

ASX ANNOUNCEMENT

1 OCTOBER 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 672,243,453

OPTIONS 60,429,776 (Unlisted)

PROJECTS

KARONIE (100%)

LAKE REBECCA (100%)

WEST LYNN (51% earning up to 80%)

LACHLAN (51% earning up to 80%)

BRYAH BASIN (10-20%)

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Diamond drilling commences at the Overflow Gold and Base Metal Prospect, NSW

Highlights

- Diamond drilling is underway at Alchemy's Overflow Prospect to confirm continuity of high-grade Cobar style gold and base metal mineralisation.
- Two holes planned to extend mineralisation down plunge to the south.

Alchemy Resources Limited (ASX: ALY) ("Alchemy") is pleased to announce the commencement of diamond drilling within the Overflow Gold and Base Metal Project in the Cobar Basin, NSW (*Figure 1*). The Project forms part of the farm-in and joint venture agreement with Heron Resources Ltd (ASX: HRR)¹.

Two deep diamond holes totalling ~750m aim to expand the known extent of gold and base metal mineralisation down plunge to the south of previous high-grade gold intercepts.

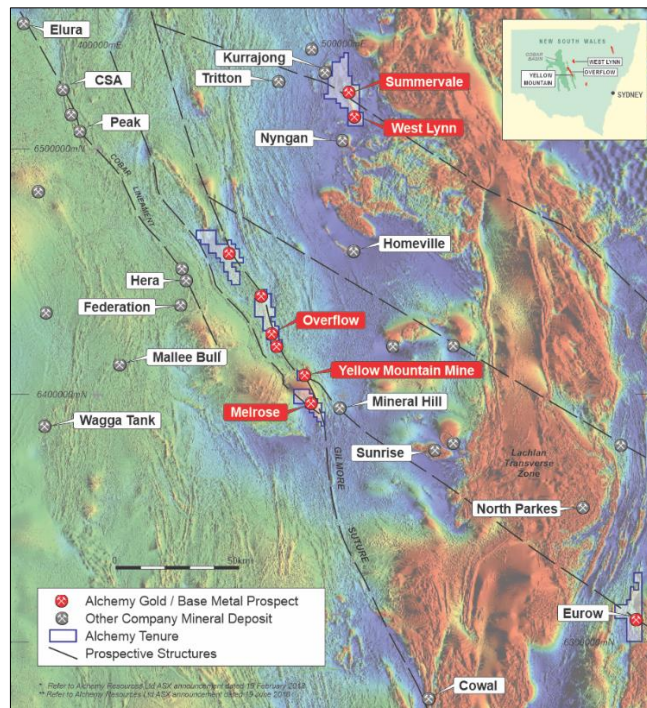


Figure 1: Alchemy NSW JV Projects over regional aeromagnetic image (left), current drill hole (right).

¹ Refer to Alchemy Resources Limited ASX announcement dated 30 May 2016

The diamond drilling aims to test a target area ~100m down-plunge to the south of several previous drill intercepts (*Figure 2*) including:

- 7m @ 6.7g/t Au, 19g/t Ag, 1.9% Zn, 1.4% Pb, 0.3% Cu from 236m (TBB008)²
- 18m @ 2.1g/t Au, 111g/t Ag, 1.1% Zn from 245m (OFDD001)³
- 3m @ 7.3g/t Au, 43g/t Ag, 4.6% Zn, 4.2% Pb, 0.3% Cu from 236m (OFDD001)³

The structurally controlled polymetallic mineralisation, located on the strike extensive Overflow shear zone, displays metal zonation similar that seen at the Hera mine just 30km to the northwest. Both shear parallel and cross-cutting quartz vein sets are present, along with shallow south dipping fault zones, which are interpreted to control the shallow southerly plunge identified in current gold and base metal grade shells (*Figure 2*).

Each diamond hole should take ~10 days to complete with first assays expected early in December 2020.

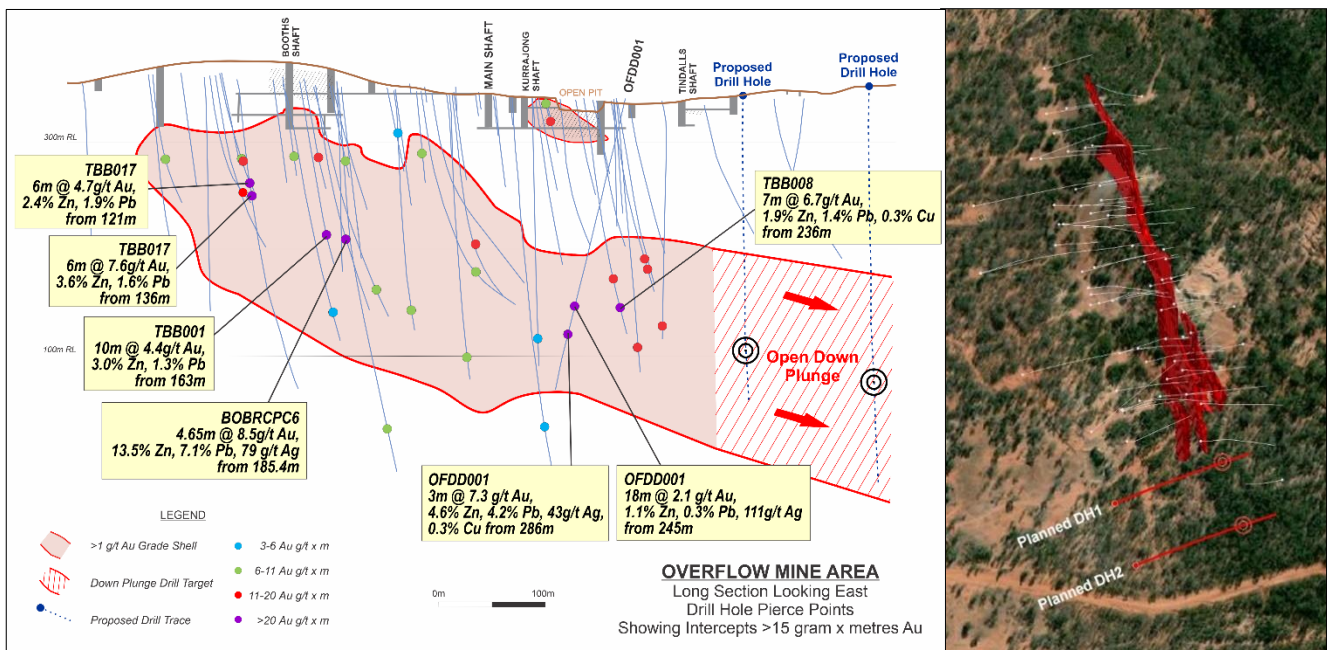


Figure 2: Overflow Prospect long section looking east (left) and plan (right) showing >1g/t Au grade shell and proposed diamond drilling.

Alchemy’s Managing Director, Leigh Ryan said:

“After a significant delay due to COVID-19 restrictions Alchemy is excited about the commencement of diamond drilling at Overflow, and looking forward to extending mineralisation down plunge to the south and receiving some significant gold and base metal results in the near future.”

Please direct enquiries to:

Mr Leigh Ryan – Managing Director

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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.

² Refer to Alchemy Resources Limited ASX announcement dated 30 May 2016

³ Refer to Alchemy Resources Limited ASX announcement dated 29 March 2017