

ASX RELEASE

19 MARCH 2018

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 342,335,585

OPTIONS 19,500,000 (Unlisted)

PROJECTS

BRYAH BASIN (80-100%)

KARONIE (100%)

LACHLAN (earning up to 80%)

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First pass RAB drilling completed at Karonie Gold Project, Eastern Goldfields, WA

HIGHLIGHTS

- **Initial Rotary Air Blast (RAB) drilling completed across the Claypan Shear Zone (Dragon and Manhattan Prospects) and at the Warrior Prospect (Karonie Project, WA)**
- **165 holes** drilled on broad spaced lines targeting interpreted dolerite units and coincident gold anomalism in previous shallow auger drilling over the Claypan Shear Zone (Manhattan and Dragon prospects), and an interpreted dolerite unit coinciding with gravity and magnetic highs at the Warrior Prospect
- **Sheared and quartz veined, altered basalt and/or dolerite with disseminated pyrite intersected in numerous holes at Dragon and Manhattan**
- Warrior Prospect remains untested as drilling failed to reach bedrock
- **Final assay results expected early next month**

Alchemy Resources Limited (ASX: ALY) ("Alchemy") is pleased to announce the completion of 5,507m of RAB drilling within the 100% owned Karonie Gold Project in the Eastern Goldfields, WA (*Figure 1*). Drilling targeted gold anomalism identified in previous shallow auger drilling over the Claypan Shear Zone at the Manhattan and Dragon targets where coincident prospective folded or converging dolerite units were interpreted from detailed aeromagnetic imagery. Holes were drilled on lines 200m to 1,400m apart at variable hole spacings to achieve an approximate 50% drill coverage.

The RAB drilling at Dragon (128 holes for 3,982m) established that the greenstone belt has a true width of at least 2.2km (beyond previous aeromagnetic based interpretations), and also confirmed two interpreted dolerite units corresponding to linear magnetic highs in the area (*Figure 2*). Strong shearing and a notable increase in both quartz veining and disseminated sulphides (pyrite), was identified on the eastern margins of the two main dolerite units at the prospect. A magnetic granodiorite intrusion was intersected on the northernmost line at Dragon explaining the intense magnetic high in that area (*Figure 2*).

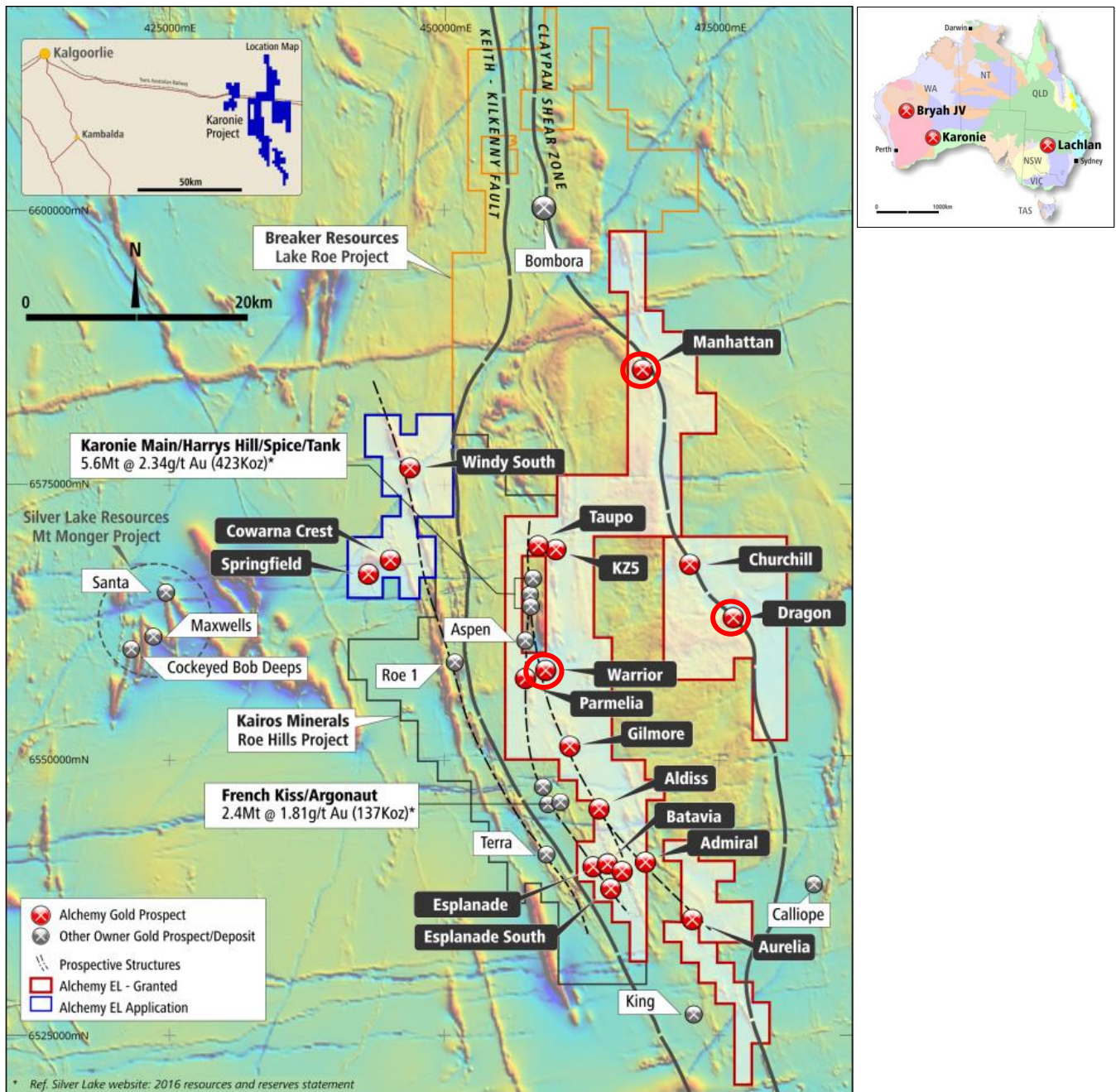


Figure 1: Karonie Project tenements, major deposits, prospects, RAB drilling prospects (red circles) and interpreted major structures over aeromagnetic image

Drilling at Manhattan (29 holes for 1336m) confirmed a magnetite-rich dolerite close to the western granite/greenstone contact at the prospect with stronger quartz veining and more intense foliation/shearing on its eastern margin (Figure 3). Minor disseminated pyrite and banded sericite-carbonate alteration was also observed.

RAB drilling across an interpreted dolerite unit coinciding with gravity and magnetic highs at the Warrior Prospect (8 holes for 166m) was unable to reach bedrock, intersecting clay and highly weathered quartz-rich sandstones of the Woodline Formation which continuously collapsed. The area remains untested and other drilling methods are being considered (Figure 3).

Gold results for the program are expected by early April with multi-element results due about a week later.

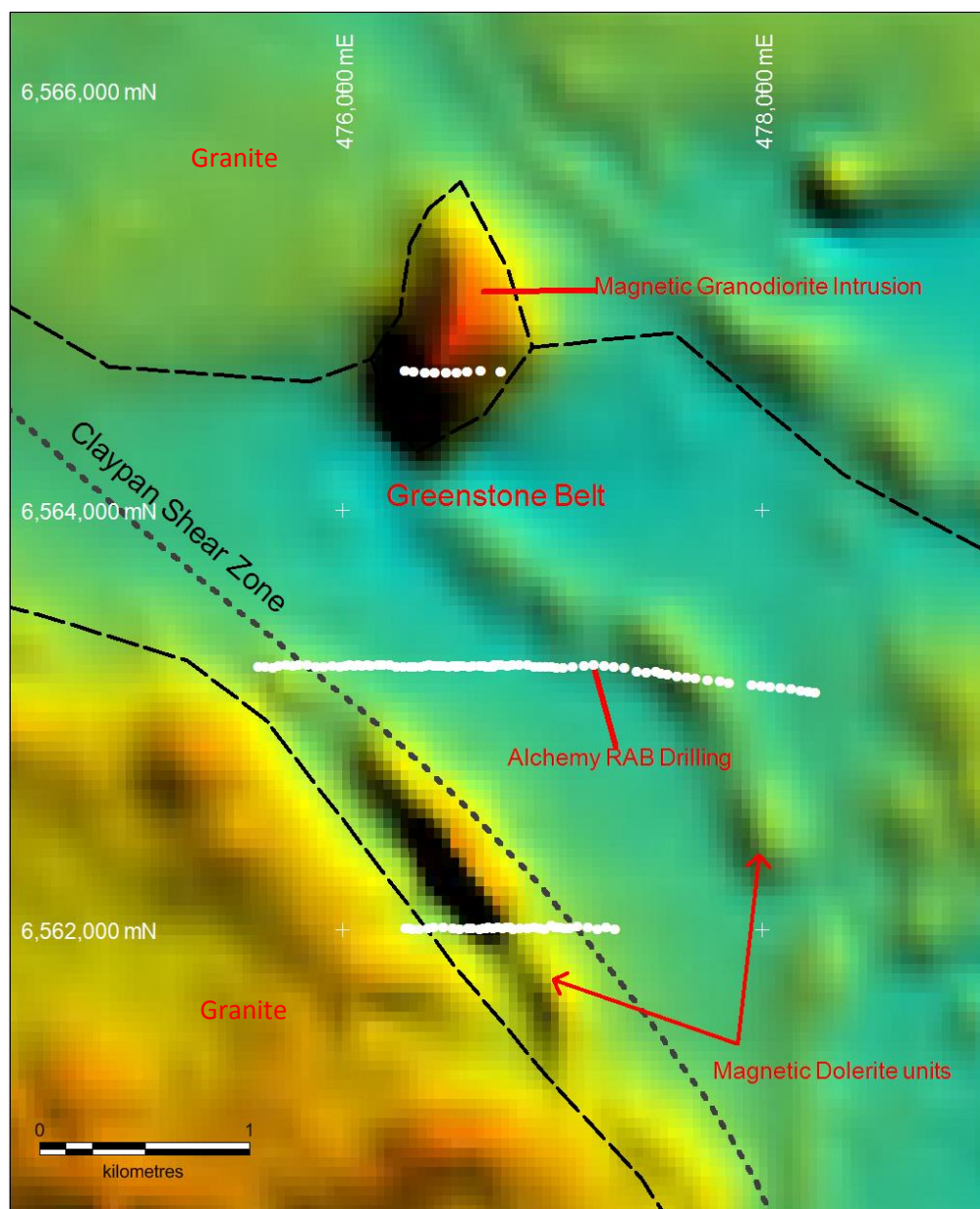


Figure 2: Dragon Prospect completed RAB drill lines (white circles), and interpreted geological features over aeromagnetic image.

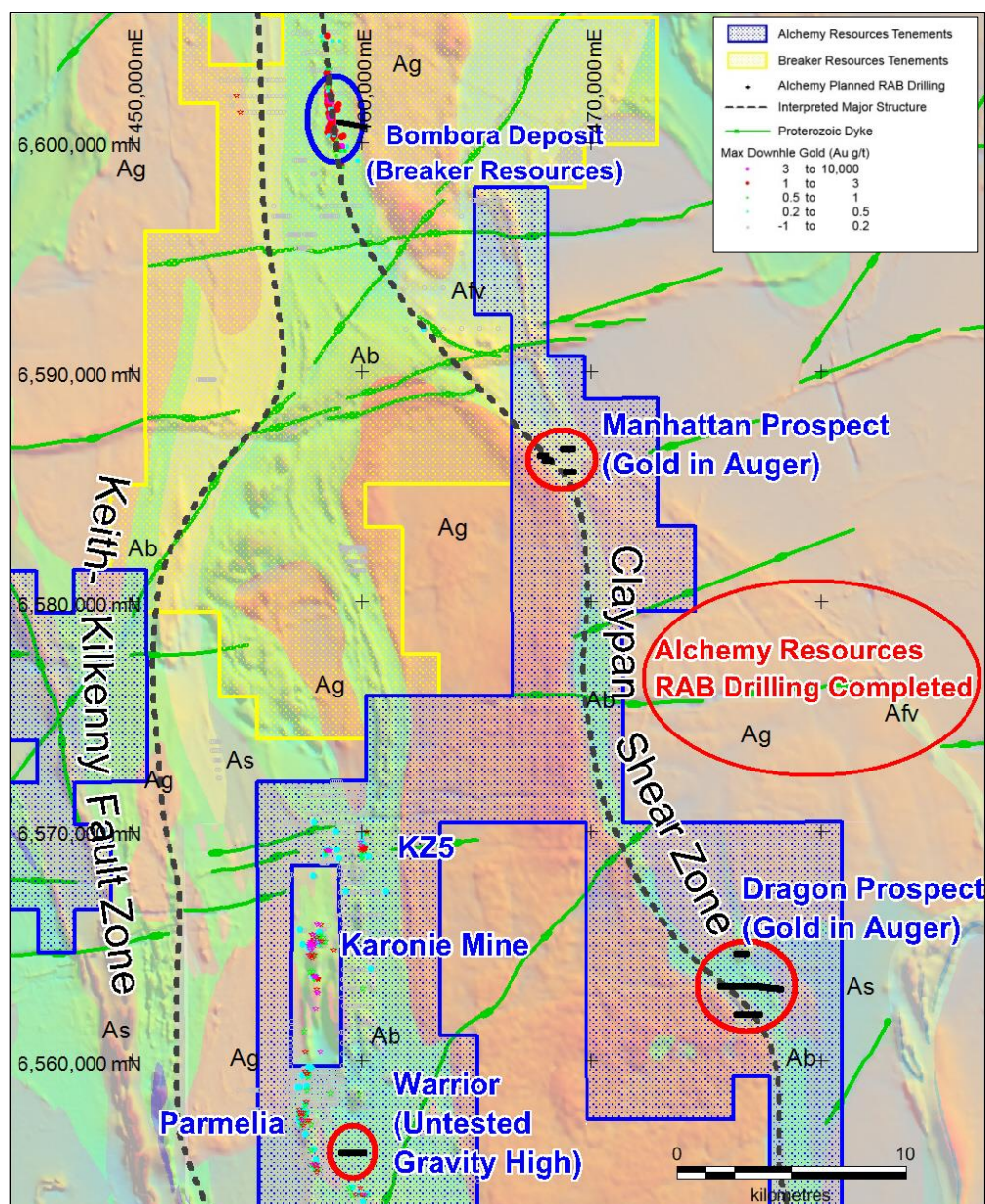


Figure 3: Karonie Project completed RAB drill lines (within red circles), previous drilling maximum downhole gold, Alchemy and Breaker Resources tenement outlines, and relevant prospects over regional transparent Govt. geology over aeromagnetic image.

Please direct enquiries to:

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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. 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.