

# ASX ANNOUNCEMENT

9 DECEMBER 2020

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 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%)

Suite 8/8 Clive Street  
WEST PERTH WA 6005

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

[www.alchemyresources.com.au](http://www.alchemyresources.com.au)



## Significant Drill Results returned from the Karonie Gold Project, Eastern Goldfields, WA

### Highlights

- Significant results returned from six RC holes drilled at the Parmelia Prospect along strike of the Aldiss Mining Centre included:
  - **12m @ 1.2g/t Au from 67m**  
(incl. 1m @ 3.4g/t Au from 82m)
  - **18m @ 1.0g/t Au from 67m**  
(incl. 4m @ 1.8g/t Au from 69m)
  - **16m @ 0.9g/t Au from 87m**  
(incl. 3m @ 1.7g/t Au from 89m & 4m @ 1.0g/t Au from 96m)
- Strike length of gold mineralisation increased to ~500m; remains open to south
- Follow up RC drilling is being planned

Alchemy Resources Limited (ASX: ALY) ("Alchemy") is pleased to announce several significant intercepts from recent reverse circulation (RC) drilling within the 100% owned Karonie Gold Project in the Eastern Goldfields, WA (*Figure 1*). The drilling tested strike extensions of the Parmelia Prospect located immediately along strike to the south of the Silver Lake Resources Ltd (ASX: SLR) Aldiss Mining Centre.

The program extended the zone of mineralisation ~200m to the south and ~120m to the north, increasing the current strike of gold mineralisation to ~500m (*Figure 2*). The drilling confirmed the presence of a thick, vertical to steeply east dipping, quartz veined silica-albite-pyrite altered dolerite unit hosting broad gold intercepts, including **12m @ 1.2g/t Au** from 67m and **16m @ 0.9g/t Au** from 87m in PARC010 located ~120m along strike to the south of previous RC drilling (*Figure 3*). Another broad intercept of **18m @ 1.0g/t Au** from 67m (incl. 4m @ 1.8g/t Au from 69m) was received from PARC011 located an additional 80m south of PARC010.

Along strike to the north the dolerite unit appears to thicken prior to being offset to the east and split into 2 separate mineralised zones. Hole PARC012 returned 3m @ 1.5g/t Au from 100m, however PARC013 appears to have been drilled over the top of the main body of gold mineralisation returning several shallow, low grade intercepts (*Figure 2, Table A*).

Gold mineralisation remains open down dip and along strike to the south, with further drilling being planned for these areas in order to identify high-grade gold shoots, typical of the Karonie-Aldiss region.

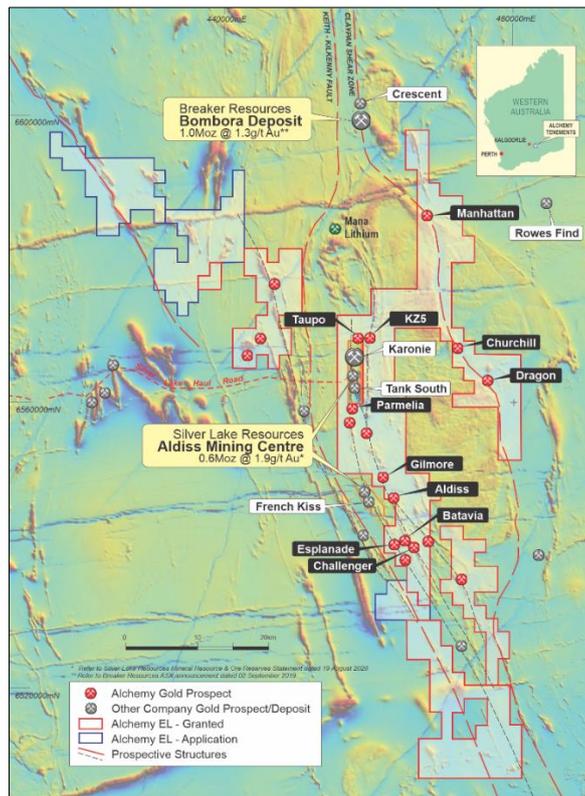


Figure 1: Karonie Project tenements and prospects over aeromagnetic image

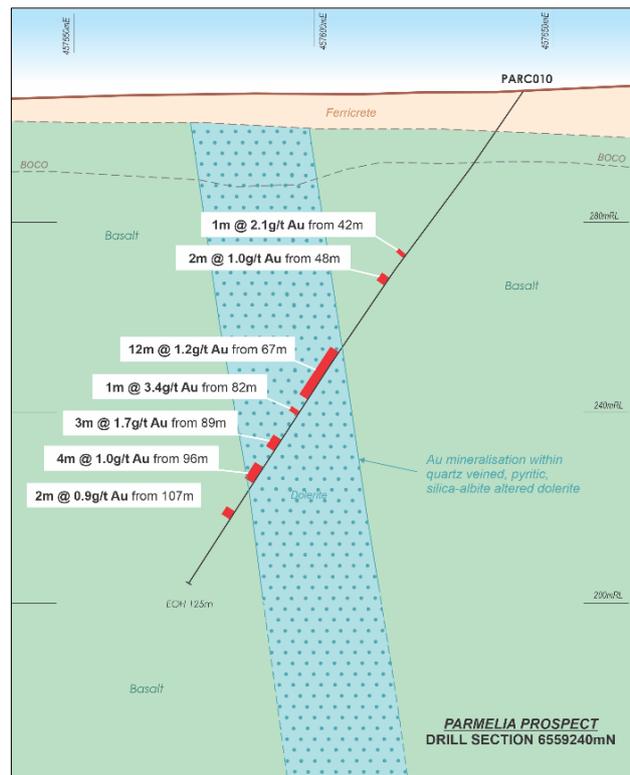
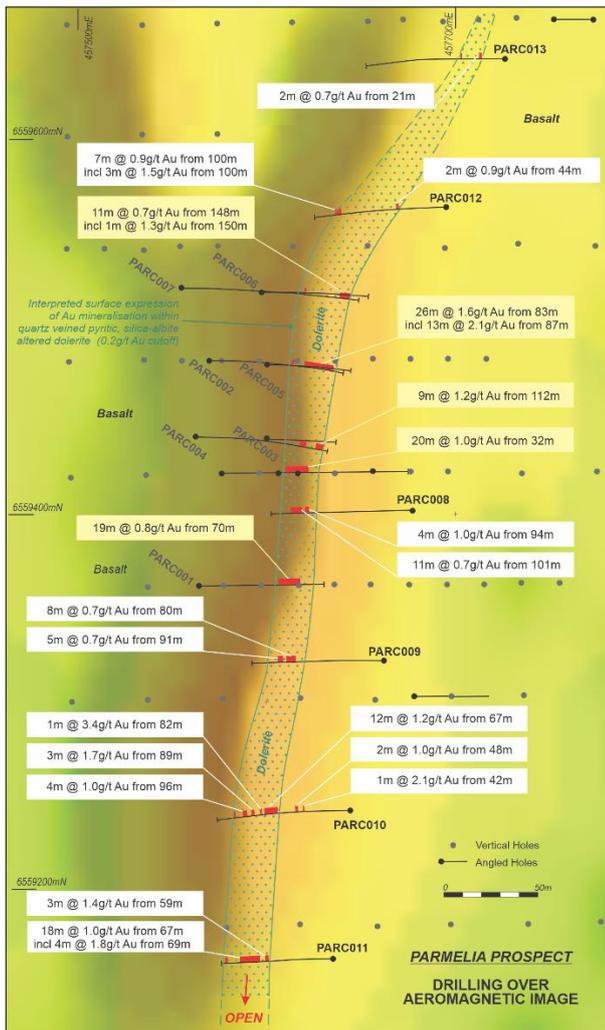


Figure 3: Parmelia Prospect cross section (6559240N)

Figure 2: Parmelia Prospect: Significant intercepts over aeromagnetic image (previous intercepts in yellow text boxes)

Alchemy's Managing Director, Leigh Ryan said:

"The recent RC drilling results confirm the extension of gold mineralisation into the Silver Lake mining lease to the north and confirm the relationship between the mineralised dolerite unit and the linear magnetic high that continues for several kilometres to the south. This magnetic feature is clearly visible in our aeromagnetic imagery and remains the target for future drill programs in the area" (Figures 1 & 2).

**Table A:** Parmelia Prospect RC Drilling Results

Hole ID	EOH (m)	From	To	Width	Au (g/t)	Intercept *	
PARC008	130	30	31	1	1.42	<b>1m @ 1.4g/t Au from 30m</b>	
		94	98	4	0.96	<b>4m @ 1.0g/t Au from 94m</b>	
		101	112	11	0.72	11m @ 0.7g/t Au from 101m	
		<i>incl.</i>	102	104	2	1.12	<b>2m @ 1.1g/t Au from 102m</b>
PARC009	119	23	24	1	0.67	1m @ 0.7g/t Au from 23m	
		80	88	8	0.74	8m @ 0.7g/t Au from 80m	
		91	96	5	0.67	5m @ 0.7g/t Au from 91m	
PARC010	125	42	43	1	2.14	<b>1m @ 2.1g/t Au from 42m</b>	
		48	50	2	1.04	<b>2m @ 1.0g/t Au from 48m</b>	
		67	79	12	1.21	<b>12m @ 1.2g/t Au from 67m</b>	
		<i>incl.</i>	75	77	2	2.04	<b>2m @ 2.0g/t Au from 75m</b>
		82	83	1	3.36	<b>1m @ 3.4g/t Au from 82m</b>	
		87	103	16	0.88	<b>16m @ 0.9g/t Au from 87m</b>	
		<i>incl.</i>	89	92	3	1.73	<b>3m @ 1.7g/t Au from 89m</b>
<i>incl.</i>	96	100	4	0.99	<b>4m @ 1.0g/t Au from 96m</b>		
		107	109	2	0.86	2m @ 0.9g/t Au from 107m	
PARC011	101	59	62	3	1.37	<b>3m @ 1.4g/t Au from 59m</b>	
		67	85	18	1.02	<b>18m @ 1.0g/t Au from 67m</b>	
		<i>incl.</i>	69	73	4	1.76	<b>4m @ 1.8g/t Au from 69m</b>
		96	98	2	0.81	2m @ 0.8g/t Au from 96m	
PARC012	128	29	30	1	0.53	1m @ 0.5g/t Au from 23m	
		44	46	2	0.88	2m @ 0.9g/t Au from 44m	
		100	107	7	0.93	7m @ 0.9g/t Au from 100m	
		<i>incl.</i>	100	103	3	1.47	<b>3m @ 1.5g/t Au from 100m</b>
PARC013	128	21	23	2	0.65	2m @ 0.7g/t Au from 21m	
		38	39	1	0.65	1m @ 0.6g/t Au from 38m	

\* 0.5g/t Au lower cut-off, no upper cut-off, max 2m internal waste, all intercepts >0.5g/t Au reported

**Table B:** Parmelia Prospect RC drill hole collar information

Hole_ID	Easting*	Northing*	RL (m)	Dip (°)	Azimuth* (°)	Total Depth (m)
PARC008	457677	6559402	307.9	-55	270.5	130.0
PARC009	457662	6559322	307.7	-55	270.0	119.0
PARC010	457644	6559242	307.6	-55	270.0	125.0
PARC011	457635	6559163	307.5	-55	270.0	101.0
PARC012	457695	6559564	307.9	-55	270.0	128.0
TARC013	457726	6559643	308.2	-55	270.0	128.0

\* GDA94 zone 51

Authorised by the Board of Directors.

Mr Leigh Ryan  
Managing Director  
Telephone: +61 8 9481 4400  
Email: [Leigh@alchemyresources.com.au](mailto:Leigh@alchemyresources.com.au)

---

*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
<i>Sampling techniques</i>	<p><i>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.</i></p> <p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>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.</i></p>	<p>Samples referred to in this Public Report are reverse circulation (RC) drill samples, obtained using an 'industry standard' drill rig (350psi / 1150cfm &amp; 800psi / 1400 cfm booster), drilling equipment and sampling practices.</p> <p>RC drilling obtained 1m samples dispensed into plastic bags and calico bags via an industry standard cyclone / cone splitter.</p> <p>The cone splitter was used to obtain one calico bag containing a reduced size 1m sample "split" for gold analysis (1 to 3kg) and the remaining drill chips from the 1m interval retained in a large plastic bag. Samples for gold analysis were collected at 1m intervals. The RC samples obtained are considered to be representative of the material drilled.</p> <p>Sampling was carried out using documented Alchemy Resources Limited sampling and QAQC procedures (detailed below).</p>

Criteria	JORC Code explanation	Commentary
<i>Drilling techniques</i>	<i>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.).</i>	RC drilling was completed from surface using 3m x 3.5" RC drill rods, a 4.3" hammer (with a standard sample retrieval collar) and a 4.9" RC tungsten button drill bit.
<i>Drill sample recovery</i>	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p> <p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p> <p><i>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.</i></p>	<p>Sample recoveries and moisture content estimates were logged / recorded into spreadsheets by the field assistant then uploaded into a database. There were very few sample recovery problems (&lt;&lt;1%) except for the top 2 to 5m of each hole where a large bit was used to allow for PVC casing.</p> <p>No relationship exists between sample recovery and grade, and accordingly no bias has occurred as a result of loss/gain of material.</p>
<i>Logging</i>	<p><i>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.</i></p> <p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p>	<p>Geological logging was completed on all RC 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.</p> <p>Representative samples of bedrock collected from each metre of each RC hole were retained in labelled sample chip trays. These are stored in the Alchemy storage shed in Perth.</p> <p>No judgement has yet been made by independent qualified consultants as to whether RC samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</p>
<i>Sub-sampling techniques and sample preparation</i>	<p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i></p>	RC samples were cone split and collected in pre-numbered calico bags. The cone splitter sample shoot opening was adjusted to collect between 1 and 3 kg of sample. Samples were collected every metre and the residual sample material was collected every

Criteria	JORC Code explanation	Commentary
	<p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p> <p><i>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.</i></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	<p>metre in large green plastic bags and retained on site for resampling if required.</p> <p>One commercial laboratory standard or blank laboratory standard, one blank sample (barren basalt) and one duplicate sample was inserted every 50 samples (i.e. 6% QAQC samples).</p> <p>RC 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.</p>
<p><i>Quality of assay data and laboratory tests</i></p>	<p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p> <p><i>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.</i></p> <p><i>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.</i></p>	<p>All RC 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 105°C+5°C for several hours (drying time dependent on moisture content), then crushing the entire sample (&gt;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.</p> <p>All samples were analysed using ALS method code Au-AA26 for Au (up to 50g Fire Assay with AAS finish) with a lower detection limit of 0.01g/t Au.</p> <p>Laboratory QAQC involves the use of internal laboratory standards using certified reference material, blanks, splits and duplicates as part of in-house procedures.</p> <p>Alchemy used commercially available reference materials (Lab Standards) with a suitable range of values, that were inserted every 50 samples.</p> <p>Results indicate that Lab Standard assay values are within acceptable error limits.</p> <p>Blank samples did not detect any significant contamination from adjacent samples and</p>

Criteria	JORC Code explanation	Commentary
		duplicate sample assay values are also within acceptable error limits.
<i>Verification of sampling and assaying</i>	<p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p> <p><i>The use of twinned holes</i></p> <p><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></p> <p><i>Discuss any adjustment to assay data.</i></p>	<p>Reported drill hole intercepts are compiled by the Company's competent person.</p> <p>No twinned holes were drilled in the current drilling campaign.</p> <p>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.</p> <p>No assay data adjustments have been made.</p>
<i>Location of data points</i>	<p><i>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.</i></p> <p><i>Specification of the grid system used.</i></p> <p><i>Quality and adequacy of topographic control.</i></p>	<p>A handheld GPS was used to locate collar positions, with an expected +/-5m vertical and horizontal accuracy.</p> <p>Down hole surveys were collected every 10m in RC drill holes using an Axis Mining Technology ChampGyro (true north-seeking gyro).</p> <p>The grid system used for all collar locations is the UTM Geocentric Datum of Australia 1994 (MGA94 Zone 51).</p> <p>The drill collar and down hole location accuracy is considered appropriate for this stage of exploration.</p>
<i>Data spacing and distribution</i>	<p><i>Data spacing for reporting of Exploration Results.</i></p> <p><i>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.</i></p> <p><i>Whether sample compositing has been applied.</i></p>	<p>Drill line spacings are currently 20m, 40m and 80m at the Parmelia Prospect, and on these drill lines hole spacings vary from ~20m to ~40m.</p> <p>1m samples were collected over the entire length of all holes.</p> <p>No Mineral Resource or Reserve has been reported for this drilling.</p>
<i>Orientation of data in relation to</i>	<i>Whether the orientation of sampling achieves unbiased sampling of possible</i>	Gold bearing structures and lithologies in the area drilled are interpreted to be vertical or

Criteria	JORC Code explanation	Commentary
<i>geological structure</i>	<p><i>structures and the extent to which this is known, considering the deposit type</i></p> <p><i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></p>	<p>dip steeply to the east or west and plunge moderately to the north.</p> <p>All holes were drilled at between -55 degrees towards grid west (~268.5° magnetic) (approx. right angles to lithological trends).</p> <p>No orientation based sampling bias has been identified.</p>
<i>Sample security</i>	<p><i>The measures taken to ensure sample security.</i></p>	<p>All drill samples were collected in pre-numbered calico bags and then put into large green plastic bags and stored in a trailer on site until transported to ALS Kalgoorlie.</p> <p>All samples were transported via company vehicle to ALS Kalgoorlie and subsequently transported to Perth by ALS for prep and sample analysis.</p>
<i>Audits or reviews</i>	<p><i>The results of any audits or reviews of sampling techniques and data.</i></p>	<p>An internal review of the sampling techniques, and sample data capture concluded that both are of sufficient quality to carry out a resource estimation.</p> <p>Considering the preliminary nature of the drill program, no external audit or review of the sampling techniques or sample data capture has been conducted.</p>

## Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<p><i>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.</i></p> <p><i>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.</i></p>	<p>Type - Exploration Licence (currently in good standing)</p> <p>Reference name –Karonie</p> <p>Reference number – E28/2575</p> <p>Location – 100km east of Kalgoorlie, Australia.</p> <p>Ownership – 100% Goldtribe Corporation Pty Ltd (a wholly owned subsidiary of Alchemy Resources Limited)</p> <p>Overriding royalties - none</p> <p>The land is 100% freehold.</p> <p>No Wilderness Reserves, National Parks, Native Title sites or registered historical sites are known.</p> <p>No environmental issues are known.</p>

Criteria	JORC Code explanation	Commentary
<i>Exploration done by other parties</i>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	<p>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.</p> <p>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).</p>
<i>Geology</i>	<i>Deposit type, geological setting and style of mineralisation</i>	<p>Deposit Type – Structurally controlled, shear zone and dolerite hosted mesothermal gold mineralisation.</p> <p>Geological setting – Proterozoic Woodline Formation overlying variably folded Archean and sheared sediments and mafic volcanic units. Multiple deformation events leading to complex faulting and metamorphism ranging from greenschist to amphibolite facies.</p> <p>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-carbonate-biotite-albite (and reportedly calc-silicate alteration at the Karonie Gold Mine). Steep north plunging fold axes and lineations are interpreted to be associated with steep north plunging high grade ore shoots.</p>
<i>Drill hole Information</i>	<p><i>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:</i></p> <ul style="list-style-type: none"> <li>○ <i>easting and northing of the drill hole collar</i></li> </ul>	All drill hole information is tabulated within the body of the announcement.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>○ <i>dip and azimuth of the hole</i></li> <li>○ <i>down hole length and interception depth</i></li> <li>○ <i>hole length.</i></li> </ul> <p><i>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.</i></p>	
<p><i>Data aggregation methods</i></p>	<p><i>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.</i></p> <p><i>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.</i></p> <p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p>	<p>A weighted average was used to calculate all mineralisation intercepts.</p> <p>A 0.5g/t Au lower cut-off grade, no upper cut off grade, and maximum 2m internal waste is used in the calculations for all RC drill results.</p>
<p><i>Relationship between mineralisation widths and intercept lengths</i></p>	<p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p> <p><i>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’).</i></p>	<p>All intercepts reported are downhole widths. It is estimated that the angle between the drill hole direction and the plane of mineralisation is <math>\sim 35^\circ</math> (or less) which implies that downhole intercept width <math>\times \sim 0.6 =</math> true intercept width (or thicker).</p>

Criteria	JORC Code explanation	Commentary
<i>Diagrams</i>	<i>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.</i>	Appropriate plans and cross sections have been included in the body of this announcement.
<i>Balanced reporting</i>	<i>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.</i>	All gold drill intercepts >0.5g/t Au have been reported for RC drilling.
<i>Other substantive exploration data</i>	<i>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.</i>	All meaningful data and information has been included in the body of the report.
<i>Further work</i>	<p><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></p> <p><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></p>	Follow-up Reverse Circulation (RC) drilling at Parmelia is being planned and will be drilled as soon as possible.