

2 February 2023

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GRAVITY SURVEY REVEALS EXTENSIVE SYSTEM UNDER COVER AT HICKORY

HIGHLIGHTS

- Detailed gravity survey maps out extensive interpreted pegmatites under alluvial cover at Hickory.
- Multiple new targets generated from the gravity survey, doubling the existing footprint.
- Interpreted pegmatite swarm increases in width to the north of the RC drill program completed at Hickory in November 2022 which contained visual spodumene and lepidolite¹.
- A larger gravity and drone magnetics survey will commence imminently to map the interpreted pegmatite swarm over a 5.4km x 1.6km area towards Pecan under shallow alluvial cover.

Alchemy Resources Limited (ASX: ALY; “Alchemy” or “the Company”) is pleased to announce that results from detailed ground gravity surveying at the Company’s Hickory prospect at the Karonie Project have successfully mapped out pegmatites under alluvial cover and suggest extensions to the north of the existing mapped pegmatite locations.

The ground gravity survey was completed in December 2022 with custom data processing by Perth-based consultancy NewGen Geo, which specialises in the application of geophysics to pegmatite exploration. The high resolution gravity survey measures variations in the earth’s gravity field caused by differences in rock density. Lower density pegmatites intruded into higher density metamorphosed mafics at Hickory are expected to be expressed as a gravity low response. The gravity data, together with known pegmatite locations from drilling and mapping, were used to interpret the northern extensions and outline new targets for follow up work.

Chief Executive Officer Mr James Wilson commented: “We are extremely pleased with how well the gravity survey has managed to map out the extensions of pegmatites at Hickory. The learnings and knowledge gained from this survey will be used to help map out pegmatites at our other high priority lithium targets at Karonie. With approximately 4km of alluvial cover northwards to Pecan, we are excited to begin using gravity and high resolution drone magnetics technology to aid in mapping out the pegmatite system to the north”.

¹ Refer to ALY ASX announcement 13/01/2023

HICKORY GRAVITY SURVEY

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.

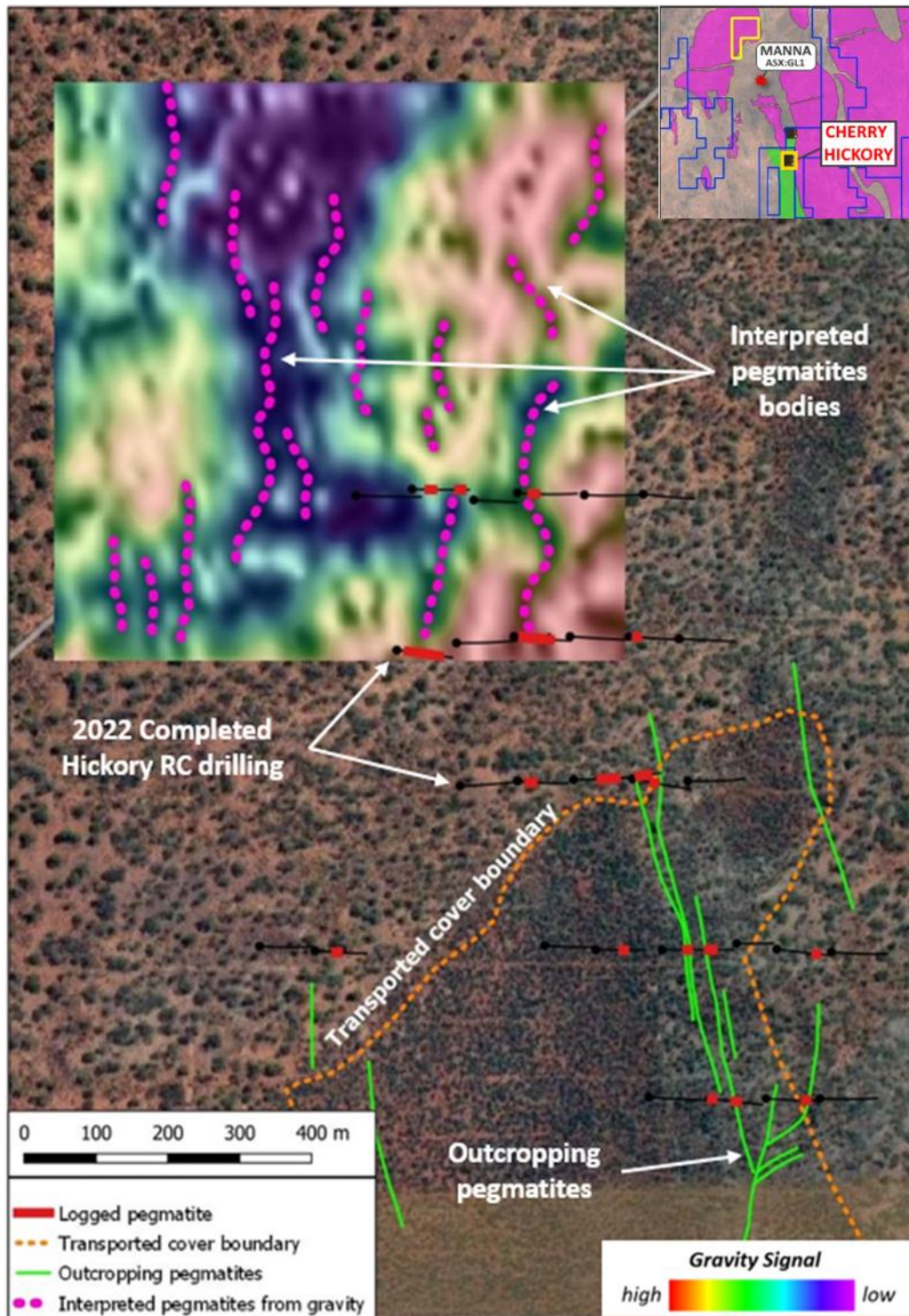


Figure 1: Hickory gravity survey showing interpreted pegmatites (pink) and mapped pegmatites (red)

The high resolution ground gravity survey was completed in December 2022 by NewGen Geo, with data being collected on a 10m station spacing along 40m spaced lines. The data was processed and analysed by Perth-based geophysics consultancy NewGen Geo which specialises in the application of geophysics to pegmatite exploration.



Figure 2: Technicians taking gravity readings at Hickory.

Alchemy has commenced planning for a larger expanded gravity survey to map the prospective structures under cover over a 5.4km x 1.6km area towards Pecan prospect. The expanded survey will also extend to the west and east of the existing mapped pegmatites as it is believed the system remains open in all directions.

The processed gravity data suggests that the pegmatites that were intercepted in the 2022 Hickory drilling continue striking north towards the favourable structures, and the survey will assess the potential for pegmatites within the favourable north-east trending structures that can be seen in **Figure 3** and **4**. Structural weaknesses are an important factor for the formation of Lithium-Caesium-Tantalum (“LCT”) pegmatite systems.

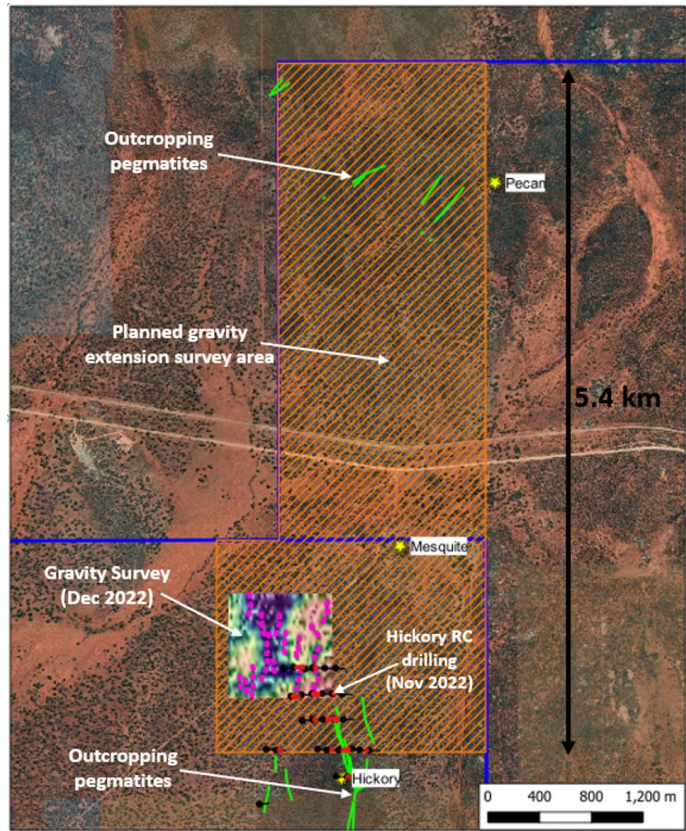


Figure 3: Planned expanded gravity survey area

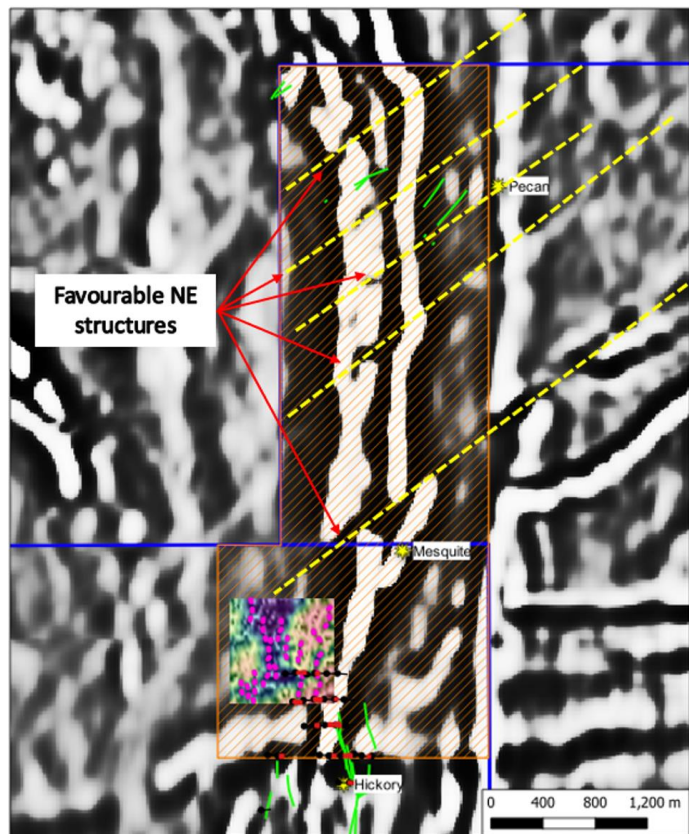


Figure 4: magnetic image showing the favourable NE structures

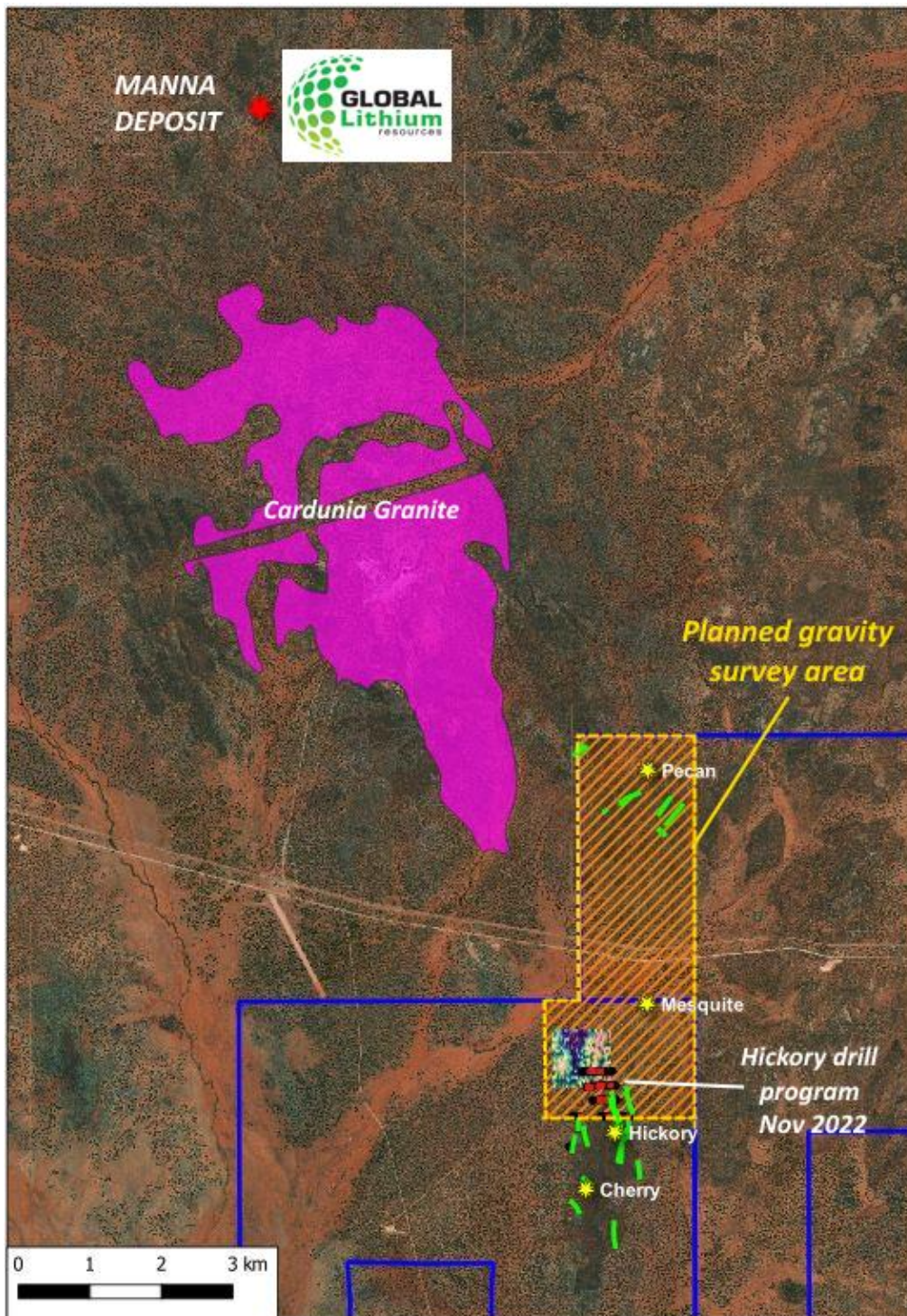


Figure 5: Karonie tenement map showing recent drilling area, gravity survey and location of alluvial channel

NEXT STEPS

- Extend the gravity survey area to further map pegmatites under cover towards the Mesquite and Pecan prospects
- Conduct high resolution drone magnetics survey to better define favourable structures at Mesquite and Pecan
- Continue detailed mapping in the areas north of Hickory to further enhance the geological model
- Commence mapping and sampling of regional lithium tenure at E28/2681 and E28/2667
- XRD analysis of drill samples to further enhance the understanding of the pegmatite mineralogy of recent drilling
- Planning underway for follow-up reconnaissance mapping and sampling of Lake Rebecca tenure

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.

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.

APPENDIX A

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<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>Gravity data were acquired concurrently with GNSS data using a Scintrex CG-5 and gravity meter. The acquired GNSS raw data were processed daily using Novatel Waypoint GrafNav v8.90 post-processing software. GrafNav was used to transform the GNSS-derived WGS84 coordinates to GDA94 coordinates for each gravity station location. MGA coordinates were then derived by projecting the GDA94 geodetic coordinates with a Universal Transverse Mercator (UTM) transform using the appropriate zone. It should be noted that WGS84 and GDA94 coordinates (x, y, and z) are no longer roughly equivalent, with a difference in horizontal coordinates of greater than 1.0m and a difference in elevation of 90-100mm.</p> <p>Gravity stations were acquired using a 40m x 10m grid configuration. NewGen Geo completed the acquisition of the dataset with one crew utilising foot-borne gravity methods. The gravity data was collected using One CG-5 Autograv Gravity Meter, One CHCI70+ GNSS Rover Receiver and One CHCI70+ GNSS Base Receiver.</p>
Drilling techniques	<p><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></p>	Not Applicable – Geophysical Surveys only
Drill sample recovery	<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>	Not Applicable – Geophysical Surveys only
Logging	<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>	Not Applicable – Geophysical Surveys only
Sub-sampling techniques and sample preparation	<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>	Not Applicable – Geophysical Surveys only

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><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>Each loop contained a minimum of two repeated readings so that an interlocking network of closed loops was formed. A total of 42 repeat readings representing 2.90% of the survey were acquired for quality control purposes. Repeat readings were evenly distributed, where possible, on a time-basis throughout each of the gravity loops.</p> <p>QC procedures were applied to the GNSS data daily and any gravity stations not conforming to the quoted specifications were repeated.</p> <p>Once downloaded from the gravity meters, the data were analysed for consistency and preliminary QC was performed to confirm that observations meet specification for standard deviation, reading rejection, temperature, and tilt values. Once the data were verified the software averaged the multiple gravity readings and performed a merge with the previously QC-passed GNSS data. The software then applies a linear drift correction and earth tide correction. Any gravity stations not conforming to the quoted specifications were repeated by the company at no cost to the client.</p>
<p><i>Verification of sampling and assaying</i></p>	<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>Not Applicable – Geophysical Surveys only</p>
<p><i>Data spacing and distribution</i></p>	<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>No Drilling results reported</p> <p>No Drilling results reported</p>
<p><i>Orientation of data in relation to geological structure</i></p>	<p><i>Whether the orientation of sampling achieves unbiased sampling of possible 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>Not Applicable – Geophysical Surveys only</p>
<p><i>Sample security</i></p>	<p><i>The measures taken to ensure sample security.</i></p>	<p>All gravity data is digitally stored by the contractor and geophysical consultant.</p>

Criteria	JORC Code explanation	Commentary
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	Data was reviewed by an external geophysical consultant to determine the validity of the data.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	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. 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.	Type – Exploration Licence (currently in good standing) Reference name – Karonie Reference number – E28/2575 Location – 100km east of Kalgoorlie, Australia Ownership – 100% Goldtribe Corporation Pty Ltd (a wholly owned subsidiary of Alchemy Resources Limited) Overriding royalties – none The land is 100% freehold. No Wilderness Reserves, National Parks, Native Title sites or registered historical sites are known. No environmental issues are known.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	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. 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, surface EM and downhole EM).
Geology	Deposit type, geological setting and style of mineralisation	Deposit Type – LCT Pegmatite 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 with later stage feldspar porphyry and pegmatite intrusions. Style of mineralisation – Steeply dipping N-S striking fractionated LCT pegmatites.
Drill hole Information	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: <ul style="list-style-type: none">○ easting and northing of the drill hole collar○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar○ dip and azimuth of the hole○ down hole length and interception depth○ hole length. 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	Not Applicable – Geophysical Surveys only

Criteria	JORC Code explanation	Commentary
	<i>the report, the Competent Person should clearly explain why this is the case.</i>	
<i>Data aggregation methods</i>	<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. 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. The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	Not Applicable – Geophysical Surveys only
<i>Relationship between mineralisation widths and intercept lengths</i>	<i>These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. 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>	Not Applicable – Geophysical Surveys only
<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 diagrams 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>	Reporting of the gravity results is considered balanced.
<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>	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). 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>	Additional gravity surveys is being considered to continue to map out pegmatites under alluvial cover.