

31 May 2023

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COMPANY SECRETARY**PROJECTS**

KARONIE (ALY 100%)

LAKE REBECCA (ALY 100%)

LACHLAN (ALY 80%)

WEST LYNN (ALY 80%)

BRYAH BASIN (ALY 20%)

LITHIUM FOCUSSED RC DRILL PROGRAM APPROVED TO COMMENCE

HIGHLIGHTS

- Drill program of ~5,000m of RC planned for Alchemy's 100% owned lithium targets at Karonie in Western Australia.
- Drilling will focus on the large gravity anomalies at Cherry, Hickory, Mesquite and Pecan Prospects over a 5km strike extent.
- Previous rock-chips confirmed the presence of surface spodumene and lepidolite with an assay result of 2,723ppm Li₂O, 167ppm Cs, 2,930ppm Rb and 62.8ppm Ta₂O₅ in sample ALY80612¹.
- New pegmatite targets sit 2.5km north of the RC drill program completed at Hickory in November 2022, which intersected spodumene².
- Taupo North pegmatite targets to be tested following recent identification of pegmatites 3.5km to the west of the existing high priority target areas.
- Approvals are in place, heritage surveys completed, drill rig operator hired and on-site technical team secured with drilling due to commence mid-June 2023.

Alchemy Resources Limited (ASX: ALY; "Alchemy" or "the Company") is pleased to announce that a drilling program at the Karonie Project will commence in the second week of June 2023.

The Karonie lithium and gold project is located 110km east of Kalgoorlie. The drill targets are located approximately 8km to the south of Global Lithium Resources (ASX: GL1) Manna Project.

The 42 hole program has been designed to test a series of high priority gravity and geochemical targets of approximately 5km strike extent along the corridor where the Cherry, Hickory, Mesquite and Pecan Prospects are located. In addition, holes have been designed to test the Taupo North target which sits 3km to the west of Hickory and has pegmatites logged in historic holes that have never been assayed for lithium.

Chief Executive Officer Mr James Wilson commented: "We are really excited to get back on the ground to test these targets following the extensive geochemical and geophysical analysis. We now have seven highly prospective targets, heritage clearance, a drilling contractor and ideal weather conditions ready for the drill campaign at our 100% owned project."

¹ Refer to ALY ASX announcement
19/05/2023

² Refer to ALY ASX announcement
13/01/2023

KARONIE DRILL PROGRAM

The Karonie lithium focussed drill program includes 42 reverse circulation (“RC”) drillholes for a total of up to 5,000m over the Cherry, Hickory, Pecan, Mesquite and Taupo Prospects. Holes are designed to target the large gravity lows and interpreted pegmatite structures.

At Hickory the lower density pegmatites intrude into higher density mafics as shown in the customised processed gravity image in Figure 1. Pegmatites are interpreted as the gravity lows that trend towards the north from the existing pegmatite drill intercepts. Known pegmatite locations from drilling and mapping were used to interpret the extensions. Multiple previously unknown pegmatite targets have been generated, as well as numerous large gravity lows which have been flagged as high priority target areas for testing. Importantly, known outcropping pegmatites occur at both Hickory and Pecan, trending north-south and north-east respectively. The gravity survey data shows analogous targets trending under the alluvial channel linking the two Prospect areas over a 5km strike extent.

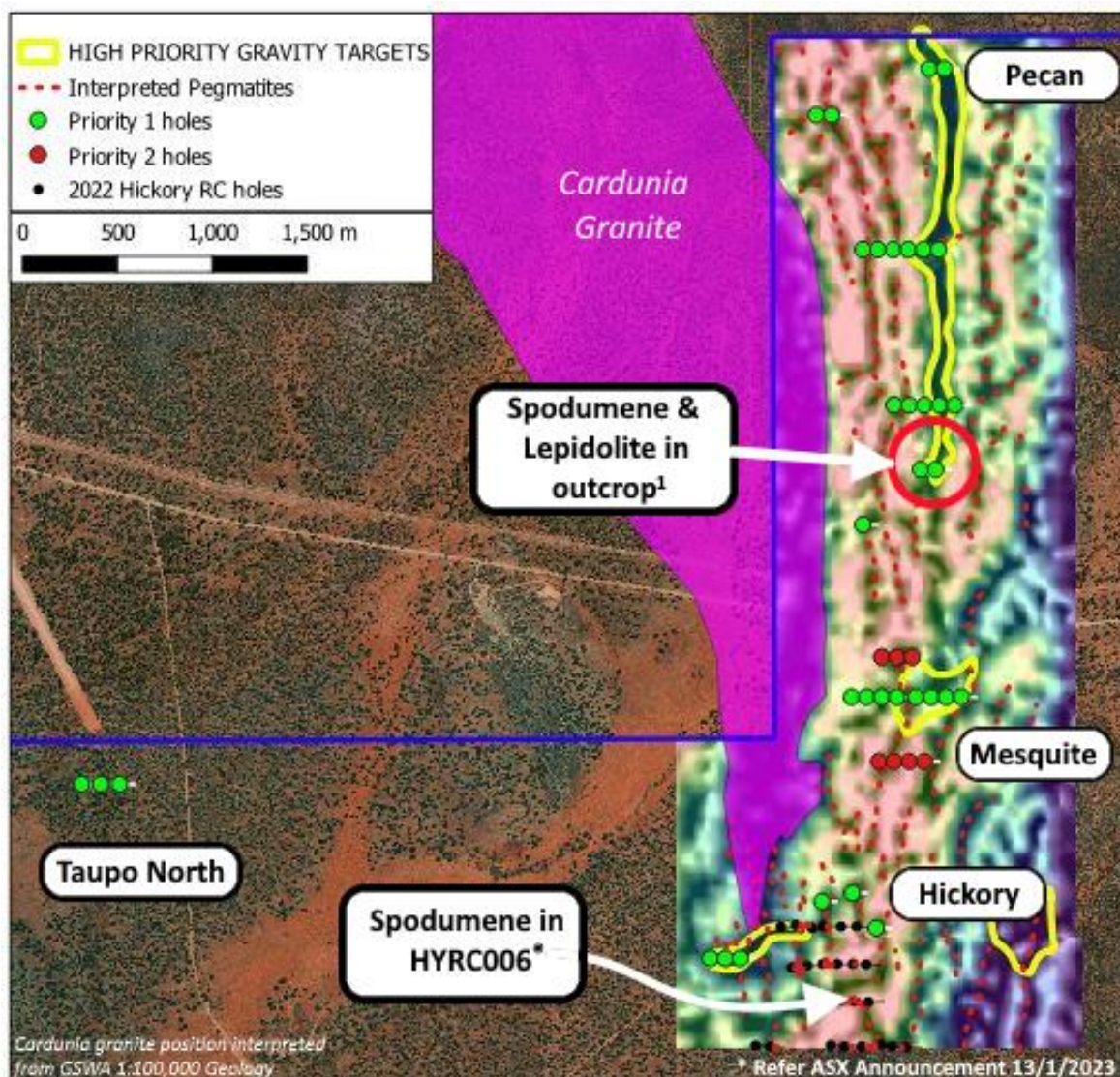


Figure 1: Karonie drill program over high resolution gravity and geology

DRILL PROGRAM

The drill program at Hickory, Mesquite and Pecan will consist of 39 holes with depths up to 132m downhole. The drilling will target the down dip extent of pegmatites at the shallow alluvial cover. Field checking of the gravity targets was completed in early May 2023¹. A previously unmapped pegmatite was discovered on a high priority target area and was found to contain coarse lepidolite and spodumene which is shown in Figure 2. Importantly, the location of the lepidolite/spodumene rock-chip at the southern end of the high priority gravity target area. No drilling has ever been conducted in this area and the target is the largest of four high-priority target areas, with a strike length of approximately 2.5km to the north towards the Pecan Prospect.



Figure 2: Rock-chip ALY80612 showing lepidolite crystals in pegmatite (LHS), pegmatite at its field location (RHS)

TAUPO NORTH DRILL PROGRAM

Taupo North sits along the structural trend which hosts the Karonie gold deposits to the north of the Aldiss Mining Operations owned by Silver Lake Resources (ASX: SLR). Most of the area to the north of Alchemy's Taupo Prospect is covered by a thin cover of alluvium with no history of lithium exploration. Multi-element soil sampling was conducted in early 2023. Results show a broad zone of lithium in soils anomalism which extends for approximately 3km x 1.5km¹. In addition, recent re-logging of drill samples has recognised amazonite pegmatites in two historic drillholes in the north of the Taupo Prospect.

The drill program will consist of three holes with depths up to 132m downhole. The drilling will target the down dip extent of pegmatites observed in the two historic drill holes. Field checking of the gravity targets was completed in early May 2023¹.

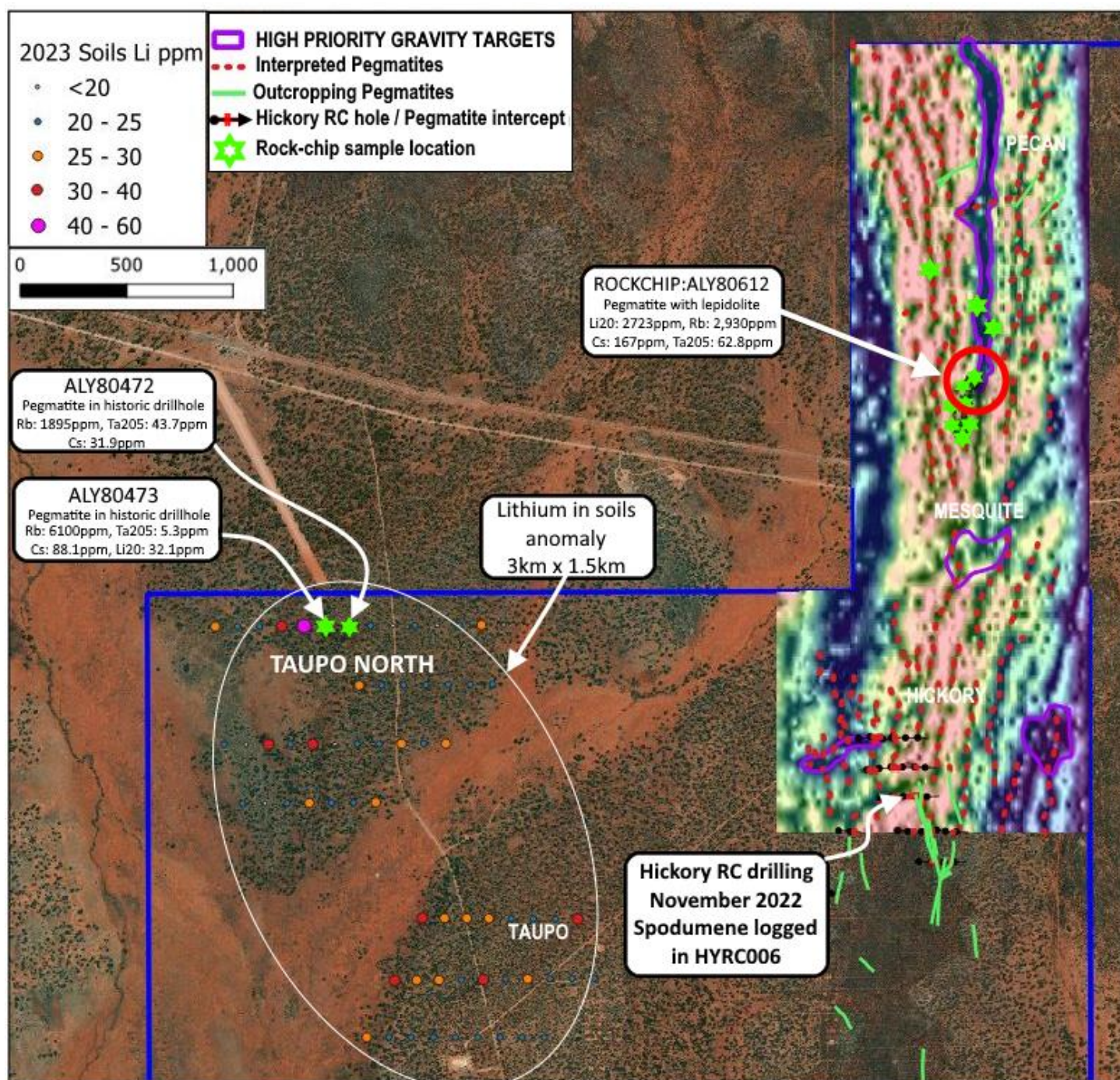


Figure 3: Taupo Prospect location and historical drillhole re-assays¹

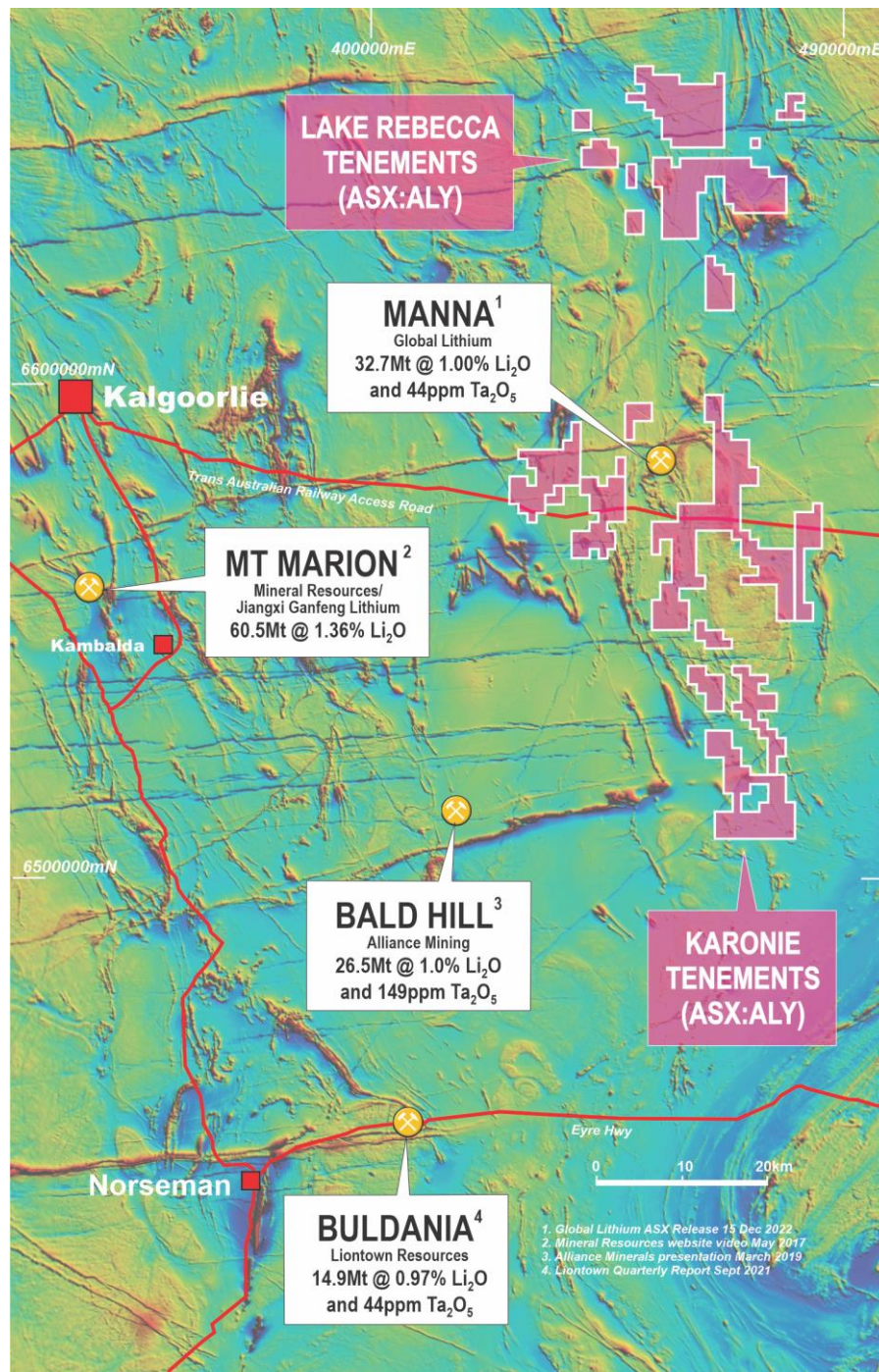


Figure 4: Alchemy Karonie and Lake Rebecca project areas

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 battery metals 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) and Sandfire Resources Limited (ASX: SFR) 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 James Wilson, who is the Chief Executive Officer of Alchemy Resources Limited and holds shares and options in the Company. Mr Wilson 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 Wilson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this announcement relating to the Geophysical component of the Exploration Results is based on information and supporting documentation compiled by Mr Regis Neroni, who is a Member of the Australian Institute of Geoscientists (AIG) and a Registered Professional Geoscientist (RPGeo) in the fields of Geophysics and Mineral Exploration. Mr Neroni is a Consulting Geophysicist with NewGen Geo Pty Ltd and has sufficient experience relevant to the style of mineralisation under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ('JORC Code 2012'). Mr Neroni consents to the inclusion in this release of the matters based on the information in the form and context in which they appear.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcements referred to in the footnotes of this release (all available at www.alchemyresources.com.au) and that all material assumptions and technical parameters underpinning the estimates of mineral resources referenced in the market announcement continue to apply and have not materially changed.

This announcement has been approved for release by the 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 exploration and 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.