

ASX ANNOUNCEMENT

ASX: ALY

11 October 2021

BOARD AND MANAGEMENT

MR LINDSAY DUDFIELD
NON-EXECUTIVE CHAIRMAN

MR JAMES WILSON
CHIEF EXECUTIVE OFFICER

MS LIZA CARPENE
NON-EXECUTIVE DIRECTOR

MR ANTHONY HO
NON-EXECUTIVE DIRECTOR

MS JESSAMYN LYONS
JOINT COMPANY SECRETARY

MS CARLY TERZANIDIS
JOINT COMPANY SECRETARY

PROJECTS

LAKE REBECCA (ALY 100%, WA)

KARONIE (ALY 100%, WA)

LACHLAN (ALY 80%, NSW)

WEST LYNN (ALY 80%, NSW)

BRYAH BASIN (ALY 20% & SGI 80%, WA)

BRYAH BASIN (ALY 20% & SFR 80%, WA)

ALCHEMY LAUNCHES \$3.1M CAPITAL RAISING TO FUND DRILLING ON WA & NSW PROJECTS

HIGHLIGHTS

- Alchemy receives binding commitments to raise c.\$1.85M (before costs) through a strongly supported Placement at \$0.011 per share
- The Placement received strong support from new and existing institutional and sophisticated investors endorsing Alchemy's aggressive upcoming exploration at the Karonie / Lake Rebecca Gold Projects in WA and Cobar Basin Projects in NSW
- In addition to the Placement, Alchemy is launching a one (1) for six (6) non-renounceable Entitlement Offer to raise c.\$1.23m at \$0.011 per share
- The Placement and Entitlement Offer, together with existing cash reserves, leave the Company well-funded to accelerate exploration in both WA and NSW

Alchemy Resources Limited (ASX: ALY) ("Alchemy" or "the Company") is pleased to announce that it has successfully received binding commitments for a single tranche Placement to raise c.\$1.85M (before costs) at \$0.011 per share through its full placement capacity under ASX Listing Rules 7.1 and 7.1A ("Placement"). The Placement introduced new, high quality institutional, sophisticated, and professional investors, whilst also being well supported by existing significant shareholders of the Company.

The successful completion of the Placement leaves Alchemy well positioned to proceed with a non-renounceable Entitlement Offer to existing shareholders to participate at the same price, to raise up to \$1.23M (before costs) ("Entitlement Offer"). The Placement together with the Entitlement Offer will raise up to \$3.08M ("Capital Raising") and in conjunction with existing cash reserves of \$0.9M¹ will enable Alchemy to fund:

- Diamond (DD) / Reverse Circulation (RC) / Air Core (AC) drilling programs at the Karonie Gold Project ("Karonie") in Western Australia (WA), to follow up resource extension opportunities and identified high priority regional targets;
- AC drilling, geochemical and targeted geophysical campaign at the Lake Rebecca Gold Project ("Lake Rebecca") in WA, to refine and target significant gold anomalies;
- DD / RC drilling at the Overflow and Yellow Mountain Gold/Base Metals Projects in the Cobar Basin, New South Wales (NSW) to test for extensions to existing mineralisation; and
- Corporate costs and general working capital requirements.

Alchemy Resources Limited

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¹ Alchemy cash reserves as at 30 June 2021 totalled \$0.9m)

INDICATIVE PROJECT ACTIVITY TIMELINE

Detailed magnetics at Karonie expected to be completed in coming weeks. Access agreements for Karonie are scheduled for completion in October / November 2021 with drilling to commence in December 2021 or early January 2022 dependent on availability of equipment. At the same time Alchemy has submitted applications for government co-funding on its WA and NSW exploration programs with notification expected in Q4-CY21. Heritage agreements continue to be progressed for Lake Rebecca and it is anticipated that Alchemy could finalise these agreements during Q4-CY21.

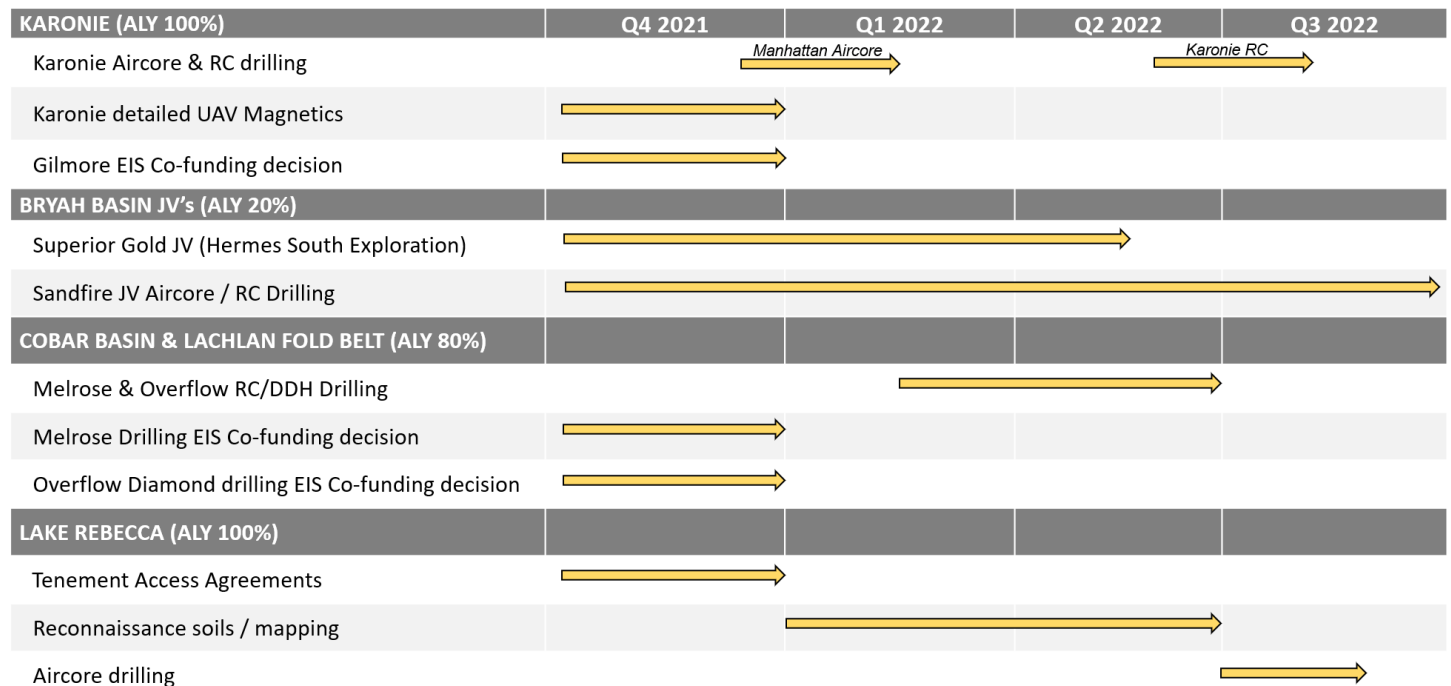


Figure 1: Indicative Project activity timeline

This indicative timetable is based on ALY's current intentions and from company announcements regarding Joint Venture interests. It is indicative only and is subject to change.

Alchemy's Chairman, Mr Lindsay Dudfield commented:

"Alchemy is delighted with the strong support for the capital raising and is pleased to welcome a number of new sophisticated and institutional shareholders to the Company. The success of the raising is an endorsement of both the prospectivity of Alchemy's gold and base metal assets and the quality of our exploration team led by CEO James Wilson. We now have the balance sheet to accelerate our exploration programs across Western Australia and New South Wales and look forward to updating shareholders on the results of these programs over the coming months."

PLACEMENT

The Placement comprises the issue of 168,060,862 fully paid ordinary shares ("**Placement Shares**") at an issue price of \$0.011 to sophisticated and institutional investors, raising approximately \$1.85M (before costs). The issue price of \$0.011 represents a 15.4% discount to Alchemy's last close on 6 October 2021 of \$0.013, a 19.7% discount to the 5-day VWAP of \$0.0137 and a 20.9% discount to the 15-day VWAP of \$0.0139. Placement Shares will be issued on or about Tuesday, 19 October 2021 under Alchemy's existing Placement capacity under ASX Listing Rules 7.1 and 7.1A. A total of 100,836,517 new shares will be issued under Listing Rule 7.1 and 67,224,345 New Shares will be issued under Listing Rule 7.1A.

Placement Shares will rank equally with existing fully paid ordinary shares, noting that they will be issued after the Record Date for the Entitlement Offer and will not carry an entitlement to participate in the Entitlement Offer.

Discovery Capital Partners Pty Ltd acted as Lead Manager to the Placement.

ENTITLEMENT OFFER

The non-renounceable Entitlement Offer will be offered to existing shareholders on a pro-rata basis of one (1) new share for every six (6) ordinary fully paid shares held in the Company on Monday, 18 October 2021 ("**Record Date**"), at an issue price of \$0.011 per share to raise approximately \$1.23M (before costs). The pricing and terms of the Entitlement Offer have been set so that shareholders can obtain new shares at the same price and terms as subscribers under the Placement. Entitlements may only be exercised by Eligible Shareholders being persons with a registered address on the Company's Share Register in Australia or New Zealand. The Entitlement Offer shares will be issued pursuant to a disclosure document issued under section 713 of the Corporations Act to be lodged with the ASIC on Tuesday, 12 October 2021. Placement shares will not carry an entitlement to participate in the Entitlement Offer.

DIRECTOR & MANAGEMENT PARTICIPATION

Alchemy Chief Executive Officer James Wilson intends to participate in the Placement for approximately \$60,000 via the issue of 5,454,545 New Shares at an issue price of \$0.011 per share. Non-Executive Chairman, Lindsay Dudfield, Non-Executive Director Liza Carpena, and James Wilson intend to take up their eligible entitlements under the Entitlement Offer.

INDICATIVE TIMETABLE

Table 1 below outlines the key dates for the Capital Raising

Event	Date / Time
Announcement of Placement and Entitlement Offer to ASX	Monday, 11 October 2021
Lodgement of Prospectus with ASIC and ASX	Tuesday, 12 October 2021
Existing Shares quoted on an 'EX' basis	Friday 15 October 2021
Record date for determining Entitlements	Monday, 18 October 2021
Anticipated Placement manual settlement date	Tuesday, 19 October 2021
Placement Shares expected to be quoted on ASX	Wednesday 20 October 2021
Prospectus and Entitlement Offer and Acceptance Form dispatched to Eligible Shareholders	Thursday, 21 October 2021
Last day to extend Entitlement Offer closing date	Wednesday, 3 November 2021
Entitlement Offer Closing Date	Monday, 8 November 2021

Event	Date / Time
Entity notifies ASX of Shortfall	Monday, 15 November 2021
Anticipated date for the issue of New Shares under the Entitlement Offer	Monday, 15 November 2021
New Shares issued under Entitlement Offer expected to commence normal trading on ASX	Tuesday, 16 November 2021

Note: Times and dates are indicative only and are subject to change without notice.

Table 1: Key dates for the capital raising

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. 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: SGI; “Superior”), and Sandfire Resources Limited (ASX: SFR; “Sandfire”) are continuing to advance gold and base metal exploration, respectively.

This announcement has been approved for release by the Alchemy Board.

For further information please contact:

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Forward looking statements This announcement contains “forward-looking statements”, including statements about the scheduling of drilling programs. All statements other than those of historical facts included in this announcement, are forward-looking statements. Forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual events or results to differ materially from future events or results expressed, projected or implied by such forward-looking statements. The Company does not undertake to release publicly any revisions to any “forward-looking statement” to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.