

11 February 2021

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PROJECTS

LAKE REBECCA (ALY 100%)

KARONIE (ALY 100%)

LACHLAN (ALY 80%)

WEST LYNN (ALY 80%)

BRYAH BASIN (ALY 20%, TSX-V SGI 80%)

BRYAH BASIN (ALY 20%, SFR 80%)

EARN IN COMPLETED ON LACHLAN GOLD AND BASE METALS TENEMENTS

KEY POINTS

- Alchemy has completed its earn-in for the Lachlan gold and base metals tenements in New South Wales
- 80% interest earned by spending a total of \$2m before 30 May 2021 under the terms of the agreement
- The Lachlan Projects consist of a 674km² land package in close proximity to high profile mining centres in the central Lachlan including Hera, Mallee Bull and Cowal
- Comprehensive data review for 2021 exploration program underway

Alchemy Resources Limited (ASX: ALY) (“Alchemy”) is pleased to announce that it has now earned an 80% interest in the Lachlan gold and base metals projects (“Lachlan Projects”) in New South Wales from Heron Resources (ASX: HRR).

The Lachlan Projects cover an area of 674km² of the Central Lachlan Orogen in NSW and comprise three project areas prospective for Cobar-style epithermal gold and base metals and copper-gold porphyry mineralisation.

The four project areas comprise:

Overflow: A historic copper-gold production centre, with high grade gold and associated base metals mineralisation. Best historic intercepts included: 7m @ 6.67 g/t Au, 19g/t Ag, 1.9% Zn, 0.3% Cu (TBB008)¹; 18m @ 2.1g/t Au, 111g/t Ag, 1.1% Zn (OFD001)².

Melrose: Melrose is a 12km hydrothermal alteration zone with geochemical signatures similar to other porphyry copper-gold systems such as Cadia-Ridgeway. A large IP survey is planned to better define targets for drill testing.

Yellow Mountain: Historic drilling contained broad zones of mineralisation, including: 52m @ 0.54g/t Au, 0.31% Cu⁴, 35g/t Ag, 1.15% Pb and 1.28% Zn (PYM011) and 24.4m @ 1.12% Cu, 1.19% Pb, 1.02% Zn (YP05A)⁶.

West Lynn: A large tonnage low iron lateritic nickel-cobalt resource of 21.3Mt @ 0.84% Ni, 0.05% Co³ and a 6.6Mt 20.8% Al₂O₃ (HPA @) resource⁴.

Chief Executive Office Mr James Wilson commented:

“We are extremely pleased that Alchemy has completed our earn-in to 80% at the Lachlan exploration projects in New South Wales. The areas possess significant exploration potential as demonstrated by the high grade historic intercepts at Overflow and the broader intercepts at Yellow Mountain. The upcoming 2021 program is designed to locate additional good grade gold-copper mineralisation within this extensive and highly prospective tenement package”.

ABOUT THE LACHLAN / COBAR BASIN PROJECTS

The Lachlan / Cobar Basin Projects consist of the Overflow Gold-Base Metal Project, the Yellow Mountain Copper Gold Project, the West Lynn Nickel-Cobalt-Alumina Project, and the Eurow Copper-Gold Project, each containing multiple drill ready gold and/or base metal and/or nickel-cobalt targets. 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.

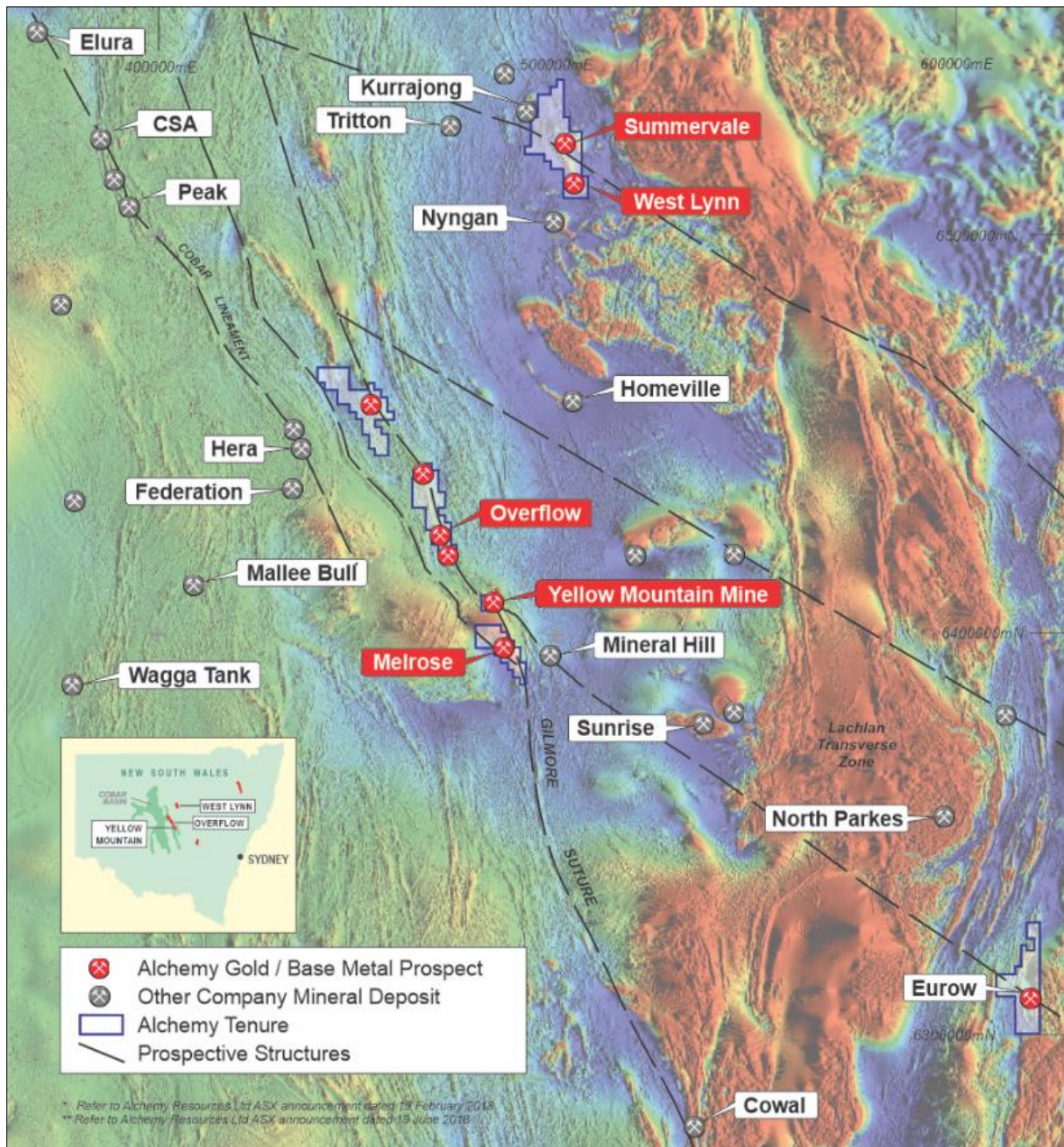


Figure 1: NSW Alchemy / Heron Farm-in / Joint Venture Projects

OVERFLOW PROJECT

Overflow is centred on the historic Overflow mining centre (Figure 1), a past producer of gold, silver and lead, and has been the focus of previous exploration in the area since mining ceased in 1942. Mineralisation at Overflow is structurally-controlled, high-grade gold-silver with base metal credits, with known zones having relatively short strike lengths but potentially long in the down-plunge direction, typical of Cobar-style mineralisation. Historic drilling has returned multiple significant high-grade intercepts, including:

- 7m @ 6.7g/t Au, 19g/t Ag, 1.9% Zn, 1.4% Pb, 0.3% Cu from 236m (TBB008)¹
- 18m @ 2.1g/t Au, 111g/t Ag, 1.1% Zn from 245m (OFDD001)²
- 3m @ 7.3g/t Au, 43g/t Ag, 4.6% Zn, 4.2% Pb, 0.3% Cu from 236m (OFDD001)²

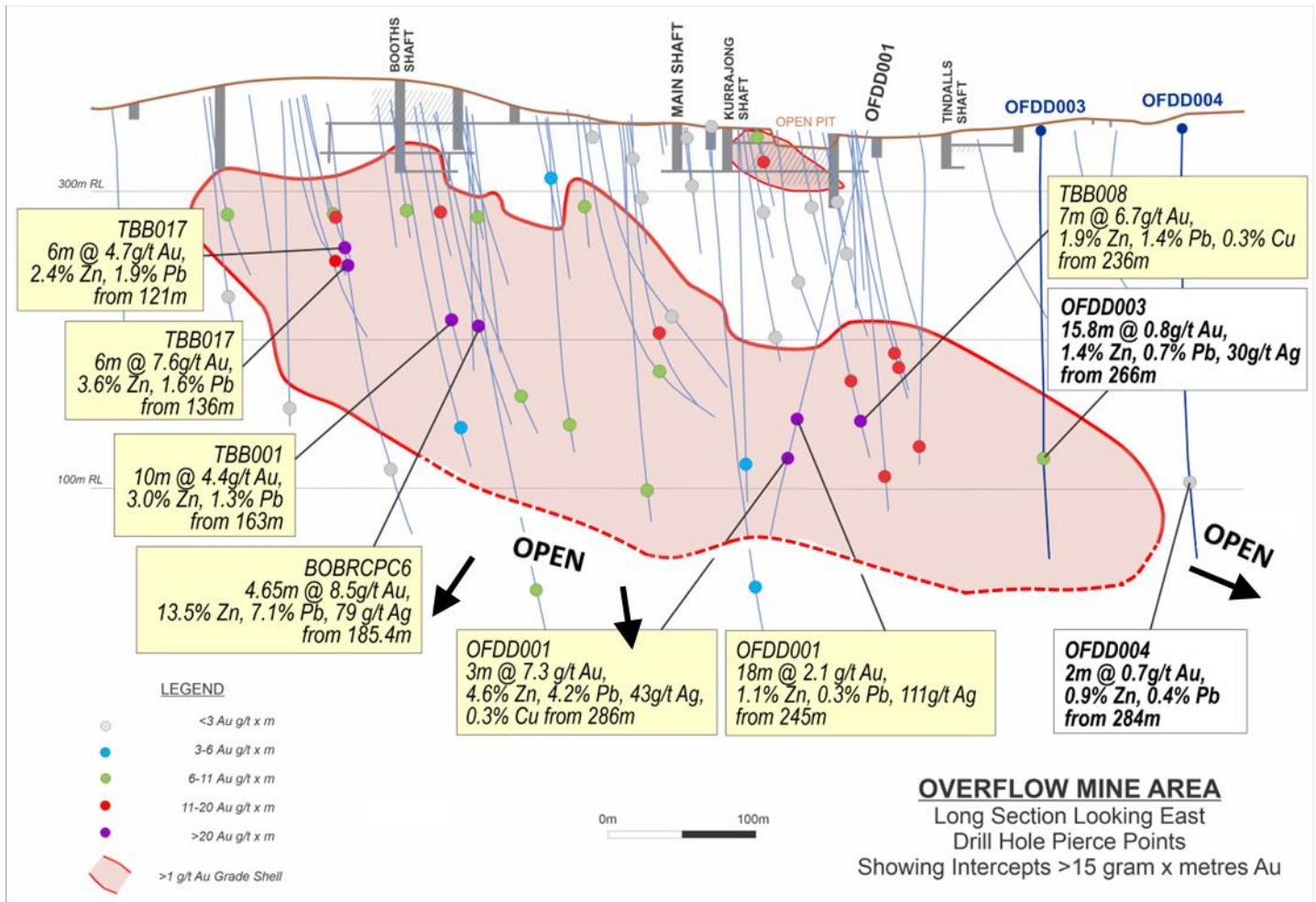


Figure 2: Overflow Prospect long section looking east showing >1g/t Au grade shell

¹ Refer to Alchemy Resources Limited's ASX announcement dated 30 May 2016. CP: K.Cassidy

² Refer to Alchemy Resources Limited's ASX announcement dated 29 March 2017. CP: L.Ryan

³ Refer to Alchemy Resources Limited's ASX announcement dated 19 February 2019

⁴ Refer to Alchemy Resources Limited's ASX announcement dated 19 June 2019

MELROSE PROJECT

Melrose is a 12km hydrothermal alteration zone with geochemical signatures similar to other porphyry copper-gold systems such as Cadia-Ridgeway. The magnetic high is comprised of hydrothermally altered and brecciated sediments and volcanoclastic rocks. Dating in the alteration zone returned a similar age to intrusives and mineralisation at Mineral Hill located 10km to the east.

Alchemy engaged porphyry copper-gold experts to analyse the current data. It is believed the Melrose Magnetic Anomaly is a mafic type intrusive that is interpreted to come relatively close to surface under transported cover along its southern extent. There are seven anomalous copper anomalies from aircore drilling, including three with semi coincident anomalous gold values, that Alchemy believes warrant follow up. The Fountaindale anomaly is a magnetic low with hints of widespread gold, with some high grades over narrow intervals as well as wider lower grade intercepts that need to be tested to assess continuity. Best intercepts from historic drilling includes 3.3m @ 3.1g/t Au (from 73m), 2.5m @ 3.1g/t Au (from 70m), 2m @ 3.1g/t Au (from 56m) and 1m @ 4.5g/t Au (from 44m)⁵.

Alchemy intends to conduct a large IP survey over this highly prospective magnetite alteration zone to better define targets for drill testing. This work is due to commence mid-2021, pending availability of suitable survey equipment.

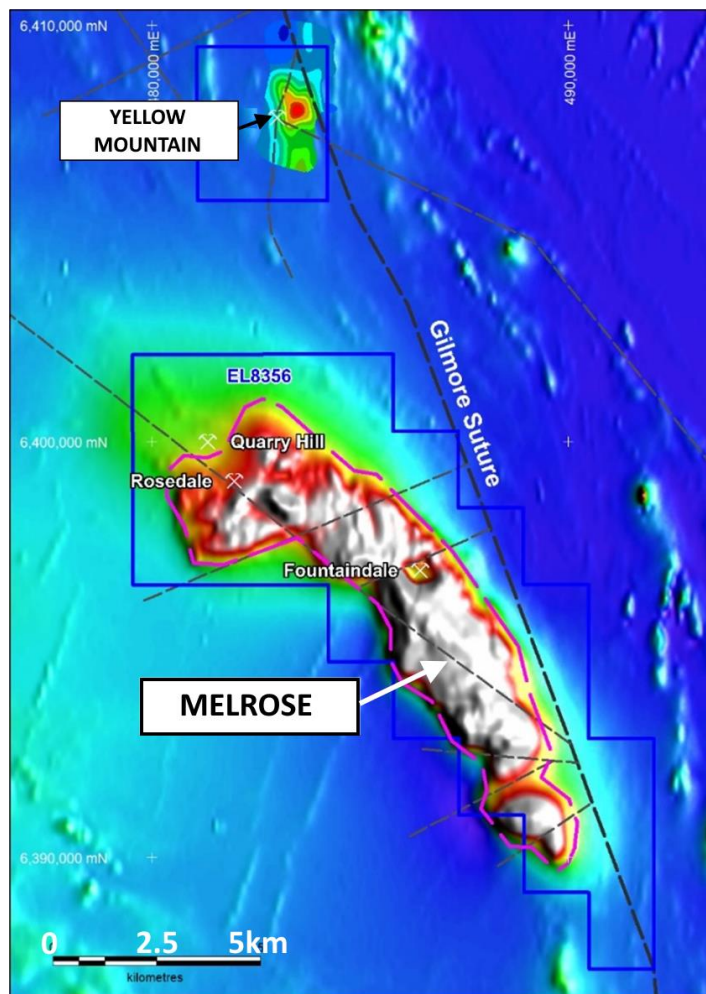


Figure 3: Melrose hydrothermal magnetite alteration zone and Yellow Mountain Mine IP chargeability high and interpreted structures over regional aeromagnetic image

⁵ Ref. Alchemy Resources ASX Announcement 9 June 2020

YELLOW MOUNTAIN

The Yellow Mountain Mine prospect contains strong silica-sericite-pyrite alteration and massive sulphides associated with gold-copper-silver-lead-zinc mineralisation within fine grained clastic sediments and siltstones. Mineralisation at the prospect is interpreted to be an exhalative stratum bound VMS system. A strong IP chargeability high found down plunge to the NE of thick historic gold and base metal drill intercepts is interpreted to represent disseminated sulphides within a VMS feeder zone.

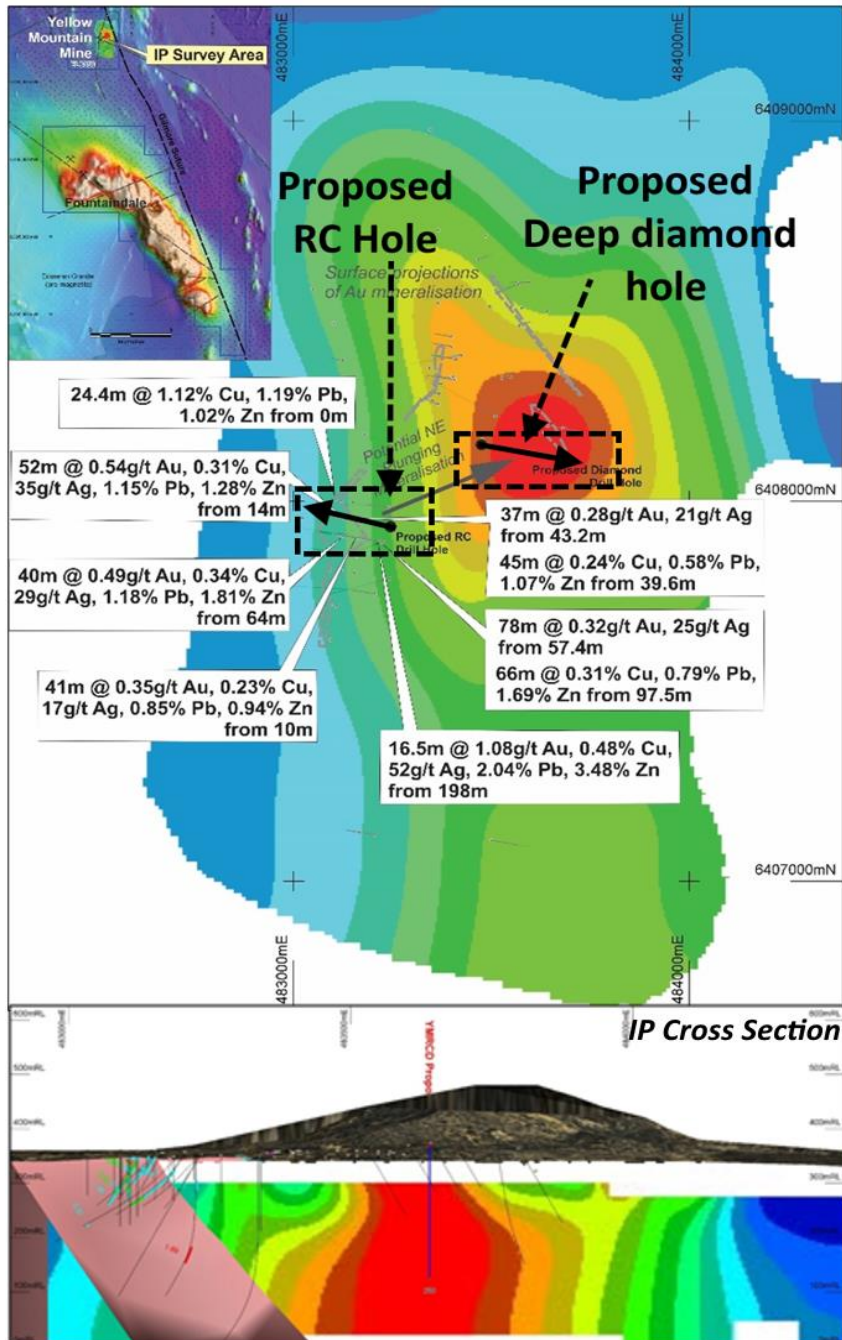


Figure 4: Yellow Mountain Mine IP chargeability plan (~300m) showing proposed drill holes (upper Figure) and IP Chargeability cross section showing modelled granite and proposed holes (lower Figure)

Historic drilling at the Yellow Mountain Mine Prospect (Figure 4) returned broad zones of copper and gold mineralisation including:

- 52m @ 0.54g/t Au, 0.31% Cu, 35g/t Ag, 1.15% Pb, 1.28% Zn from 14m (PYM011) ⁶
- 40m @ 0.49g/t Au, 0.34% Cu, 29g/t Ag, 1.18% Pb, 1.81% Zn from 64m (PYM012) ⁶
- 41m @ 0.35g/t Au, 0.23% Cu, 17g/t Ag, 0.85% Pb, 0.94% Zn from 10m (PYM013) ⁶
- 78m @ 0.32g/t Au, 25g/t Ag from 57.4m (YD02) ⁷
- 66m @ 0.31% Cu, 0.79% Pb, 1.69% Zn from 97.5m (YD02) ⁸
- 37m @ 0.28g/t Au, 21g/t Ag from 43.2m (YD05) ⁷
- 45m @ 0.24% Cu, 0.58% Pb, 1.07% Zn from 39.6m (YD05) ⁸
- 16.5m @ 1.08g/t Au, 0.48% Cu, 52g/t Ag, 2.04% Pb, 3.48% Zn from 198m (YD13) ⁹
- 24.4m @ 1.12% Cu, 1.19% Pb, 1.02% Zn from surface (YP05A) (no Au or Ag assays) ⁸

One deep diamond hole has been planned to test the chargeability high and one RC hole planned to test the immediate down plunge location of previously defined mineralisation (*Figures 4*). Drilling is due to commence mid-2021, subject to Native Title and statutory approvals.

WEST LYNN

The West Lynn and Summervale Prospects are located approximately 25km northwest of the town of Nyngan in north central New South Wales, over a north-south trending folded belt of serpentinised ultramafics known as the West Lynn Serpentinite. The West Lynn Serpentinite is derived from the alteration of a medium grained dunite intruded into the metamorphosed Ordovician Girilambone Group. The serpentinite is strongly magnetic compared to the surrounding sediments of the Girilambone Group.

Nickel-cobalt mineralisation at West Lynn is flat lying and associated with variably lateritic clay, saprolite, and weathered serpentinite units. Mineralisation remains open both along and across strike, showing good potential to deliver additional resources. A mineral resource estimate was completed in 2019, resulting in a large tonnage low iron lateritic nickel-cobalt resource of 21.3Mt @ 0.84% Ni, 0.05% Co³. In the Summervale area, approximately 12km north of West Lynn, a zone above and separate to the Ni-Co domain is enriched in alumina. A resource definition drill program was carried out in 2018. In mid-2019 Alchemy announced an inferred resource of 6.6Mt 20.8% Al₂O₃ (HPA @)⁴.

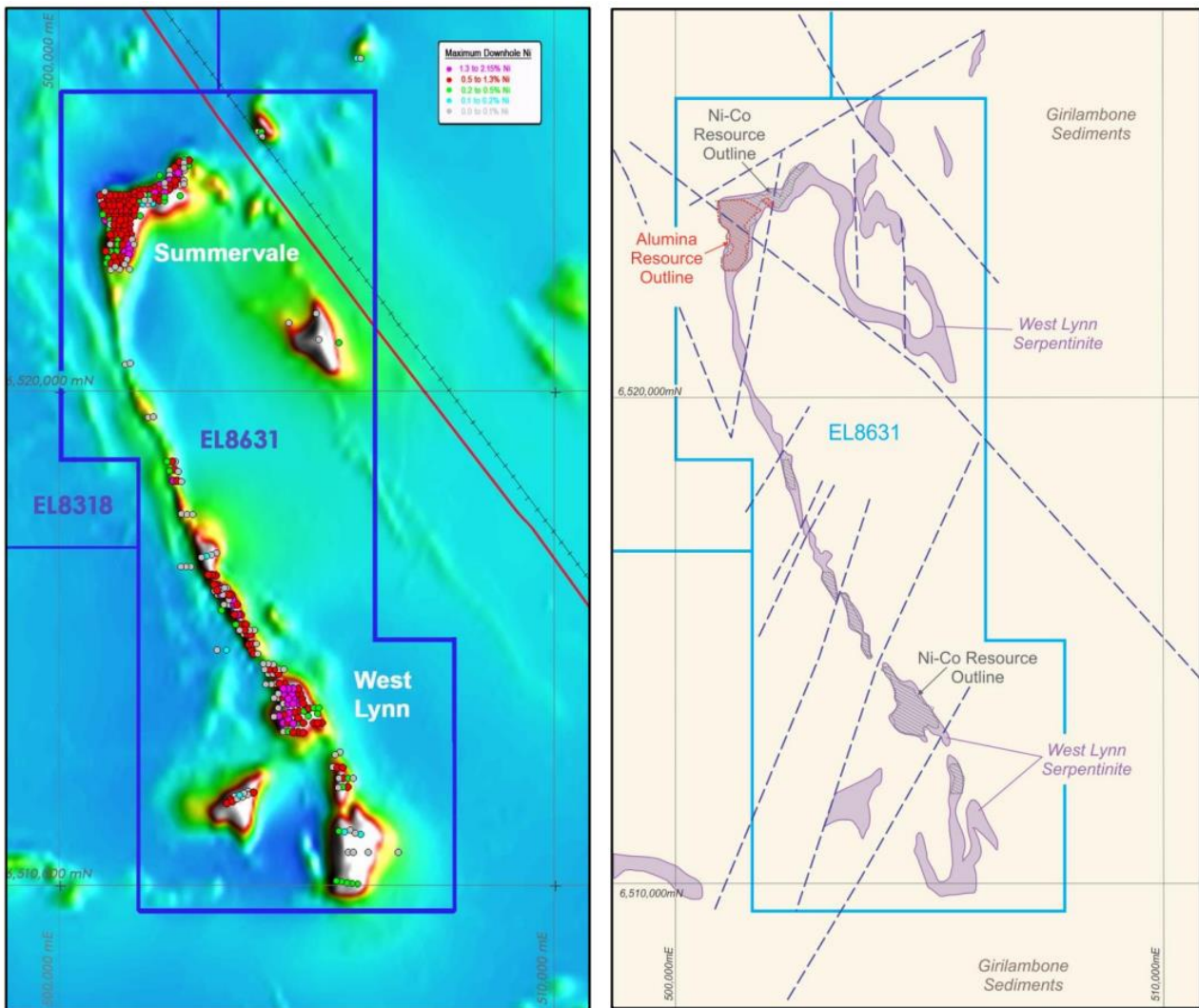


Figure 5: West Lynn Project showing regional aeromagnetic image with maximum downhole Ni (%) (Left) and Summervale alumina resource outlines over bedrock geology image (Right)

⁶ Refer to NSW DIGS Open file report (R00009421) BP Minerals Australia Six Monthly Report for EL2350 dated January 1987

⁷ Refer to NSW DIGS Open file report (RE0003757) Eighth Annual Report for EL6325 dated October 2012, Author: G Curnow.

⁸ Refer to NSW DIGS Open file reports (R00024525) Cyprus Mines Corp Quarterly Report for EL123 dated November 1971

⁹ Refer to NSW DIGS Open file reports (R00024537 & R00024538) Cyprus Mines Corp Results of Drilling Program for EL123 dated August 1971.

ABOUT ALCHEMY RESOURCES

Alchemy Resources Limited (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 built a significant land package in the Carosue Dam - Karonie greenstone belt in the Eastern Goldfields region in Western Australia, and has an 80% 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.

COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results is based on information compiled by Mr Lindsay Dudfield, who is the Non-Executive Chairman of Alchemy Resources Limited and holds shares and options in the Company. Mr Dudfield is a Member 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 Dudfield consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The West Lynn and Summervale estimates were completed by Stephen Godfrey of Resource Evaluation Services, who is a Fellow of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. 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

This announcement has been approved for release by the Board.

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