 May 2019 "Hermes South Resource Upgrade Bryah Basin, WA" CP: L. Ryan

During the quarter a Heritage Survey of the Wilgeena to Hermes proposed haul road commenced. A preliminary assessment was received, however due to COVID-19 restrictions the completion of the heritage survey has been postponed.

Superior collected an additional 65 close spaced soil samples from the Jones prospect during the quarter (*Figures 6 & 7*). The sampling was subsequent to prospectors reporting the occurrence of gold nuggets over a strike length of 15km at the Papus, Flamel, Jones and First Nugget prospects within the Peak Hill Schist. No significant results were received from the Papus and Flamel prospects. Soil sampling is continuing at the Jones Prospect.

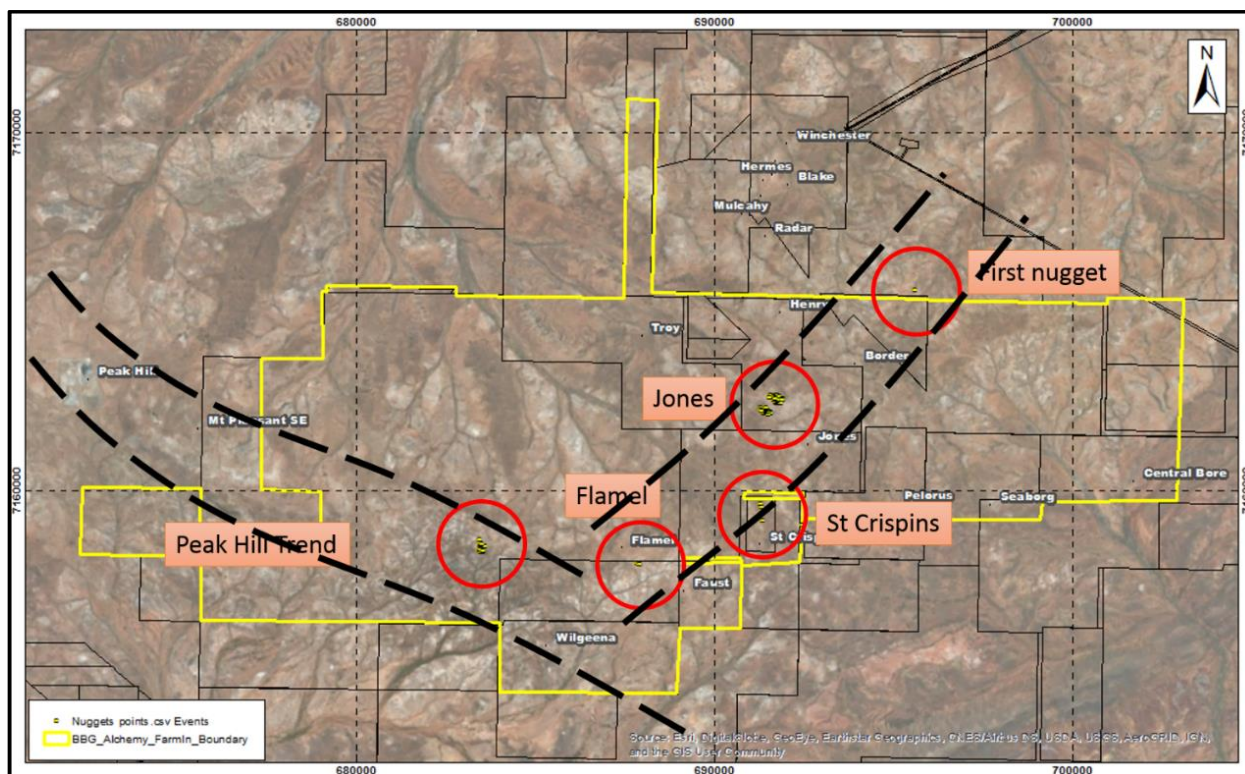


Figure 7: Nugget occurrences and Superior soil sampling prospects showing a Peak Hill Mine to Wilgeena trend (NW) and Wilgeena to First Nugget trend (NE).

Work planned for Q2 2020, subject to COVID-19 restrictions, includes the completion of the Heritage Protection Survey of the Hermes to Hermes South proposed haul road, soil sampling and geological mapping at the Jones Prospect, and petrography of previous Hermes South diamond drill holes.

Corporate

Alchemy had \$1.0M cash at hand at 31 March 2020.

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 31 March 2020

Project/Tenement	State	Status	Interest start Qtr	Interest end Qtr	Co-holder	Notes
Bryah Basin Project						
E52/1668	WA	Granted	10%	10%	Jackson / Billabong / Sandfire	1, 2, 3
E52/1678	WA	Granted	10%	10%	Jackson / Billabong / Sandfire	1, 2, 3
E52/1722	WA	Granted	10%	10%	Jackson / Sandfire	1, 2
E52/1723-I	WA	Granted	20%	20%	Billabong / Sandfire	2, 4, 5
E52/1730	WA	Granted	10%	10%	Jackson / Billabong / Sandfire	1, 2, 3
E52/1731	WA	Granted	20%	20%	Billabong / Sandfire	2, 4
E52/1810	WA	Granted	20%	20%	Sandfire	2
E52/1852	WA	Granted	20%	20%	Billabong	4
E52/2360	WA	Granted	20%	20%	Sandfire	2, 6
E52/2362	WA	Granted	20%	20%	Billabong / Sandfire	2, 4, 6
E52/3292	WA	Granted	20%	20%	Sandfire	2
E52/3358	WA	Granted	20%	20%	Sandfire	2
E52/3359	WA	Granted	20%	20%	Sandfire	2
E52/3405	WA	Granted	20%	20%	Billabong / Sandfire	2, 4
E52/3406	WA	Granted	20%	20%	Billabong / Sandfire	2, 4
E52/3407	WA	Granted	20%	20%	Sandfire	2
E52/3408	WA	Granted	20%	20%	Billabong / Sandfire	2, 4
E52/3409	WA	Granted	20%	20%	Sandfire	2
E52/3472	WA	Granted	20%	20%	Sandfire	2
E52/3475	WA	Granted	20%	20%	Sandfire	2
M52/722	WA	Granted	20%	20%	Billabong / Sandfire	2, 4, 6
M52/723	WA	Granted	20%	20%	Billabong / Sandfire	2, 4, 6
M52/737	WA	Granted	20%	20%	Billabong	4, 6
M52/795	WA	Granted	20%	20%	Billabong / Sandfire	2, 4, 6
M52/844-I	WA	Granted	20%	20%	Sandfire	2, 6
M52/1049	WA	Granted	20%	20%	Billabong	4, 6
P52/1425	WA	Granted	20%	20%	Sandfire	2
P52/1427	WA	Granted	20%	20%	Sandfire	2
P52/1428	WA	Granted	20%	20%	Sandfire	2
P52/1429	WA	Granted	20%	20%	Billabong	4
P52/1467	WA	Granted	20%	20%	Sandfire	2
P52/1468	WA	Granted	20%	20%	Sandfire	2
P52/1469	WA	Granted	20%	20%	Sandfire	2
P52/1470	WA	Granted	20%	20%	Sandfire	2
P52/1531	WA	Granted	20%	20%	Sandfire	2
P52/1532	WA	Granted	20%	20%	Sandfire	2
P52/1533	WA	Granted	20%	20%	Sandfire	2
P52/1534	WA	Granted	20%	20%	Sandfire	2
P52/1535	WA	Granted	20%	20%	Sandfire	2
P52/1538	WA	Granted	10%	10%	Jackson / Billabong	1, 4
P52/1539	WA	Granted	10%	10%	Jackson / Billabong	1, 4
P52/1540	WA	Granted	20%	20%	Sandfire	2
P52/1541	WA	Granted	20%	20%	Sandfire	2
P52/1565	WA	Granted	20%	20%	Sandfire	2
P52/1566	WA	Granted	20%	20%	Sandfire	2
P52/1567	WA	Granted	20%	20%	Sandfire	2
P52/1568	WA	Granted	20%	20%	Sandfire	2
P52/1572	WA	Granted	20%	20%	Sandfire	2, 6
P52/1577	WA	Granted	20%	20%	Billabong	4, 6

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	Granted	100%	100%		7
E28/2752	WA	Granted	100%	100%		7
E28/2880	WA	Granted	100%	100%		7
E28/2940	WA	Appl. (ballot)	-	-		7
E28/2960	WA	Appl.	-	-		7
E28/2976	WA	Appl.	-	-		7
Lachlan Projects						
EL5878 - Overflow	NSW	Granted	51%	51%	Heron Resources	8
EL7941 - Overflow	NSW	Granted	51%	51%	Heron Resources	8
EL8267 – Overflow Nth	NSW	Granted	51%	51%	Heron Resources	8
EL8356 – Yellow Mtn	NSW	Granted	51%	51%	Heron Resources	8
EL8192 - Euroow	NSW	Granted	51%	51%	Heron Resources	8
EL8318 - Girilambone	NSW	Granted	51%	51%	Heron Resources	8
EL8631 – West Lynn	NSW	Granted	51%	51%	Heron Resources	8
EL8711 - Woodsreef	NSW	Granted	51%	51%	Heron Resources	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) holds a 70-80% interest (excludes iron ore) in whole or part tenements, with Alchemy free-carried up to completion of a pre-feasibility study.
3. Billabong Gold Pty Ltd holds a 70% interest in whole or part of tenement.
4. Billabong Gold Pty Ltd holds an 80% interest in whole or part of tenement.
5. PepinNini Robinson Range Pty Ltd retains a 1% NSR on iron ore.
6. Carey Mining Iron Ore JV: Alchemy has 100% mineral rights for all minerals, excluding iron ore where ownership is Alchemy 50% / Carey Mining 50%.
7. Goldtribe Corporation Pty Ltd, a subsidiary of Alchemy Resources Ltd, holds a 100% interest in the tenement.
8. Alchemy Resources (NSW) Pty Ltd, a subsidiary of Alchemy Resources Ltd, holds a 51% interest, and has a right to earn an 80% interest in tenements from Heron Resources Ltd by sole funding a total of \$2,000,000 on exploration expenditure.

Competent Person's Statement

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.

The information in this report that relates to Mineral Resources at the West Lynn Nickel-Cobalt-Alumina 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 Fellow of the Australasian Institute of Mining and Metallurgy and 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 Godfrey 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 Mr Stephen Hyland, a geological consultant working for Superior Gold Inc. Mr Hyland is a Fellow of 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 Hyland consents to the inclusion in this report of the matters based on his information in the form and context in which it appears."

Forward Looking Statements

This report may include forward looking statements. Forward looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of Alchemy. Actual values, results or events may be materially different to those expressed or implied in this report. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward looking statements in this presentation speak only at the date of issue of this presentation. Subject to any continuing obligations under any applicable law and the ASX Listing Rules, Alchemy does not undertake any obligation to update or revise any information or any of the forward looking statements in this presentation of any changes in events, conditions or circumstances on which any such forward looking statement is based.