



ALCHEMY RESOURCES LIMITED

ABN 17 124 444 122

ANNUAL REPORT **For the year ended 30 June 2019**

CONTENTS

CORPORATE DIRECTORY.....	2
CHAIRMAN'S LETTER.....	3
KEY INVESTMENT HIGHLIGHTS.....	4
REVIEW OF ACTIVITIES.....	5
DIRECTORS' REPORT.....	31
AUDITOR'S INDEPENDENCE DECLARATION.....	41
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019.....	42
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019.....	43
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019.....	44
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019.....	45
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019.....	46
DIRECTORS' DECLARATION.....	68
INDEPENDENT AUDITOR'S REVIEW REPORT.....	69
ADDITIONAL SHAREHOLDER INFORMATION AS AT 23 SEPTEMBER 2019.....	72
TENEMENT SCHEDULE.....	74

CORPORATE DIRECTORY

DIRECTORS

Lindsay Dudfield	Non-Executive Chairman
Leigh Ryan	Managing Director
Liza Carpena	Non-Executive
Anthony Ho	Non-Executive

COMPANY SECRETARY

Bernard Crawford

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

Suite 8, 8 Clive Street
West Perth WA 6005

Telephone:	+61 (8) 9481 4400
Facsimile:	+61 (8) 9481 4404
Email:	admin@alchemyresources.com.au
Web:	www.alchemyresources.com.au

AUDITORS

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

BANKERS

National Australia Bank
226 Main Street
Osborne Park WA 6017

SHARE REGISTRY

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153

Telephone:	+61 (8) 9315 2333
Facsimile:	+61 (8) 9315 2233

STOCK EXCHANGE LISTING

The Company is listed on the Australian Securities Exchange Ltd ("ASX")

Home Exchange:	Perth, Western Australia
ASX Code:	ALY

CHAIRMAN'S LETTER

Dear Fellow Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report of Alchemy Resources Limited for the year ended 2019.

Alchemy holds five main projects covering a range of commodities including gold, base metals, nickel, cobalt and high purity alumina ("HPA"), all located in mining friendly parts of Australia and each with the potential to host "company making" deposits.

Most of Alchemy's efforts through 2018/19 were directed towards our West Lynn project in New South Wales. This time last year Alchemy had just commenced drilling to assess the potential for nickel, cobalt and HPA at West Lynn. I'm pleased to report that this work was very successful and resulted in delineation of a maiden JORC 2012 nickel-cobalt resource at the project, with initial testwork returning high recoveries of nickel and cobalt.

Furthermore, drilling at the Summervale prospect, which was primarily designed to define nickel-cobalt mineralisation, confirmed an alumina rich layer overlying the nickel-cobalt resource enabling a separate alumina resource to be estimated; this resource remains open in all directions. Sighter metallurgical testwork has returned high alumina recoveries with 99.95% HPA produced without process optimisation, and further work is expected to improve on these encouraging initial results.

Our Bryah Basin Base Metals and Gold Joint Ventures in Western Australia continue to be advanced at no cost to Alchemy by partners Sandfire Resources and Superior Gold respectively. Sandfire currently has several rigs blanket drilling our ground immediately along strike from their DeGrussa copper-gold mine and we are hopeful that a significant discovery will result. Drilling at Hermes South during the year returned numerous intercepts, resulting in gold resources at Hermes South increasing to 114,000oz. Superior Gold is currently evaluating the potential to add Hermes South as a source of open pit feed for their Plutonic Mine, 65km to the northeast.

The focus on West Lynn meant that other high quality targets in the portfolio still remain to be tested. At Karonie (WA) drilling is proposed at several gold targets abutting Silver Lake's Aldiss mining operations, and along the 38km long Claypan Shear Zone, directly along strike of Breaker Resources' million ounce Bombora deposit; whilst drill testing of the interpreted extensions of high grade gold and base metal mineralisation at Overflow (NSW) is planned for late 2019.

In early September 2019 Alchemy completed an entitlement offer to raise funds to follow up targets at Karonie and Overflow, and undertake further metallurgical testwork at West Lynn. The offer, which raised the full \$1.3M sought, was strongly supported by existing shareholders with the shortfall taken up by strategic investors. I'm pleased to advise that shares issued pursuant to the offer will qualify for tax credits for FY2020 under the Junior Minerals Exploration Incentive scheme.

On behalf of the Board I would like to thank Leigh Ryan, our Managing Director, and the rest of the Alchemy team for their efforts during the period and thank you, our shareholders, for your ongoing support as we continue to build the Company.

A handwritten signature in black ink, appearing to read 'Lindsay Dudfield', with a small dot at the end.

Lindsay Dudfield
Chairman

KEY INVESTMENT HIGHLIGHTS

Growth strategy focussed on building a portfolio of quality mineral resources through innovative exploration and strategic acquisition, with the aim of becoming a producer of metals

Karonie Project - drill-ready gold targets close to existing resources and processing infrastructure

West Lynn Project - significant Ni-Co-Al resource potential close to quality infrastructure

Bryah Basin Project - joint-venture funded exploration for high-grade gold and base metals in emerging metallogenic province

Lachlan/Cobar Basin Projects - high grade base metal and gold intercepts at Overflow

Experienced Board and management team

Enterprise Value of <\$6M; highly leveraged to success

Strong major shareholder support

REVIEW OF ACTIVITIES

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 more recently nickel-cobalt-alumina resources within Australia. The Company has built a significant land package in the Karonie greenstone belt in the Eastern Goldfields region in Western Australia, and has entered into a Farm-In and Joint Venture Agreement with Heron Resources Ltd (ASX: HRR; “Heron”) to earn an 80% interest in the Lachlan/Cobar Basin Projects in New South Wales, a well-endowed metal province with significant upside for gold, silver, copper, lead, zinc, nickel and cobalt mineralisation.

The Company also maintains its interest in the Bryah Basin Project in the emerging gold and base metal-rich Gascoyne region of Western Australia, where farm-in and joint venture partners, Sandfire Resources NL (ASX: SFR; “Sandfire”), and Billabong Gold Pty Ltd (“Billabong”), a subsidiary of TSX-V listed Superior Gold Inc. (TSX-V: SGI) (“Superior”), are continuing to advance base metal and gold exploration, respectively (Figure 1).

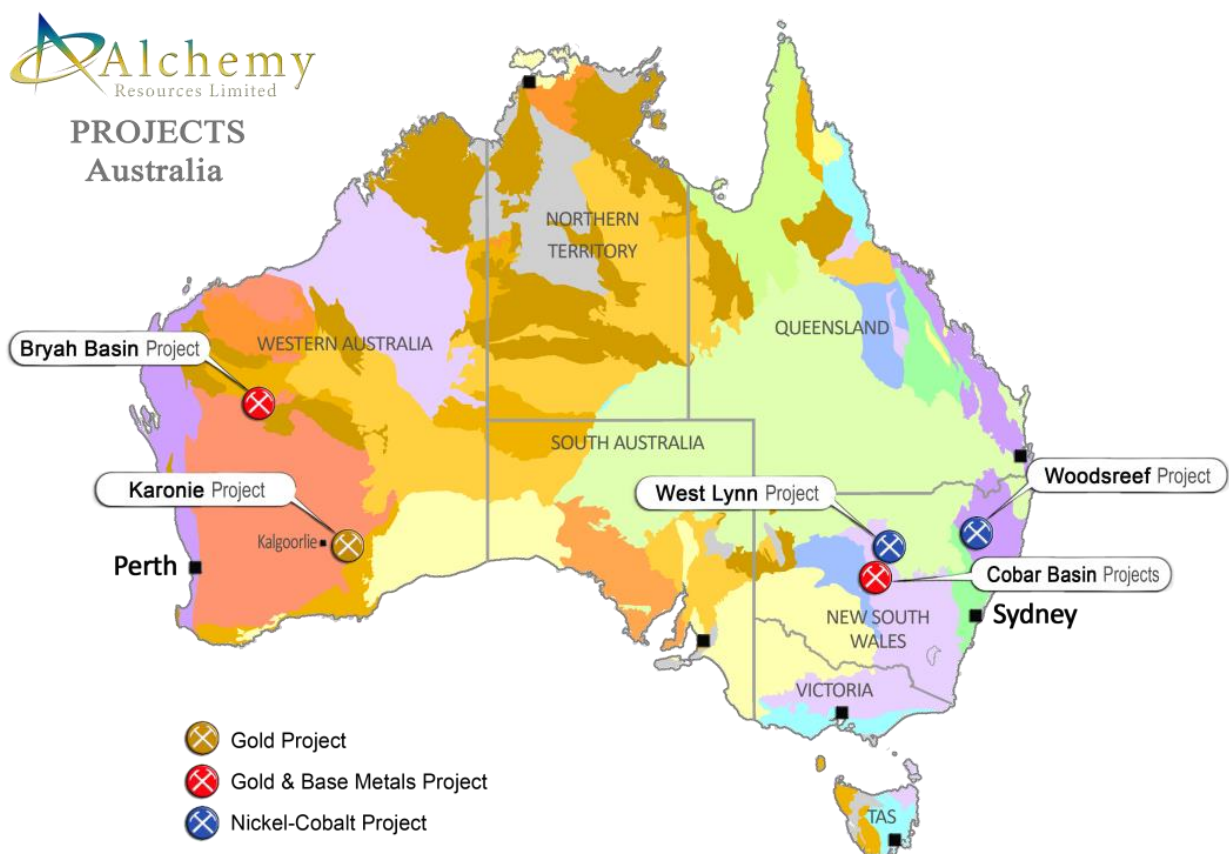


Figure 1: Alchemy Resources’ Project Location Map

REVIEW OF ACTIVITIES

Exploration over the past 12 months focussed on the West Lynn Project in NSW. This work included aircore drilling, diamond drilling, density determinations and metallurgical testwork, resulting in maiden JORC Code 2012 Edition compliant inferred mineral resource estimates for separate nickel-cobalt, and alumina resources (21.3Mt @ 0.84% Ni, 0.05% Co¹, and 6.6Mt @ 20.8% Al₂O₃²).

A Native Title Land Access Agreement with respect to accessing Crown Land within the Overflow Project was executed, and a subsequent deep diamond drill hole, a downhole electromagnetic survey, and a high powered surface electromagnetic survey were completed.

After a comprehensive geological assessment of all the Bryah Basin exploration data, and completion of Aboriginal culture and heritage clearance surveys across the project area, Sandfire commenced an extensive drilling program including wide spaced aircore (AC) and follow-up reverse circulation (RC) drilling designed to test a 40km strike of the Narracoota-Karalundi volcano-sedimentary sequence that potentially hosts DeGrussa style high grade copper-gold mineralisation. The AC and RC drilling and receipt of assay results is ongoing.

During the year Billabong completed a large RC drill program at Hermes South which ultimately upgraded the gold resource at the prospect to 2.2Mt @ 1.6g/t for 114,000oz Au³. The gold mineralisation at Hermes South remains open at depth and Alchemy is hopeful that the deposit will become part of the production profile for the Plutonic Gold Operation.

Alchemy's strategy for the next 12 months is to:

- Undertake targeted drill programs at the highly prospective Karonie Gold Project with the aim of delineating significant gold resources;
- Unlock the gold and base metal potential of the Lachlan/Cobar projects through systematic exploration and targeted drilling campaigns with a focus on the Overflow Project;
- Continue to advance the West Lynn Project by conducting kinetic leach test work for nickel-cobalt and alumina on selected ore samples, and subsequent resource evaluation work;
- Create value for shareholders through joint venture-funded exploration for gold and base metal deposits within the Bryah Basin Project; and
- Continue to enhance the Company's position through strategic investment decisions and evaluation of quality advanced gold and base metal project opportunities throughout Australia.

LACHLAN/COBAR BASIN PROJECTS (NSW) (ALCHEMY 51% - EARNING UP TO 80%)

The Lachlan/Cobar Basin Projects consist of the Overflow Gold-Base Metal Project, the Eurow Copper-Gold Project, the Girilambone Copper Project, and the West Lynn and Woodsreef Nickel-Cobalt Projects, each containing multiple gold and/or base metal and/or nickel-cobalt-alumina targets, including drill-ready targets at Overflow and West Lynn. Alchemy has earned a 51% interest in the NSW licences, and subject to the Farm-In and Joint Venture Agreement with Heron Resources can earn an additional 29% interest by spending an additional \$1M before 30 May 2021.

¹ Refer to Alchemy Resources Limited's ASX Announcement dated 19 February 2019

² Refer to Alchemy Resources Limited's ASX Announcement dated 19 June 2019

³ Refer to Alchemy Resources Limited's ASX Announcement dated 8 May 2019

REVIEW OF ACTIVITIES

The projects represent a strategic exploration project acquisition for Alchemy, with a large (1,055km²) land package in the underexplored central Lachlan province and Cobar Superbasin. The projects are proximal to high profile mining centres including Cobar, Hera/Nymagee, Mineral Hill, Tritton and the Parkes mining centre (Figure 2).

During the year exploration licence EL5878 (Overflow) was renewed for a further 5 years.

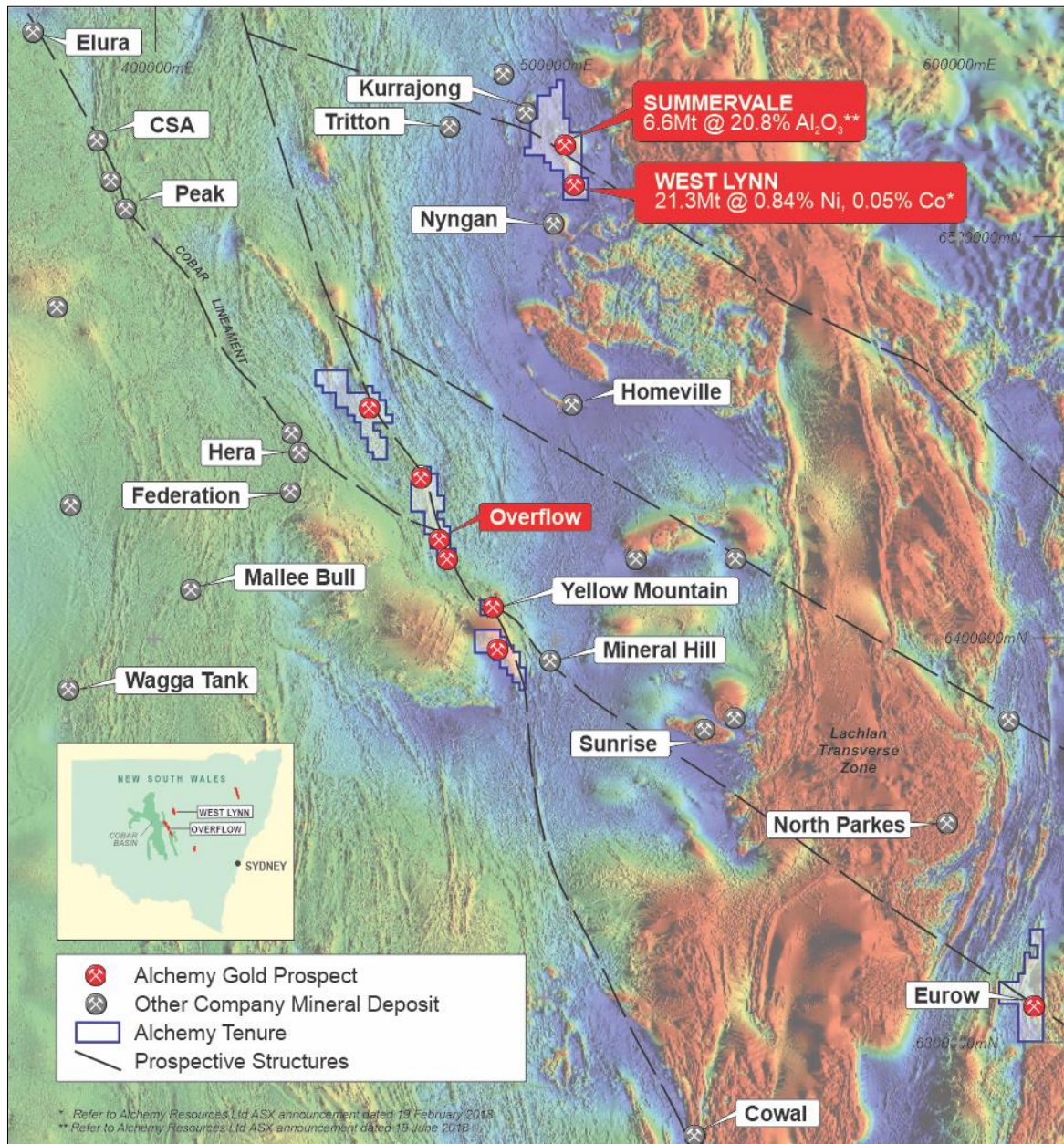


Figure 2: Lachlan projects – Overflow, Overflow North, Yellow Mountain, Eurow, Girilambone and West Lynn – Alchemy earning up to 80% interest through farm-in/joint venture with Heron Resources Ltd

West Lynn Nickel-Cobalt-Alumina Project

EL8631 (West Lynn) is centred 17km northwest of Nyngan, NSW. The project, which covers an area of 100km², is contiguous with EL8318 (Girilambone) and forms part of the Alchemy/Heron NSW Farm-In and Joint Venture Agreement. The licence is located within a belt of ultramafic/mafic rocks that cut through central NSW, extending from the ACT to the Queensland border and host numerous Ni-Co (+Sc+Al) deposits such as Sunrise/Syerston (Clean TeQ Holdings Limited – ASX: CLQ), Homeville (Alpha HPA Limited – ASX: A4N), and the Nyngan Scandium deposit (Scandium International Mining Corp. – TSX: SCY), just 11km southwest of West Lynn (Figure 2).

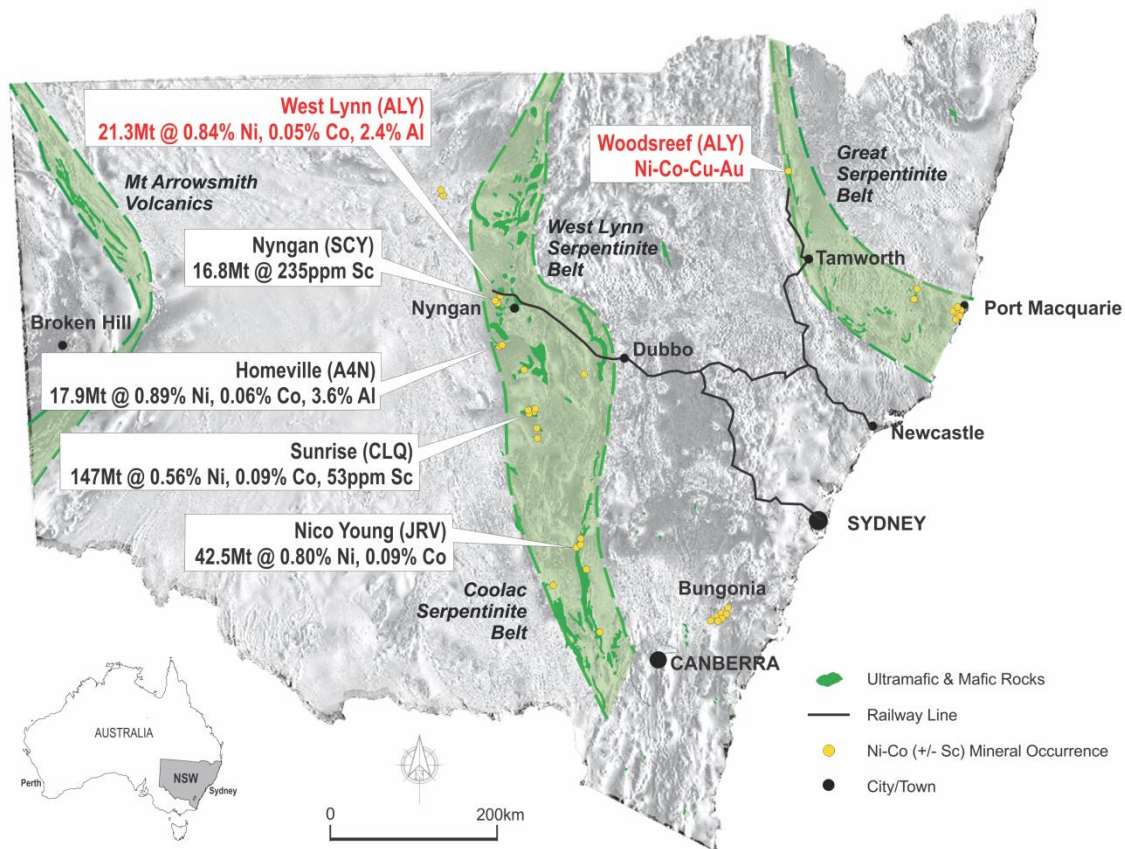


Figure 3: West Lynn Ni-Co Project, Ni-Co+Sc occurrences, and NSW Serpentinite Belts over state-wide greyscale TMI aeromagnetic image

During the year Alchemy completed an intensive two-phase drilling campaign comprising 119 holes (including three diamond holes), and subsequently announced a maiden inferred nickel-cobalt resource at West Lynn, and a separate inferred alumina resource for the kaolinite zone overlying the nickel-cobalt mineralisation at the Summervale prospect (Figure 4).

REVIEW OF ACTIVITIES

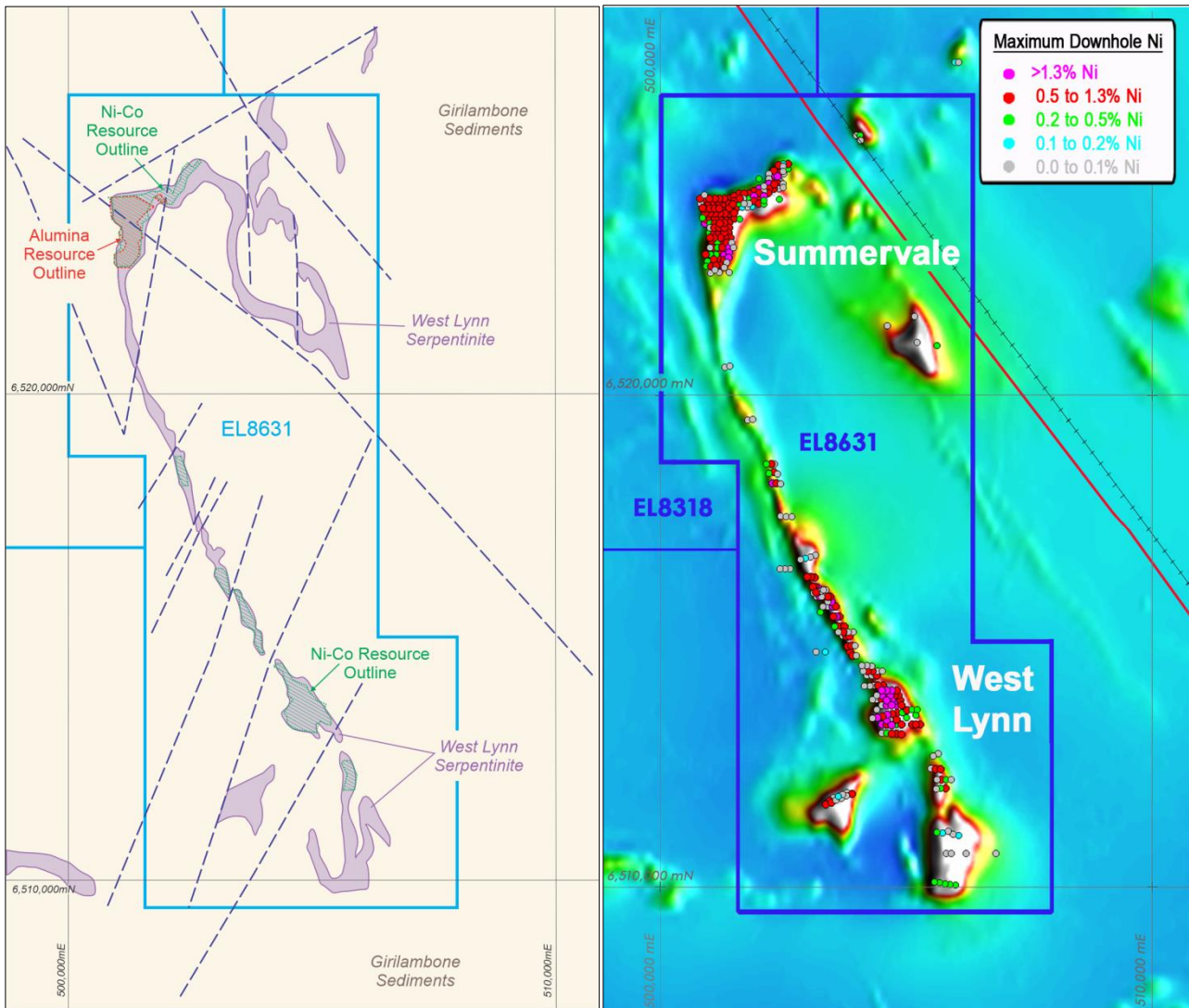


Figure 4: West Lynn Project showing Ni-Co resource outline and Summervale alumina resource outline over interpreted structures and bedrock geology (left) and all drilling coloured by maximum downhole Ni (%) over regional aeromagnetic image (right)

Diamond drilling included two holes totalling 124.5m at the West Lynn Prospect, and one 65m hole at the Summervale prospect. The drilling was completed in order to determine accurate SG/density estimations for the different weathering intensities encountered within both the Ni-Co and alumina ore zones. The different ore zones and corresponding density estimates are summarised in Table 1 below and were used in both resource tonnage estimates. All three diamond holes twinned previous Alchemy aircore holes, and a comparison of nickel and cobalt analyses between original aircore and duplicate diamond holes returned assay values within acceptable error limits.

REVIEW OF ACTIVITIES

Table 1: Average density (SG) measurements from West Lynn/Summervale diamond drilling ⁴

Rock Type	SVDD001*	WLDD001*	WLDD002*	AVG*
Kaolinite (HPA)	1.87	-	-	1.87
Laterite	1.96	1.83	2.01	1.93
Saprolite	1.53	1.66	1.63	1.61
Transitional	1.85	1.99	1.73	1.86
Weathered Serpentinite	1.83	2.25	2.06	2.05

*Dry weight basis

West Lynn Prospect

During the reporting period 66 AC holes and two diamond holes were completed at the West Lynn prospect at a 100m x 100m and 100m x 200m drill spacing. The nickel-cobalt mineralisation identified in the drilling at West Lynn is associated with variably limonitic and ferruginous clay, saprolite, and weathered serpentinite units. Elevated alumina grades are associated with pale cream to white clay units located immediately above the Ni-Co mineralisation. The Ni-Co mineralisation at West Lynn shows good thickness and continuity especially around 6513800mN.

Significant Ni-Co results from the drilling included ⁵:

- 34m @ 0.97 % Ni, 0.05% Co from 38m (WLAC076)
- 25m @ 0.99% Ni, 0.06% Co from 36m (WLAC048)
- 20m @ 0.97% Ni, 0.10% Co from 38m (WLAC084)
- 19m @ 0.86 % Ni, 0.05% Co from 41m (WLAC075)

The locations of significant Ni-Co-alumina (Al₂O₃) intercepts from the West Lynn drilling can be seen in Figure 5, and in cross section below (Figure 6).

⁴ Refer to Alchemy Resources Limited's ASX Announcement dated 10 December 2018

⁵ Refer to Alchemy Resources Limited's ASX Announcements dated 10 December 2018 & 22 October 2018

REVIEW OF ACTIVITIES

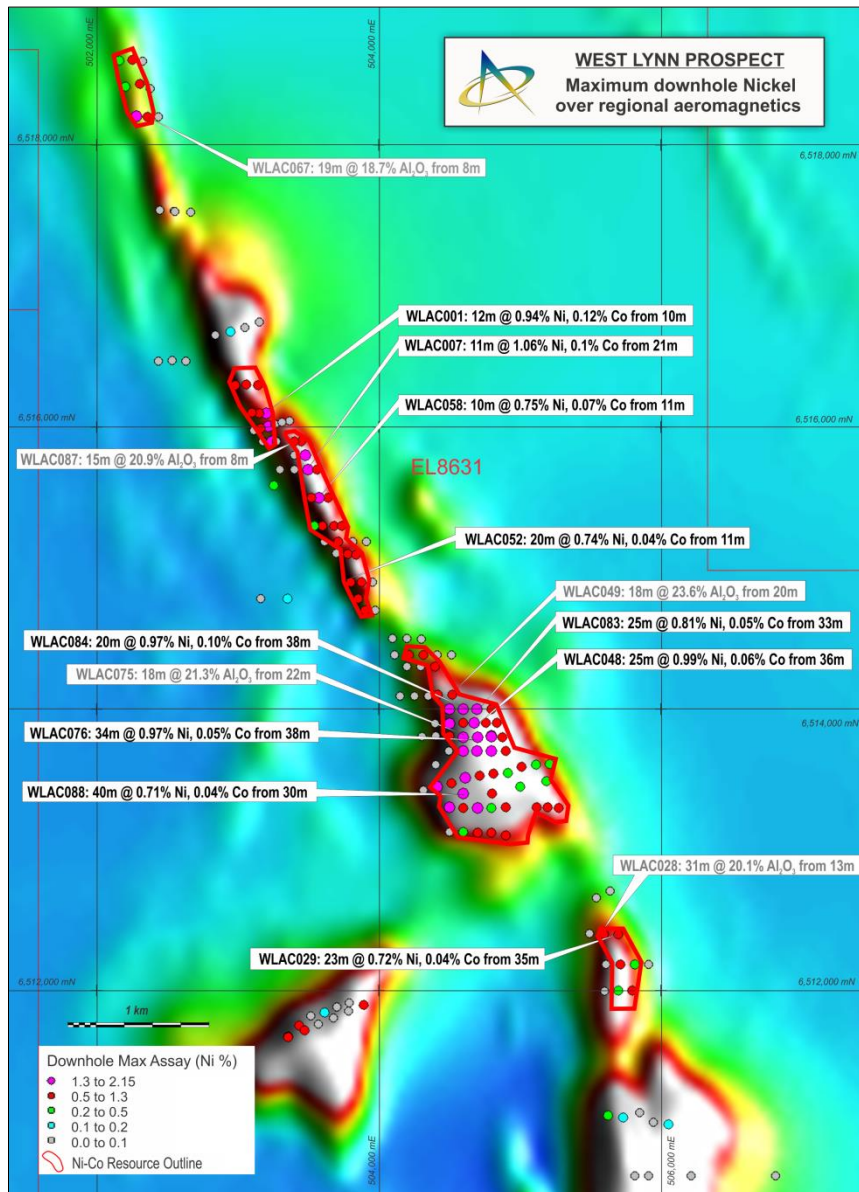


Figure 5: Plan of West Lynn Prospect showing all drilling (coloured by Ni%), significant intercepts (labelled) and Ni-Co resource outline over regional aeromagnetic image.

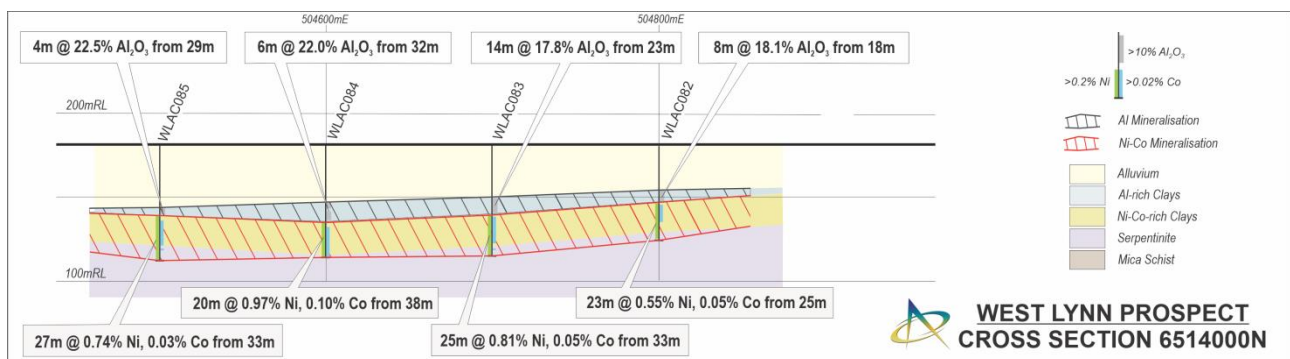


Figure 6: West Lynn Prospect cross section (6514000N) showing mineralised zones, significant intercepts and geology.

REVIEW OF ACTIVITIES

Summervale Prospect

Fifty AC holes and one diamond hole were completed at the Summervale prospect at a 100m x 100m drill spacing during the year (Figures 4 & 7). Nickel-cobalt mineralisation at Summervale is also associated with variably limonitic and ferruginous clay, saprolite, and weathered serpentinite units, and the higher alumina grades are associated with pale cream to white clay units located immediately above the Ni-Co mineralisation. Ni-Co and alumina mineralisation at Summervale also shows good continuity along and across strike.

Significant Ni-Co results from the drilling included ⁶:

- 18m @ 1.02% Ni, 0.06% Co from 36m (SVAC069)
- 20m @ 0.87% Ni, 0.04% Co from 31m (SVAC039)
- 19m @ 0.87% Ni, 0.04% Co from 27m (SVAC040)

Broad, high grade alumina (Al₂O₃) intercepts from the zone immediately above the Ni-Co mineralisation included ⁷:

- 19m @ 23.7% Al₂O₃ from 25m (SVAC045)
- 16m @ 26.4% Al₂O₃ from 23m (SVAC068)
- 29m @ 18.0% Al₂O₃ from 19m (SVAC037)
- 16m @ 19.7 % Al₂O₃ from 25m (SVAC035)

Locations of the significant Ni-Co-Al₂O₃ intercepts from the Summervale drilling can be seen in Figure 7, and in selected cross sections below (Figures 8 & 9).

⁶ Refer to Alchemy Resources Limited's ASX Announcement dated 10 December 2018

⁷ Refer to Alchemy Resources Limited's ASX Announcement dated 22 October 2018

REVIEW OF ACTIVITIES

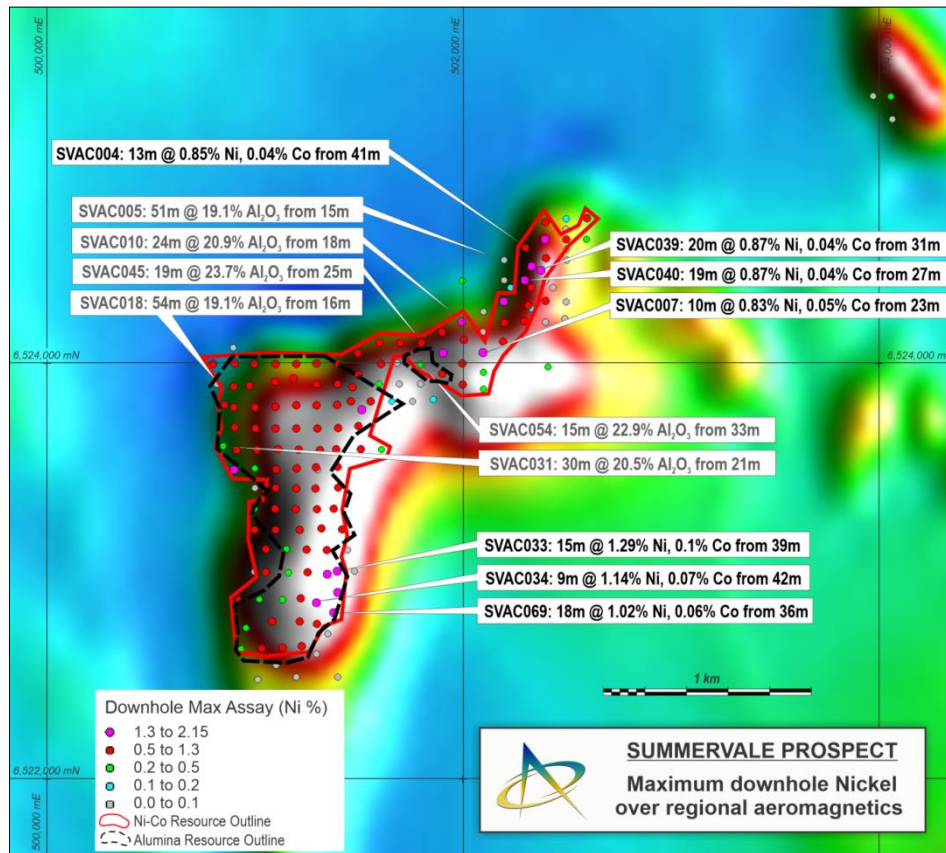


Figure 7: Plan of Summervale Prospect showing all drilling (coloured by Ni ppm), Phase 1 significant intercepts (labelled), and proposed Phase 2 resource drilling (yellow dots) over regional aeromagnetic image.

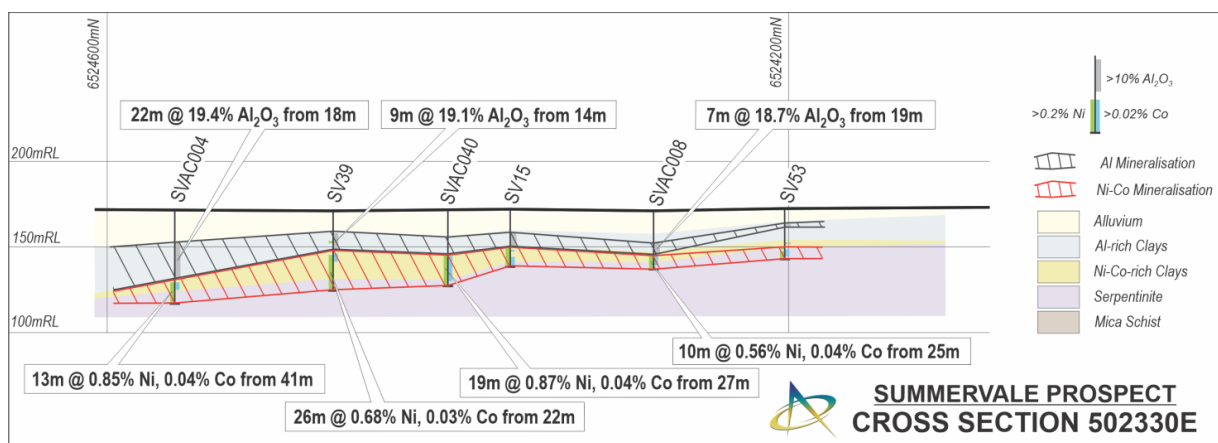


Figure 8: Summervale Prospect cross section (502330E) showing recent and historic drill holes, mineralised zones, significant intercepts and geology.

REVIEW OF ACTIVITIES

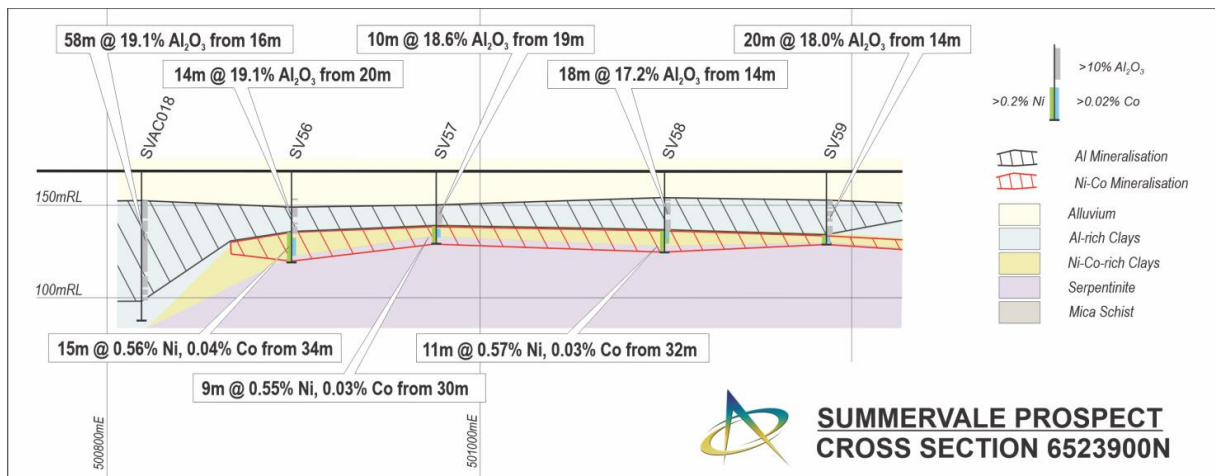


Figure 9: Summervale Prospect cross section (6523900N) showing resource drill holes, mineralised zones, significant intercepts and geology.

West Lynn Project Resource Estimate

Subsequent to completion of the Company's drilling campaigns, a JORC Code 2012 Edition compliant inferred nickel-cobalt resource estimate totalling 21.3Mt @ 0.84% Ni, 0.05% Co, 2.4% Al & 20.0% Fe⁸ was completed for the West Lynn and Summervale prospects by Resource Evaluation Services. The resource is summarised at a 0.6% Ni lower cut-off in Tables 2 and 3 below and presented as Grade Tonnage Curves in Figure 10.

Table 2: Resource tonnes and grade broken down by prospect

Deposit	Cut Off (Ni %)	Tonnes (Mt)	Ni %	Co %	Al %	Fe %
West Lynn	0.6	14.70	0.85	0.05	2.4	20.2
Summervale	0.6	6.64	0.82	0.04	2.4	19.7
TOTAL	0.6	21.3	0.84	0.05	2.4	20.0

The mineral resource is reported on a dry tonnage basis.

Table 3: Resource tonnes and grade broken down by ore type

Ore Type	Cut Off (Ni %)	Tonnes	Ni %	Co %	Al %	Fe %
Laterite	0.6	9.03	0.88	0.06	3.6	28.6
Saprolite	0.6	9.95	0.83	0.04	1.6	14.2
Transitional	0.6	2.35	0.73	0.03	1.1	12.1
TOTAL	0.6	21.3	0.84	0.05	2.4	20.0

The mineral resource is reported on a dry tonnage basis.

⁸ Refer to Alchemy Resources Limited's ASX Announcement dated 19 February 2019

REVIEW OF ACTIVITIES

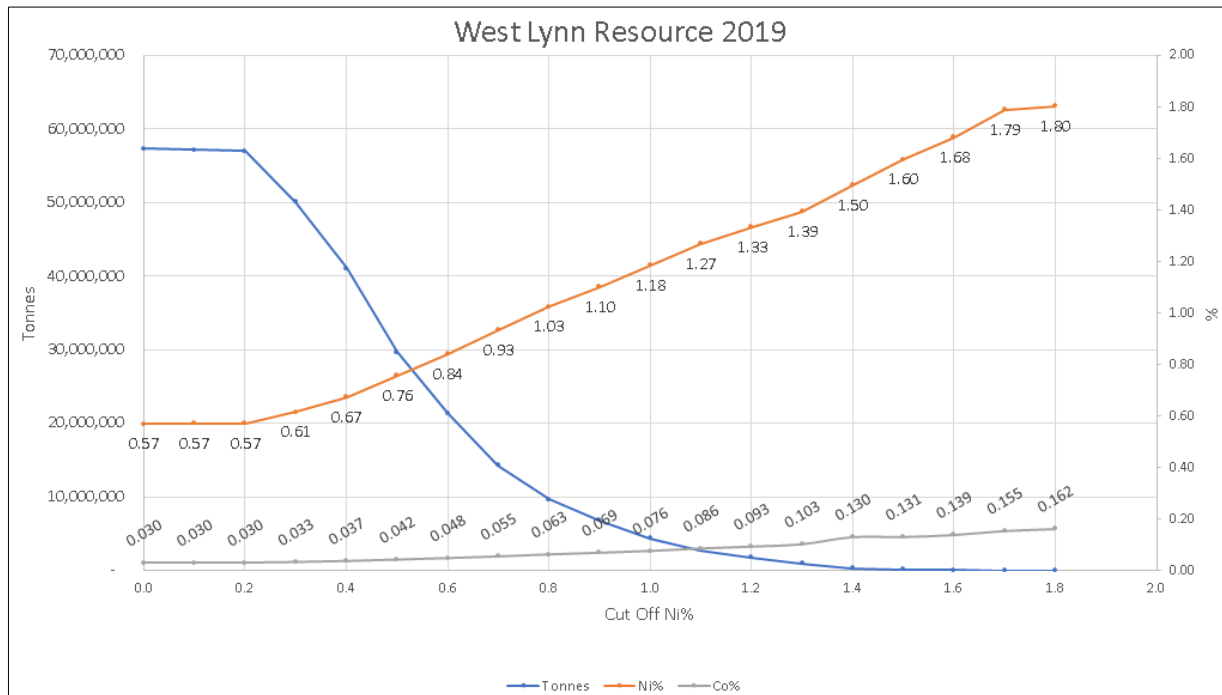


Figure 10: West Lynn Project: Ni% Grade Tonnage Curve - All Domains, All Material

Nickel-cobalt mineralisation at the West Lynn and Summervale prospects 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.

The average Fe grade at West Lynn (~20%) is approximately half that of typical WA laterite deposits which provides significant processing advantages, including the ability to use a nitric acid leach and standard solvent extraction at atmospheric pressure for Ni-Co production, eliminating the requirement for high pressure acid leaching and potentially reducing upfront capital expenditure.

Other advantages of nitric acid over sulphuric acid leaching include; the ability to treat the entire profile of the deposit (limonite and saprolite) leading to much better economic use of the resource, efficient acid recycling (>95%), potentially saleable iron, aluminium hydroxide and magnesium oxide by-products, and environmentally friendly benign tailings. Calcination (heating) of the aluminium hydroxide by-product can also be used to produce alumina (Al₂O₃) and potentially High Purity Alumina (HPA).

Initial metallurgical testwork completed by Direct Nickel (DNi) using a nitric acid leach via the patented DNi Process™ returned very encouraging recoveries for both nickel and cobalt from a variety of composite samples, with average recoveries of 91.5% Ni (saprolite), 88.3% Co (saprolite), 86.4% Ni (laterite), and 82.1% Co (laterite) (Table 4)⁹.

⁹ Refer to Alchemy Resources Limited's ASX Announcement dated 19 February 2019

REVIEW OF ACTIVITIES

Recoveries for both nickel and cobalt from composite blended laterite/saprolite samples averaged 87.1% for nickel and 86.9% for cobalt (Table 4), similar to the separate laterite and saprolite samples. Recoveries for composite weathered serpentinite samples collected from the base of the mineralised zone averaged 91.6% for nickel and 79.6% for cobalt (Table 4). Recoveries for by-product elements (Al, Fe, Mg) are also included in Tables 4-6. The nitric acid leach testwork on separate laterite and saprolite samples, and blended laterite/saprolite and weathered serpentinite samples was conducted at 110°C under atmospheric pressure over a period of 6 hours.

Table 4: Nitric Acid Leach Recoveries

Laterite/Saprolite	Ni	Co	Al	Fe	Mg
All Saprolite	91.5%	88.3%	66.6%	49.1%	99.4%
All Laterite	86.4%	82.1%	73.4%	69.3%	68.3%
All Average	89.5%	85.8%	69.4%	57.2%	87.0%

Table 5: Nitric Acid Leach Recoveries

Blended Laterite/Saprolite	Ni	Co	Al	Fe	Mg
West Lynn	89.4%	88.6%	71.2%	64.3%	93.4%
Summervale	84.7%	85.3%	63.6%	59.8%	89.4%
West Lynn / Summervale Avg	87.1%	86.9%	67.4%	62.0%	91.4%

Table 6: Nitric Acid Leach Recoveries

Weathered Serpentinite	Ni	Co	Al	Fe	Mg
West Lynn	93.4%	84.9%	85.3%	61.4%	97.5%
Summervale	89.8%	74.3%	90.6%	52.5%	97.3%
West Lynn / Summervale Avg	91.6%	79.6%	88.0%	57.0%	97.4%

Additional metallurgical testwork including bench scale kinetic leaching is planned for the Summervale and West Lynn blended samples. For further information on the DN_i Process™ refer to the Direct Nickel website (<http://www.directnickel.com/>).

Summervale Prospect Alumina Resource Estimate

A JORC Code 2012 Edition compliant inferred alumina resource estimate totalling 6.6Mt @ 20.8% Al₂O₃ (18% Al₂O₃ lower cut-off)¹⁰ was also completed for the Summervale prospect by Resource Evaluation Services as detailed in Table 7 below and presented as Grade Tonnage Curves in Figure 11. The grades are not screened or beneficiated figures.

Table 7: Summervale JORC Code 2012 Edition Inferred Mineral Resource Estimate

Deposit	Cut-off (Al ₂ O ₃)	Tonnes (M)	Al ₂ O ₃ %	Fe ₂ O ₃ %	K ₂ O%	Na ₂ O%	TiO ₂ %	SiO ₂ %
Summervale	18%	6.55	20.8	2.8	1.79	0.43	1.15	64.2

The inferred mineral resource is reported on a dry tonnage basis.

¹⁰ Refer to Alchemy Resources Limited's ASX Announcement dated 19 June 2019

REVIEW OF ACTIVITIES

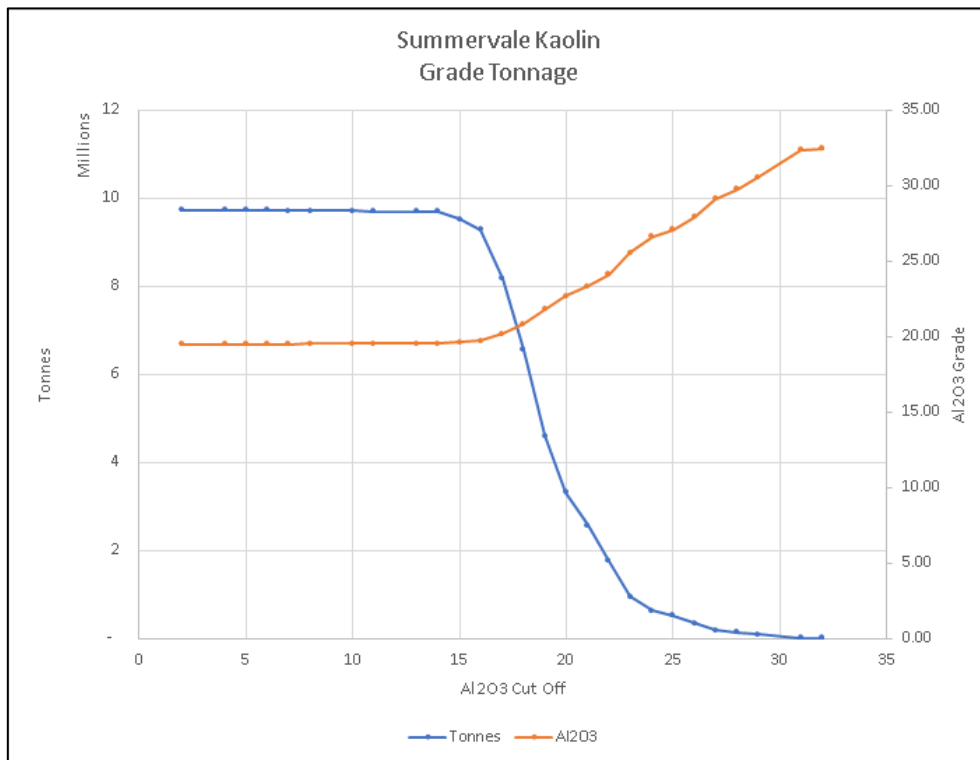


Figure 11: Grade Tonnage Curve – Kaolin Domain

The kaolinite zone hosting the alumina mineralisation at Summervale is flat lying, commences from ~15 to 25m below surface, is between 2m and 40m thick (commonly ~10m thick), and is interpreted to be derived from weathered pelite units of the Girilambone Group. Mineralisation remains open along and across strike, showing good potential to deliver additional resources. It is anticipated that the alumina resource could potentially be exploited in conjunction with open pit mining of the underlying nickel-cobalt resource.

The alumina resource at Summervale compares favourably with the grades for deposits elsewhere in Australia currently being evaluated for High Purity Alumina (HPA), including Hill End Gold Limited's (ASX: HEG) Yendon Kaolin deposit (3.7Mt @ 34.7% Al₂O₃)¹¹, and the FYI Resources Limited (ASX: FYI) Cadoux deposit with a probable ore reserve of 2.9Mt @ 24.4% Al₂O₃¹².

Initial metallurgical testwork completed by Simulus Laboratories using a hydrochloric acid leach returned aluminium extractions of up to 70%. The leach was completed on a non-screened, non-beneficiated basis, subsequent to a heat treatment at 650°C for 1 hour. Crystallisation and calcination of the leach solution produced 99.95% alumina (HPA). XRD results suggest that aluminium extraction could be improved with optimisation of the heat treatment and leaching stages, enabling the production of >99.99% alumina (4N HPA). Alchemy intends to conduct further metallurgical testwork, including ore beneficiation and process optimisation, in order to improve aluminium recoveries and confirm the potential for 99.99% alumina (4N HPA) production.

Alchemy also continues to see potential for significant expansion of the nickel-cobalt and alumina resources by drilling untested sections of the 22km long West Lynn Serpentinite magnetic high.

¹¹ Refer to Hill End Gold Limited ASX Announcement dated 12 February 2018

¹² Refer to FYI Resources Limited ASX Announcement dated 24 October 2018

REVIEW OF ACTIVITIES

Overflow Gold-Base Metal Project

The Overflow Project consists of three exploration licences covering 285km² located over a 34km long section of the Gilmore Suture ~20km east of the high grade Hera/Nymagee deposits (Figure 2). The licences are located on Ordovician-Devonian metasediments and volcanics which are highly prospective for epithermal gold and Cobar-style gold and base-metal mineralisation.

The Project is centred on the historic Overflow mining centre, a past producer of gold, silver and lead, which has been the focus of previous exploration in the area since mining ceased in 1942. Previous drilling at the Overflow Mine has returned numerous high-grade gold-silver and base metal intercepts including 7m @ 6.7g/t Au, 1.9% Zn, 1.4% Pb, 0.3% Cu (TBB008), and 18m @ 2.1g/t Au, 111g/t Ag, 1.1% Zn from 245m, and 3m @ 7.3g/t Au, 43g/t Ag, 4.6% Zn, 4.2% Pb, 0.3% Cu from 286m from Alchemy's first diamond drill hole (OFDD001)¹³ (Figure 12). Mineralisation at Overflow is shear hosted, shows a vertical polymetallic zonation, and displays chlorite-silica alteration typical of Hera / Cobar-style mineralisation.

During the year Alchemy completed a high powered moving loop surface electromagnetic (EM) survey across a strong EM conductivity anomaly down-plunge to the south of the Overflow prospect which was identified in a 2011 airborne EM survey. The surface EM survey was unable to confirm the airborne EM anomaly, but clearly identified the Overflow Shear Zone between the highly resistive hanging wall volcanic units and the much less resistive Girilambone footwall sediments.

One 457.3m deep diamond drill hole (OFDD002) was subsequently drilled to intercept the Overflow shear zone ~120m below Alchemy drill hole OFDD001. The hole returned an intercept of 14m @ 0.4g/t Au, 0.4% Zn from 368m (OFDD002) (including 1m @ 2.1g/t Au, 12g/t Ag, 2.0% Zn, 1.0% Pb, 0.19% Cu from 379m)¹⁴. The hole has helped define the known extent of mineralisation at Overflow and reinforced Alchemy's interpretation of a shallow southern plunge to the high grade gold-base metal mineralisation, and an increase in copper grade with depth (Figures 12 & 13).

The diamond hole intercepted intense silica alteration but did not encounter epithermal style quartz veining or the steeply dipping, cross-cutting, quartz vein sets seen in the high grade gold-silver portion of OFDD001. The hole confirmed the persistence of intense shearing over a 20m interval encompassing the gold mineralisation at depth, and identified shallow southerly dipping fault sets immediately above and below the mineralised zone. These shallow south dipping faults are considered to be the structures that control the shallow southerly plunge observed in the gold grade shells (Figure 12). OFDD002 also intercepted an elevated copper zone of 1m @ 0.19% Cu from 379m, consistent with elevated copper values seen in the lower parts of OFDD001 and TBB008.

A downhole EM (DHEM) survey within OFDD002 did not identify any significant off-hole conductors, suggesting that EM surveys are not suitable for detecting the Overflow style of base metal mineralisation, and the potential to use other geophysical methods such as Induced Polarisation (IP) is being assessed.

Alchemy is planning to undertake additional diamond drilling immediately down plunge to the south of OFDD001 and TBB008 in the coming period (Figures 12 & 13).

¹³ Refer to Alchemy Resources ASX Announcement dated 29 March 2017

¹⁴ Refer to Alchemy Resources Limited's ASX Announcement dated 30 January 2019

REVIEW OF ACTIVITIES

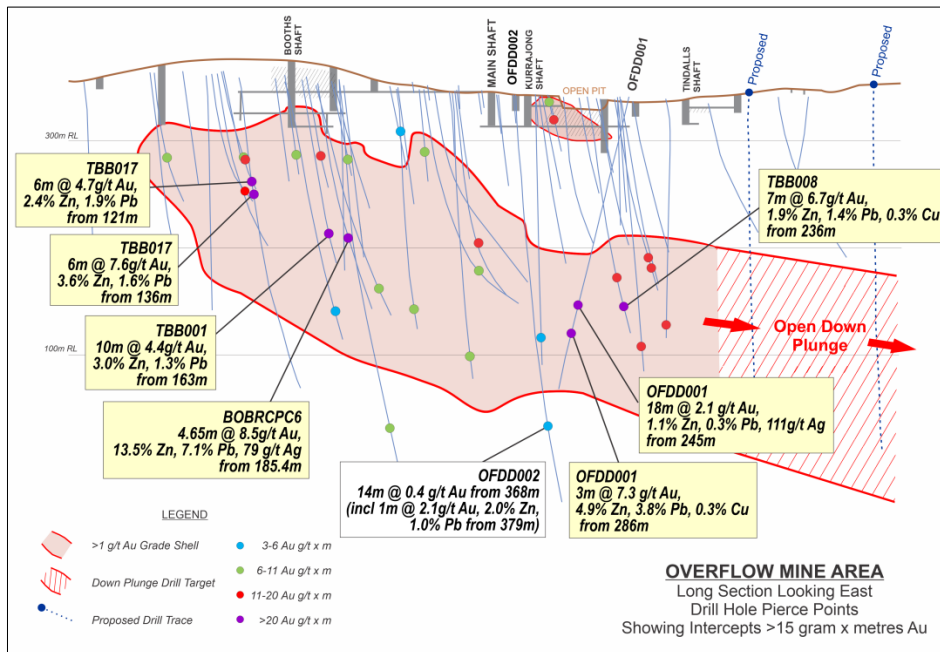


Figure 12: Long section looking east showing OFDD002 intercept (white), historic workings, previous drilling ore zone pierce points coloured by GxM (i.e. Au grade (g/t) x intercept width (m)), drill intercepts > 15GxM, and 1g/t Au grade shell outline (red).

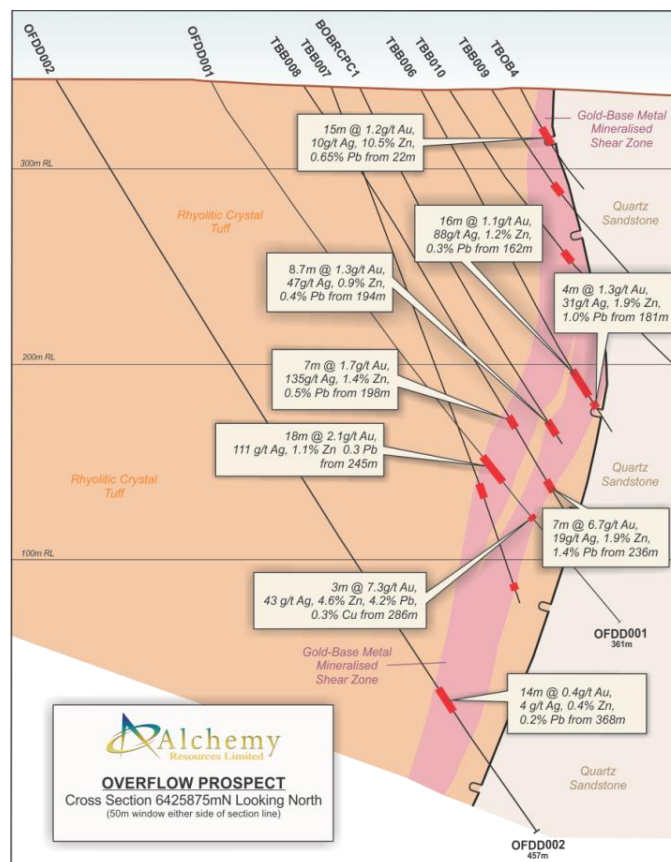


Figure 13: Cross section showing OFDD002 targeting the down dip extension of high grade gold and base metal intercepts.

REVIEW OF ACTIVITIES

A single drill hole (OFTRC005) designed to test a very strong IP chargeability anomaly located 2km along strike to the south of the Overflow mine was terminated in weak mineralisation (12m @ 0.42g/t Au to end of the hole) with visible chalcopyrite identified. This represents a priority target which will also be drill tested in the next 12 months. Other targets warranting further drilling include the BO2, Deeves Shaft and Parkvale Prospects which have returned elevated Cu-Pb-Zn values in both soil geochemistry and historic drilling.

Yellow Mountain Gold-Base Metal Project

The Yellow Mountain Project consists of one 93km² exploration licence covering a 20km long section of the Gilmore Suture approximately 8km west of the historic Mineral Hill deposits (Figure 2). The project is located on Ordovician-Silurian granites, Ordovician metasediments, and Devonian volcanics which are prospective for epithermal gold, Cobar-style gold and base-metal mineralisation.

The potential for porphyry hosted copper-gold at the Fountaindale prospect, where interpretation of aeromagnetic data suggests the presence of porphyry intrusives, will be investigated in the coming period.

Eurow Copper-Gold Project

The Eurow Copper-Gold Project ("Eurow"), located 30km southeast of Parkes (Figure 2), covers 167km² of Ordovician and Devonian-aged meta-sediments intruded by Silurian and Devonian granites, and proximal to the intersection of the Narromine-Coolac Fault Zone and the Lachlan Transverse Zone. The Project area contains the historic Eurow-Vychan copper-gold workings where historic drilling returned high-grade intercepts of 8m @ 2.94% Cu and 0.85g/t Au from 47m, 3m @ 4.0% Cu and 1.25g/t Au from 73m, and 4.4m @ 1.57% Cu and 0.63g/t Au from 212m below the workings.

Copper-gold mineralisation at Eurow appears to be planar and stratiform and is associated with semi-massive and breccia zones of pyrite-pyrrhotite-chalcopyrite. Previous shallow aircore drilling across targets north and south of the historic copper workings was hampered by thick clay zones and did not reach target depths; this area warrants further drill testing.

Girilambone Copper Project

Girilambone comprises one granted tenement covering 129km², located about 20km east of Aeris Resources Ltd's (ASX: AIS) Tritton copper operation on the eastern edge of the Girilambone Basin (Figure 2). Girilambone is prospective for 'Besshi-type' volcanic massive sulphide (VMS) copper-gold mineralisation within mafic units of the Ordovician Girilambone Group, and located along an interpreted VMS trend extending south from the Girilambone Copper Mine. The Project area is adjacent to copper anomalism along structural and magnetic trends from the historic Kurralong copper workings where mineralisation dips east towards the Girilambone tenement. Recent drilling beneath the workings has returned high grade copper and gold intercepts including 17m @ 2.6% Cu, 0.3g/t Au from 753m, 19m @ 2.2% Cu, 0.3g/t Au from 677m and 4.6m @ 5.1% Cu, 0.8g/t Au from 403m¹⁵. No ground work was completed by Alchemy during the year.

¹⁵ Refer to Aeris Resources Ltd ASX Announcements dated 12 June 2018 and 21 August 2018

Woodsreef Ni-Co Project

Exploration Licence 8711 is located 35km north of Tamworth, NSW, and covers an area of 281km² within the New England Fold Belt. The licence encompasses a 34km long section of the Peel Fault, which is recognised as a regional thrust system that hosts intrusive serpentinites and separates the Woolomin Beds and Permian granites to the east from the Tamworth Belt to the west. The principal targets in the region are vein hosted orogenic gold and copper mineralisation hosted by silica-carbonate altered serpentinites located on or adjacent to the Peel Fault, and cobalt, chromite, platinoid and nickel sulphide targets associated with composite/layered ultramafic intrusives within the licence.

KARONIE PROJECT (WA) (Alchemy 100%)

The Karonie Project includes ten granted licences and five licence applications covering 1,015km² of Archean greenstones in the Eastern Goldfields of Western Australia. The project is located 100km east of Kalgoorlie in a highly prospective geological setting, covering numerous mineralised structures between two regional-scale fault zones (Figure 14). It is strategically located within 50km of the Randalls gold processing plant, and is along strike to the north and south of Silver Lake Resources' (ASX: SLR) Karonie/Harry's Hill and French Kiss deposits which host resources and reserves of over 590,000oz @ 2.0g/t Au, including a probable reserve of 1.31Mt at 2.2g/t Au for 93,000oz gold at Harry's Hill ¹⁶ where mining continues. Alchemy's two large eastern licences are located just 12km along strike to the south of Breaker Resources' (ASX: BRB) Bombora deposit which contains an Indicated and Inferred Resource of 23.2Mt @ 1.3g/t Au for 981,000oz ¹⁷. The Bombora mineralisation is associated with the Claypan Shear Zone, a major regional structure which extends for over 38km of strike through Alchemy's eastern licences.

¹⁶ Refer to Silver Lake Resources Limited ASX Announcement dated 24 August 2018

¹⁷ Refer to Breaker Resources Limited ASX Announcement dated 2 September 2019

REVIEW OF ACTIVITIES

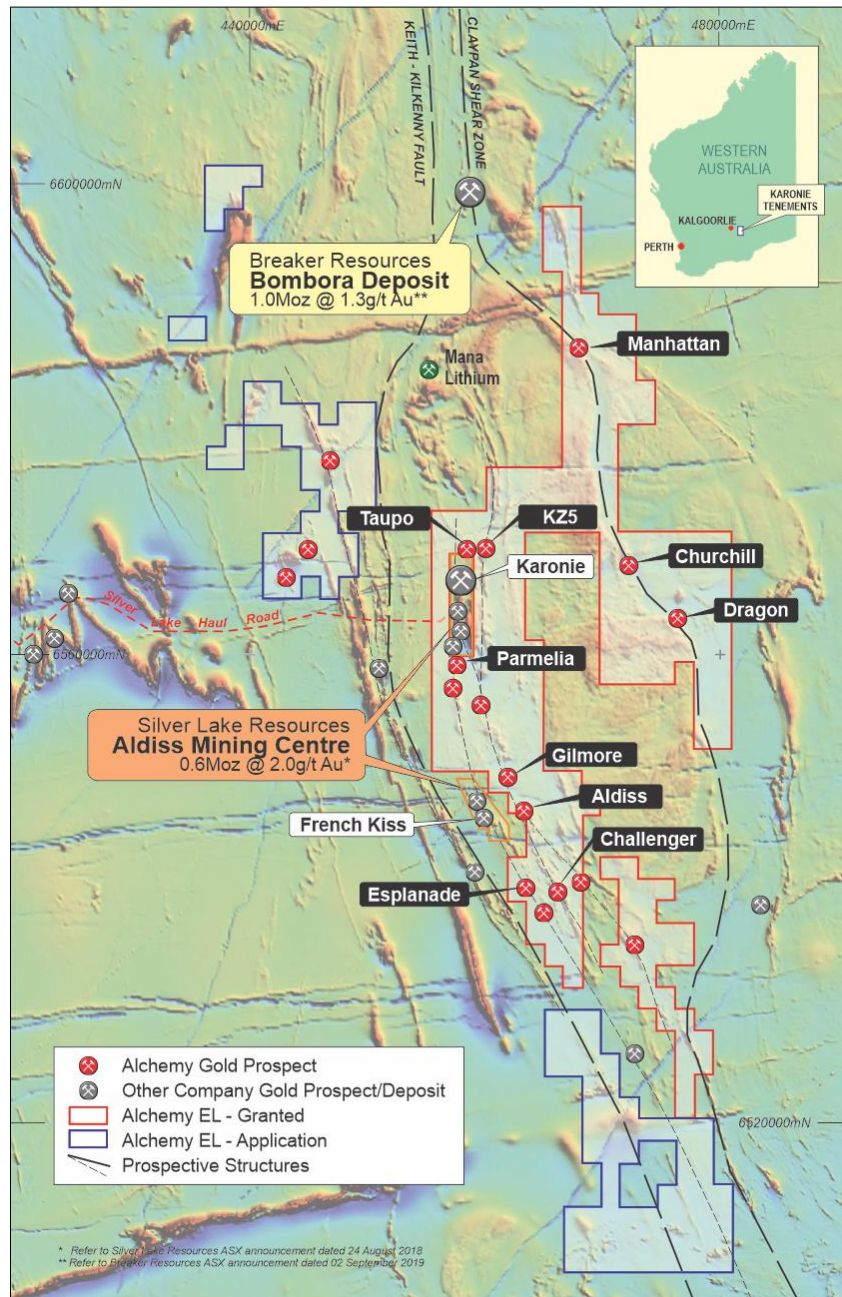


Figure 14: Karonie Project tenements, major deposits, prospects and interpreted major structures over aeromagnetic image

During the year drill programs were designed for several key gold targets including the KZ5, Taupo, Parmelia, Gilmore, Aldiss, Challenger, and Esplanade prospects (Figure 14). Additional RAB drilling was also planned for the Claypan Shear Zone, along strike of Breaker's Bombora resource, where folded and/or converging dolerite units have been interpreted from detailed aeromagnetic imagery. Programs of Work have been submitted and drilling is scheduled to commence Q4 2019.

REVIEW OF ACTIVITIES

BRYAH BASIN PROJECT (WA) (100% AND 10-20% ALCHEMY)

Alchemy’s base metal and gold prospective Bryah Basin Project comprises a 488km² tenement package, located 130km northeast of Meekatharra, Western Australia. The Project is located along strike and south-west of Sandfire Resources NL’s (ASX: SFR) high-grade DeGrussa and Monty copper-gold deposits, and adjacent to Peak Hill where about 1Moz of gold has been mined from several deposits (Figure 15). Alchemy retains its interests in the Bryah Basin Project through farm-in and joint venture agreements over the base metal prospective part of the project with Sandfire Resources and over the gold prospective part of the project with Plutonic gold mine operator Billabong Gold, a wholly-owned subsidiary of Superior Gold. Should an economic base metal or gold discovery be made by Sandfire or Billabong, Alchemy retains the right to participate as a 20% partner with all costs repaid from 50% of production profits, an equity position that could deliver significant value to shareholders.

Alchemy also retains a 1% net smelter royalty over future production from 70,000oz to 90,000oz gold from the Hermes gold deposit (Figure 15). Hermes has produced 45,800oz since mining commenced in 2017¹⁸ and Superior Gold currently reports a Measured and Indicated Resource (inclusive of Reserves) of 160,000oz gold (3.7Mt @ 1.3g/t Au) at Hermes¹⁹.

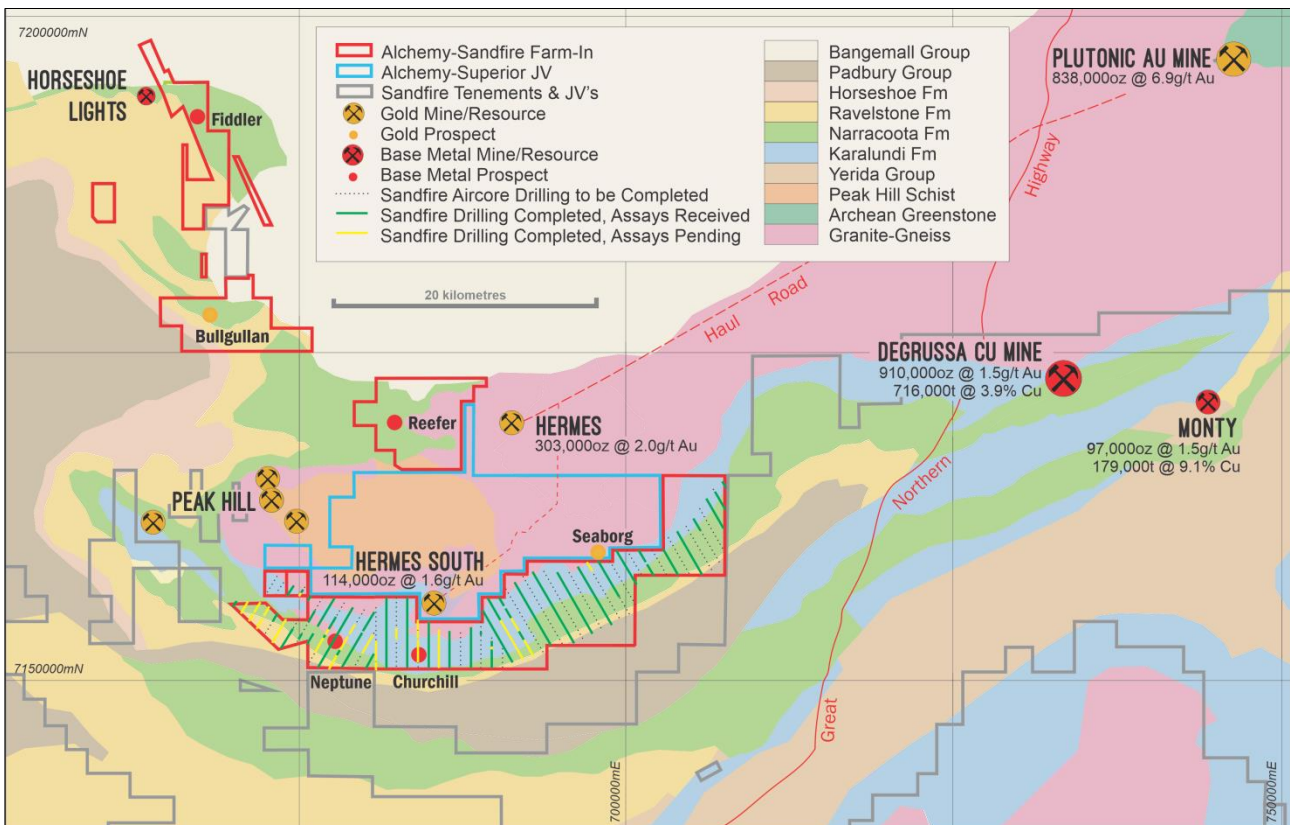


Figure 15: Bryah Basin Project – Sandfire Resources JV and Billabong Gold JV areas and gold and base metal prospects

¹⁸ Refer to Superior Gold Inc. Interactive Analyst Centre (company website) 26 August 2019

¹⁹ Refer to Superior Gold Inc. TSX-V Announcement dated 20 June 2019

REVIEW OF ACTIVITIES

Base Metals Exploration (Sandfire earning up to 80%)

Sandfire acquired Independence Group NL's (ASX: IGO) Bryah Basin Project Farm-In Rights in August 2018, including whole and part tenements that cover the base metal prospective areas of Alchemy's Bryah Basin Project (red outlines in Figure 15) ²⁰. Sandfire has advised that at 31 August 2019 exploration expenditure within the Bryah Basin Base Metals Joint Venture area was approximately \$8.9M (including ~\$2.9M spent by previous JV partner IGO) ²¹. Alchemy has completed an audit of this expenditure and agrees that expenditure has exceeded the \$6M earn-in requirement and that Sandfire has earned a 70% interest in the Bryah Basin project tenements owned 80% Alchemy / 20% Jackson Minerals Pty Ltd (a wholly owned subsidiary of Fe Ltd (ASX: FEL)), and an 80% interest in Alchemy's 100% owned tenements. Alchemy is now free-carried on further exploration to completion of a Pre-Feasibility Study, and then carried on an interest-free deferred basis for a further \$5M of Definitive Feasibility Study expenditure with the deferred amount to be repaid in full from 50% of Alchemy's share of profits earned through production.

Alchemy intends to formally transfer the relevant interest in the Bryah Basin tenements to Sandfire in due course and the parties are currently negotiating a comprehensive industry standard Joint Venture Agreement based on the terms of the Farm-in Letter Agreement, with Sandfire to manage the Joint Venture.

The introduction of Sandfire resulted in a significant increase in exploration activities within the base metal prospective area of the Bryah Basin Project. Exploration work by Sandfire initially included a comprehensive review of all historical geological and geophysical datasets, and a high resolution gravity survey (100m x 50m stations). Extensive Phase 1 (1.6km line spacing) and Phase 2 (800m infill line spacing) AC drilling programs (Figure 15) were subsequently designed prior to completing mandatory Indigenous cultural and heritage surveys.

Early in the June 2019 Quarter, Sandfire commenced the Phase 1 AC drilling, completing 1,188 holes (91,146m) on 1.6km x 100m and 800m x 100m spacings along strike to the southwest of the DeGrussa deposit. The program aims to test a 40km strike of the Narracoota-Karalundi volcano-sedimentary sequence that hosts the DeGrussa VMS copper-gold mineralisation (Figure 15). The drilling results will be used to compile a more detailed geological interpretation of the area, which in turn will be used in the planning process for narrowing the line spacing to 800m and then to 400m in the September 2019 Quarter.

Best results from the first 909 aircore holes for which assays have been received include ²²:

- 5m @ 6.4g/t Au from 100m
- 5m @ 2.7g/t Au from 65m
- 5m @ 1.6g/t Au from 65m
- 30m @ 0.5g/t Au from 55m
- 5m @ 0.15% Cu, 0.69g/t Au from 75m
- 5m @ 0.13% Cu from 45m

²⁰ Refer to Alchemy Resources ASX Announcement dated 6 August 2018

²¹ Refer to Alchemy Resources ASX Announcement dated 23 September 2019

²² Refer to Alchemy Resources ASX Announcement dated 8 July 2019 & 23 September 2019

REVIEW OF ACTIVITIES

It is important to note that these intercepts are from wide spaced drilling and have yet to be followed up with infill drill holes.

The majority of anomalous gold and copper results from the AC drilling to date, including the latest results, are being returned from sediments and quartz-carbonate schists within two sub-parallel mineralised zones immediately east of the Churchill Prospect, and from the substantial gravity high at the Neptune Prospect (Figure 16).

Seven reverse circulation (RC) holes (2,215m) have also been drilled as follow-up to earlier anomalous AC drilling results returning best results of 5m @ 0.8g/t Au from 20m, and 5m @ 0.26g/t Au from 60m (Figure 16). Infill aircore drilling at 800m and 400m line spacings is underway, and follow-up RC drilling is continuing.

A detailed moving loop electromagnetic (MLEM) survey designed to further improve targeting of the host volcanogenic massive sulphide (VMS) horizon also commenced during the period. Strongly conductive stratigraphic units are present along both the southwest and northeast margins of the survey area. Processing of the EM data is ongoing and, along with recently processed and gridded gravity data, will be incorporated into existing regional datasets and inversion models created. The resulting models will then be used to target VMS mineralisation and further refine the Phase 2 infill drilling program.

Aircore drilling has also been planned for the Horseshoe Lights area. This drilling will target copper-gold mineralisation within the Narracoota volcanics and the Ravelstone Formation sediments.

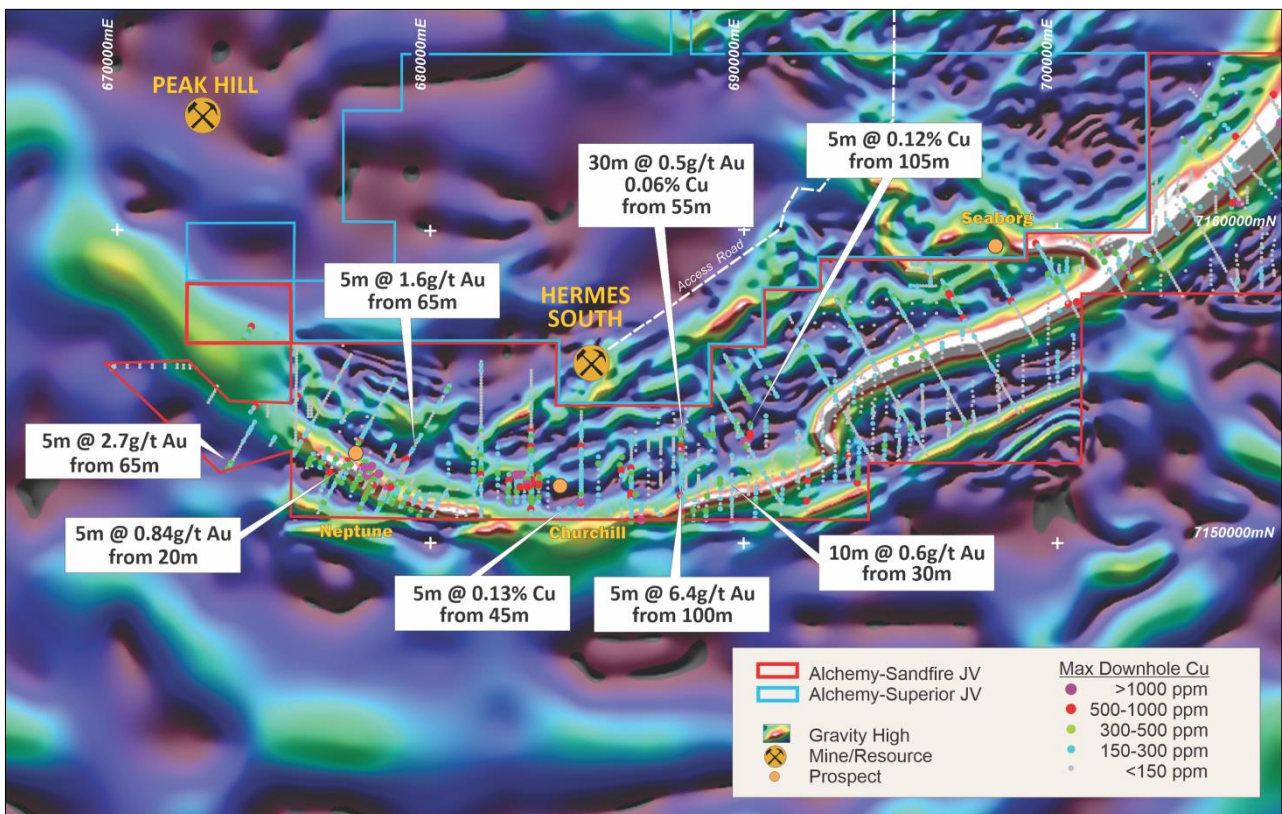


Figure 16: Sandfire aircore and previous drilling (coloured by maximum downhole Cu (ppm)), recent Sandfire drilling results (labelled), JV tenement outlines, and proposed drilling over regional gravity image.

REVIEW OF ACTIVITIES

Gold Exploration (Billabong Gold 80%)

Exploration of Alchemy's tenements that cover the gold prospective part of the Bryah Basin Project (blue outline in Figure 15) continued under the farm-in and joint venture agreement with Billabong Gold, a subsidiary of Superior Gold Inc. Billabong has now earned 70–80% of Alchemy's interests in the gold prospective tenements. Alchemy's remaining interest is carried on an interest-free deferred basis to production, with Alchemy to repay the deferred amount at the rate of 50% of its share of free cash flow from production following commencement of mining.

During the year Billabong completed Phase 2 RC drilling at Hermes South which included 51 holes for a total of 7,308m. The program aimed to further define a newly discovered shallow parallel lode 150m to the south of the main Hermes South ore zone and to extend the existing resource down-plunge to the east (Figure 17 & 18).

Significant intercepts (>20 grade x width) from the Hermes South Phase 2 drilling (labelled in Figure 17) included ²³:

- 16m @ 3.0g/t Au from 137m (BHSRC082)
- 14m @ 3.0g/t Au from 81m (BHSRC064)
- 9m @ 4.4g/t Au from 98m (BHSRC068)
- 10m @ 3.8g/t Au from 151m (BHSRC095)
- 11m @ 3.3g/t Au from 123m (BHSRC094)
- 3m @ 10.9g/t Au from 85m (BHSRC083)
- 10m @ 3.2g/t Au from 23m (BHSRC100)
- 16m @ 1.7g/t Au from 120m (BHSRC048)
- 17m @ 1.5g/t Au from 121m (BHSRC062)
- 11m @ 2.2g/t Au from 168m (BHSRC097)
- 10m @ 2.3g/t Au from 190m (BHSRC104)

All gold intercepts from the 51 RC drill holes can be seen in Table 9.

Results from Phase 1 and Phase 2 drilling were used to upgrade the JORC 2012 compliant resource at Hermes South to 2.2Mt @ 1.6g/t for 114,000oz Au ²⁴. The Hermes South resource modelling and resource estimation was completed Superior Gold, with top-cuts applied to the drill hole composite file prior to grades being interpolated. A lower cut-off of 0.6 g/t Au was used to report resources, with a summary of the updated Hermes South resource estimate shown in Table 8.

Table 8: Hermes South JORC Code 2012 Indicated and Inferred Mineral Resource Estimate

Hermes South	Tonnes	Grade (g/t Au)	Au (Ounces)	Lower Cut
Indicated	1,285,000	1.7	72,000	0.6
Inferred	950,000	1.4	42,000	0.6
Total	2,235,000	1.6	114,000	0.6

²³ Refer to Alchemy Resources ASX Announcement dated 3 December 2018

²⁴ Refer to Alchemy Resources ASX Announcement dated 8 May 2019

REVIEW OF ACTIVITIES

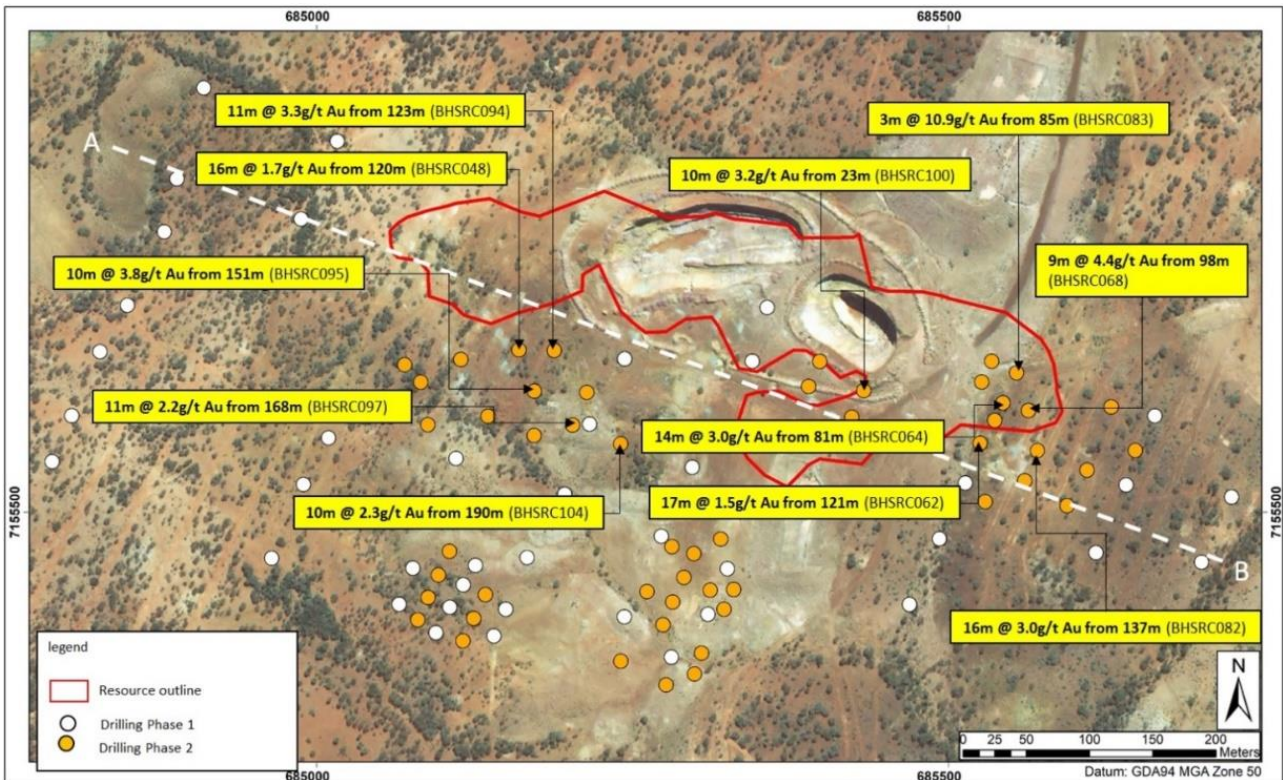


Figure 17: Hermes South plan showing Phase 2 drill intercepts (>20gxm) and resource outline (red) over WWII image.

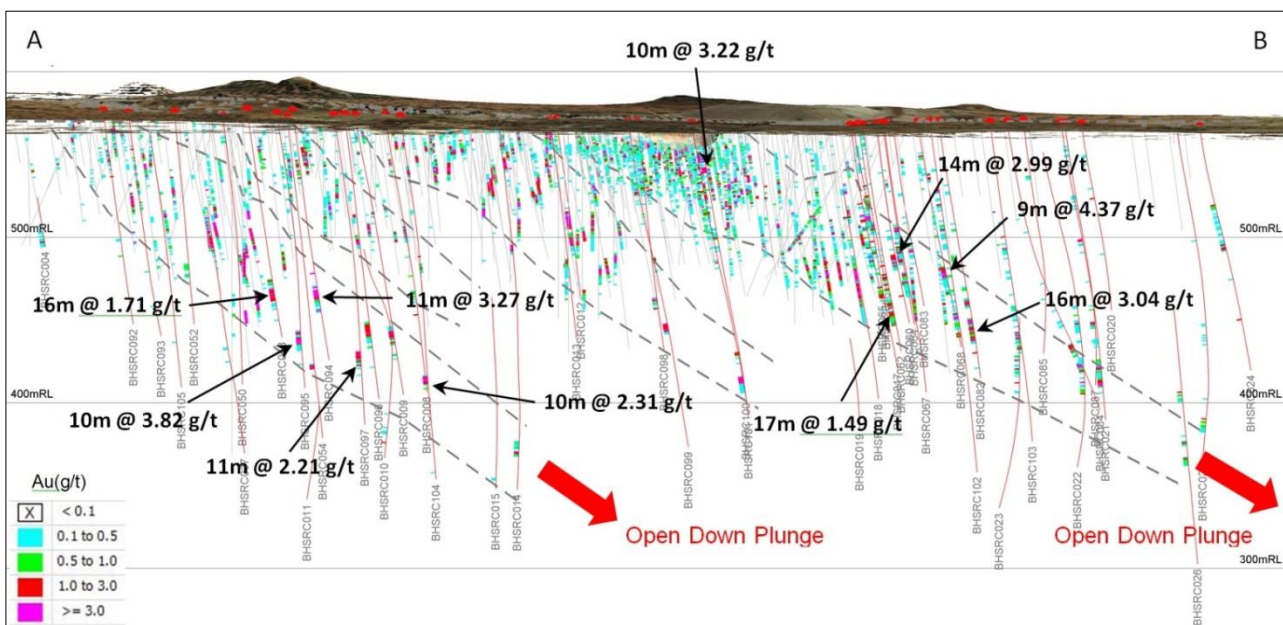


Figure 18: Hermes South long section (+/-100m) showing Phase 2 intercepts (>20gxm) labelled, and outline of ESE plunging gold shoots (light grey dashes). Billabong drilling hole traces (red) and all drill hole traces are coloured by Au g/t.

REVIEW OF ACTIVITIES

Four HQ diamond holes were also drilled during the year for the purpose of gathering geotechnical information, additional bulk density data through the ore zone, and samples for metallurgical testwork. Additional detailed geotechnical data was collected from nine previously drilled RC holes using an acoustic/optical televiewer, and a geotechnical model using all the recent drilling information was completed. Assays and metallurgical testwork results for the 4 HQ diamond holes are pending and metallurgical testwork results are expected during Q4 2019. Previous metallurgical testwork undertaken on oxidised core from the Hermes South gold deposit indicated that the ore is amenable to treatment in a conventional crush, grind and carbon-in-leach (CIL) plant with good recoveries across all size fractions. A high proportion of gold is contained in the coarse fraction, and the testwork indicated that a large percentage (40–60%) of the free gold at Hermes South could be recovered by gravity concentration. No technical issues have been identified that would result in a poor recovery or extenuating cost issues ²⁵.

The gold mineralisation at Hermes South remains open at depth and has excellent potential for further drilling to expand the area of gold mineralisation and add to the known resource, and Alchemy is hopeful that the Hermes South deposit will become part of the production profile for the Plutonic Gold Operation. Miscellaneous Licence applications to accommodate the development of a haul road between the existing Plutonic - Hermes Haul road and the Hermes South resource area have been lodged by Billabong.

Targeted drilling is also required at the Seaborg and Central Bore gold prospects where high-grade gold intercepts including 6m @ 4.17g/t Au from 9m ²⁶, and 9m @ 5.86g/t Au from 35m ²⁷ respectively remain open at depth and potentially along strike.

²⁵ Refer to Alchemy Resources ASX Announcement dated 22 October 2012

²⁶ Refer to Alchemy Resources ASX Announcement dated 17 April 2014

²⁷ Refer to Alchemy Resources ASX Announcement dated 5 July 2012

REVIEW OF ACTIVITIES

Table 9: Drill intercepts from Hermes South ²⁸

Hole ID	Easting MGA94 (z50)	Northing MGA94 (z50)	RL	Dip (°)	Azimuth (°)	Total depth (m)	From (m)	To (m)	Intersection (m)	Au (g/t) uncut
BHSRC048	685160	7155629	577	-59	24	162	120	136	16	1.71
BHSRC054	685172	7155561	572	-61	22	222	170	173	3	2.39
BHSRC057	685088	7155433	573	-62	22	72	28	29	1	1.45
BHSRC059	685134	7155435	571	-60	24	60	50	52	2	3.06
BHSRC060	685537	7155573	568	-59	22	138	90	99	9	1.56
BHSRC060							118	119	1	1.13
BHSRC062	685525	7155555	568	-60	23	156	96	97	1	1.56
BHSRC062							121	138	17	1.49
BHSRC064	685543	7155587	568	-60	23	138	81	95	14	2.99
BHSRC064							108	110	2	1.72
BHSRC065	685526	7155603	567	-61	25	120	53	54	1	2.21
BHSRC065							61	66	5	1.38
BHSRC065							70	72	2	5.38
BHSRC065							83	84	1	1.58
BHSRC066	685534	7155619	568	-60	25	114	42	43	1	1.80
BHSRC066							69	73	4	2.99
BHSRC067	685529	7155508	569	-57	22	192	73	76	3	3.89
BHSRC067							90	91	1	1.17
BHSRC067							105	113	8	1.19
BHSRC068	685563	7155580	569	-63	30	156	98	107	9	4.37
BHSRC068							116	118	2	1.12
BHSRC082	685571	7155549	570	-59	25	180	25	26	1	1.69
BHSRC082							124	129	5	2.31
BHSRC082							137	153	16	3.04
BHSRC082							161	162	1	1.75
BHSRC083	685554	7155610	568	-61	23	126	85	88	3	10.86
BHSRC084	685610	7155533	570	-58	24	210	160	166	6	1.34
BHSRC084							174	179	5	1.84
BHSRC087	685648	7155549	569	-58	24	192	144	146	2	5.29
BHSRC091	685241	7155382	568	-61	23	126	31	32	1	1.06
BHSRC091							58	59	1	1.40
BHSRC094	685188	7155628	576	-60	25	174	113	114	1	6.11
BHSRC094							123	134	11	3.27
BHSRC094							139	140	1	3.02
BHSRC095	685172	7155596	574	-61	25	192	151	161	10	3.82
BHSRC096	685214	7155595	574	-60	24	204	149	159	10	1.66
BHSRC097	685203	7155569	573	-60	26	222	0	1	1	3.22
BHSRC097							168	179	11	2.21
BHSRC098	685398	7155619	569	-61	24	162	32	33	1	7.44
BHSRC098							44	46	2	1.27
BHSRC098							124	126	2	2.52
BHSRC098							131	132	1	1.54
BHSRC099	685389	7155600	569	-60	23	234	17	19	2	3.08
BHSRC099							42	50	8	1.48
BHSRC099							142	148	6	2.23
BHSRC100	685433	7155596	568	-61	22	192	23	33	10	3.22
BHSRC100							76	77	1	1.20
BHSRC100							157	160	3	1.43
BHSRC101	685424	7155575	568	-60	27	204	46	47	1	1.79
BHSRC101							174	179	5	3.80
BHSRC102	685561	7155525	570	-61	24	240	46	48	2	6.48
BHSRC102							56	57	1	1.01
BHSRC102							73	74	1	1.21
BHSRC102							130	139	9	1.38
BHSRC102							143	146	3	1.37
BHSRC103	685594	7155505	569	-59	23	222	79	80	1	1.19
BHSRC103							87	88	1	3.70
BHSRC103							145	157	12	1.57
BHSRC104	685241	7155554	573	-59	24	270	190	200	10	2.31

NB. 0.6g/t Au lower grade cut-off, no upper cut-off grade, maximum 3m internal waste, all >1g/t Au intercepts reported.

²⁸ Refer to Alchemy Resources ASX Announcement dated 15 June 2018

REVIEW OF ACTIVITIES

CORPORATE

Entitlement Issue

A pro-rata non-renounceable 1 for 4 Rights Issue of 88,083,896 ordinary fully paid shares at a price of \$0.015 per share was successfully completed in July 2018, raising \$1,321,258 (before costs).

Junior Minerals Exploration Incentive

During the year the Company applied to be a participant in the Federal Government's Junior Mineral Exploration Incentive ("JMEI") scheme for the tax year ending 30 June 2020. On 2 July 2019, the Company received a notification from the Australian Tax Office ("ATO") that its application had been accepted and that it had been allocated up to \$330,000 of JMEI credits.

The JMEI scheme allows entities who are required to lodge a tax return in Australia and who apply for and are issued Shares as part of the Company's capital raising activities between 1 July 2019 and 30 June 2020 ("JMEI Eligible Shareholders") to receive JMEI credits from the ATO. JMEI credits entitle JMEI Eligible Shareholders to refundable tax offsets (for individual shareholders or superannuation funds) or franking credits (for companies). Eligible Shareholders who participated in the Company's recent pro-rata non-renounceable Rights Issue may be entitled to a JMEI credit.

Competent Person's Statement

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 and holds shares and options in the Company. 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.

The information in this report that relates to Mineral Resources at the West Lynn Nickel-Cobalt-Alumina Deposit is based on information compiled by Stephen Godfrey, who is an employee of Resource Evaluation Services Pty Ltd, a consultant to Alchemy Resources Limited. 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.

The information in this report that relates to Mineral Resources at the Hermes South Gold Deposit is based on information compiled by Mr Pascal Blampain, who is an employee of Superior Gold Inc. Mr Blampain is a Member of the Australasian Institute of Mining and Metallurgy, 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 Blampain consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

This report may include forward looking statements. Forward looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of Alchemy. Actual values, results or events may be materially different to those expressed or implied in this report. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward looking statements in this presentation speak only at the date of issue of this presentation. Subject to any continuing obligations under any applicable law and the ASX Listing Rules, Alchemy does not undertake any obligation to update or revise any information or any of the forward looking statements in this presentation of any changes in events, conditions or circumstances on which any such forward looking statement is based.

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Alchemy Resources Limited ("the Company") and its subsidiaries ("the Group" or "the Consolidated Entity") at the end of the year ended 30 June 2019.

DIRECTORS

The following persons were directors of Alchemy Resources Limited during the whole of the financial year and up to the date of this report unless noted otherwise:

Lindsay Dudfield, Non-Executive Chairman

Leigh Ryan, Managing Director

Liza Carpena, Non-Executive Director

Anthony Ho, Non-Executive Director

PRINCIPAL ACTIVITIES

During the year, the principal activity of the Group was exploration for gold, base metals and cobalt. During the year, there was no change in the nature of this activity.

FINANCIAL RESULTS

The consolidated loss of the Group after providing for income tax for the year ended 30 June 2019 was \$390,981 (2018: \$528,830).

DIVIDENDS

No dividends have been paid or declared since the start of the financial year. No recommendation for the payment of a dividend has been made by the Directors.

OPERATIONS AND FINANCIAL REVIEW

Information on the operations of the Group and its prospects is set out in the "Review of Activities" section of this Annual Report.

FINANCIAL

Exploration and evaluation costs totalling \$9,899,844 (2018: \$65,528) were expensed during the year in accordance with the Group's accounting policy. The expensed exploration and evaluation costs primarily comprise a write down of the carrying value of the Group's Bryah Basin Project.

As at 30 June 2019, the Group had net assets of \$5,466,803 (2018: \$14,437,642) including cash and cash equivalents of \$533,886 (2018: \$742,854).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the Group during the financial year were as follows:

A pro-rata non-renounceable 1 for 4 Rights Issue of 88,083,896 ordinary fully paid shares at a price of \$0.015 per share was successfully completed in July 2018, raising \$1,321,258 (before costs).

REVIEW OF ACTIVITIES

During the year a JORC Code 2012 Edition compliant inferred nickel-cobalt resource estimate totalling 21.3Mt @ 0.84% Ni, 0.05% Co, 2.4% Al & 20.0% Fe was completed for the West Lynn and Summervale prospects. A JORC Code 2012 Edition compliant inferred alumina resource estimate totalling 6.6Mt @ 20.8% Al₂O₃ (18% Al₂O₃ lower cut-off) was also completed for the Summervale prospect.

Also during the year, the JORC 2012 compliant resource at Hermes South was upgraded to 2.2Mt @ 1.6g/t for 114,000oz Au.

There were no other significant changes in the state of affairs of the Group during the financial year.

EVENTS SINCE THE END OF THE FINANCIAL YEAR

On 16 September 2019, the Company completed the issue of 110,104,870 new Shares pursuant to a pro-rata non-renounceable entitlement and shortfall offer to eligible shareholders of 1 new Share for every 4 existing Shares held at an issue price of \$0.012 per share raising \$1,321,258 (before costs).

As announced to ASX on 23 September 2019, Sandfire Resources NL (ASX:SFR) has advised the Company that it has exceeded its joint venture earn-in expenditure requirement under the terms of the Bryah Basin Letter Agreement. The Company has completed an audit and agrees that the expenditure has exceeded the earn-in requirement and that Sandfire has earned a 70% interest in the Bryah Basin project tenements owned 80% Alchemy / 20% Jackson Minerals Pty Ltd (a wholly owned subsidiary of Fe Ltd (ASX: FEL)), and an 80% interest in Alchemy's 100% owned tenements.

There has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations, the results of those operations, or the state of affairs of the Group in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Directors are not aware of any developments that might have a significant effect on the operations of the Group in subsequent financial years not already disclosed in this report.

ENVIRONMENTAL REGULATION

The Group is subject to significant environmental regulation in respect of its exploration activities. Tenements in Western Australia and New South Wales are granted subject to adherence to environmental conditions with strict controls on clearing, including a prohibition on the use of mechanised equipment or development without the approval of the relevant Government agencies, and with rehabilitation required on completion of exploration activities. These regulations are controlled by the Department of Mines, Industry Regulation and Safety (*Western Australia*) and the Department of Planning, Industry and Environment (*New South Wales*).

Alchemy Resources Limited conducts its exploration activities in an environmentally sensitive manner and the Group is not aware of any breach of statutory conditions or obligations.

REVIEW OF ACTIVITIES

Greenhouse gas and energy data reporting requirements

The Directors have considered compliance with the *National Greenhouse and Energy Reporting Act 2007* which requires entities to report annual greenhouse gas emissions and energy use. The Directors have assessed that there are no current reporting requirements for the year ended 30 June 2019, however reporting requirements may change in the future.

INFORMATION ON DIRECTORS

The following information is current as at the date of this report.

L Dudfield, Non-Executive Chairman (appointed Director 25 November 2011, Chairman since 1 June 2017)		
Experience and expertise	Mr Dudfield is a qualified geologist with over 40 years' experience exploring for gold and base metals in Australia and abroad, including close involvement with a number of greenfields discoveries. He was a founding director of Jindalee Resources, Alchemy's third largest shareholder, and is currently an Executive Director of Jindalee. Mr Dudfield is a member of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists, the Geological Society of Australia and the Society of Economic Geologists.	
Other current directorships	Executive Director of Jindalee Resources Limited (director since 1996) Non-Executive Director of Energy Metals Limited (director since 2004)	
Former directorships in last 3 years	None	
Special responsibilities	Member of the Audit Committee	
Interests in shares and options	Ordinary Shares – Alchemy Resources Limited	64,909,200
L Ryan, Managing Director (appointed 9 January 2017)		
Experience and expertise	Mr Ryan is a qualified geologist with over 30 years of experience in the exploration and resource industry, specifically focused on project evaluation, exploration management and executive management roles throughout Australia and Africa. He has been involved in the discovery and resource definition of numerous gold and base metal deposits and has successfully negotiated numerous exploration related corporate transactions. Mr Ryan was previously the Managing Director of Chrysalis Resources Limited and Boss Resources Limited, and prior to that was Resolute Mining Limited's Group Exploration Manager for Africa and Australia. He has worked extensively in WA, Queensland, NSW, Zambia, Tanzania, Burkina Faso, Mali, and Cote d'Ivoire. He is also a member of the Australian Institute of Geoscientists and has recently completed a graduate certificate in Mineral Economics at the Curtin School of Business, Western Australia.	
Other current directorships	Non-Executive Director of Peppermint Innovation Limited (formerly Chrysalis Resources Limited) (director since 2014)	
Former directorships in last 3 years	None	
Special responsibilities	Managing Director	
Interests in shares and options	Ordinary Shares – Alchemy Resources Limited Unlisted Options – Alchemy Resources Limited	1,250,000 12,000,000

REVIEW OF ACTIVITIES

L Carpene, Non-Executive Director (appointed 18 March 2015)		
Experience and expertise	Ms Carpene has worked in the resources industry for more than 20 years and has significant experience in acquisitions, corporate administration, HR, legal, IT and stakeholder relations. Ms Carpene spent five years on the Executive Team of Northern Star Resources Limited as Company Secretary and Head of Environment and Social Responsibility ceasing in February 2018. Prior to Northern Star, Ms Carpene was Company Secretary/CFO for listed explorers Venturex Resources and Newland Resources, and previously held various site and Perth based management roles with Great Central Mines, Normandy Mining, Newmont Australia, Agincourt Resources and Oxiana.	
Other current directorships	Non-Executive Director of Mincor Resources NL (appointed 16 April 2018)	
Former directorships in last 3 years	None	
Special responsibilities	Member of the Audit Committee	
Interests in shares and options	Ordinary Shares – Alchemy Resources Limited	Nil

A Ho, Non-Executive Director (appointed 25 November 2011)		
Experience and expertise	Mr Ho is a Chartered Accountant and a partner in a consulting firm focused principally on corporate and financial services to listed companies. He has significant experience in the resource industry, having served as director and secretary of companies listed on ASX.	
Other current directorships	Executive director of Newfield Resources Limited (director since 2011) Non-Executive Director of Australian Agricultural Projects Australia Limited (director since 2003) Non-Executive Director of Mustera Property Group Limited (director since 2014)	
Former directorships in last 3 years	None	
Special responsibilities	Chair of the Audit Committee	
Interests in shares and options	Ordinary Shares – Alchemy Resources Limited	Nil

COMPANY SECRETARY

Mr Bernard Crawford was appointed Company Secretary on 1 December 2010. Mr Crawford is a Chartered Accountant with over 25 years' experience in the resources industry in Australia and overseas. He has held various positions in finance and management with NYSE, TSX and ASX listed companies.

MEETINGS OF DIRECTORS

The number of meetings of the Company's board of directors and of each board committee held during the year ended 30 June 2019, and the numbers of meetings attended by each Director were:

Director	Board of Directors		Audit Committee	
	A	B	A	B
L Dudfield	7	12	2	2
L Ryan	12	12	*	*
L Carpene	12	12	2	2
A Ho	12	12	2	2

A = Number of meetings attended

REVIEW OF ACTIVITIES

B = Number of meetings held during the time the Director held office or was a member of the committee during the year
 * = Not a member of the relevant committee

RETIREMENT, ELECTION AND CONTINUATION IN OFFICE OF DIRECTORS

Mr Ho, being a Director retiring by rotation who, being eligible, will offer himself for re-election at the Annual General Meeting.

REMUNERATION REPORT (AUDITED)

The directors present the Alchemy Resources Limited 2019 remuneration report, outlining key aspects of the Company's remuneration policy and framework, and remuneration awarded this year.

The report contains the following sections:

- a) Key management personnel covered in this report
- b) Remuneration governance and the use of remuneration consultants
- c) Executive remuneration policy and framework
- d) Relationship between remuneration and the Group's performance
- e) Non-executive director remuneration policy
- f) Voting and comments made at the Company's 2018 Annual General Meeting
- g) Details of remuneration
- h) Service agreements
- i) Details of share-based compensation and bonuses
- j) Equity instruments held by key management personnel
- k) Loans to key management personnel
- l) Other transactions with key management personnel

a) Key management personnel covered in this report

Non-executive and executive directors (see pages 33 to 34 for details about each director):

Name	Position
L Dudfield	Non-Executive Chairman
L Ryan	Managing Director
L Carpene	Non-Executive Director
A Ho	Non-Executive Director

b) Remuneration governance and the use of remuneration consultants

The Company does not have a Remuneration Committee. Remuneration matters are handled by the full Board of the Company. In this respect the Board is responsible for:

- the over-arching executive remuneration framework;
- the operation of the incentive plans which apply to executive directors and senior executives (the executive team), including key performance indicators and performance hurdles;
- remuneration levels of executives; and
- non-executive director fees.

REVIEW OF ACTIVITIES

The objective of the Board is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company.

In addition, all matters of remuneration are handled in accordance with the *Corporations Act 2001* requirements, especially with regard to related party transactions. That is, none of the Directors participate in any deliberations regarding their own remuneration or related issues.

Independent external advice is sought from remuneration consultants when required, however no advice was sought during the period ended 30 June 2019.

c) Executive remuneration policy and framework

In determining executive remuneration, the Board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the Company to attract and retain key talent;
- aligned to the Company's strategic and business objectives and the creation of shareholder value;
- transparent and easily understood; and
- acceptable to shareholders.

All executives receive consulting fees or a salary, part of which may be taken as superannuation, and from time to time, options. The Board reviews executive packages annually by reference to the executive's performance and comparable information from industry sectors and other listed companies in similar industries.

All remuneration paid to specified executives is valued at the cost to the Group and expensed. Options are valued using a Black-Scholes option pricing model.

d) Relationship between remuneration and the Group's performance

Emoluments of Directors are set by reference to payments made by other companies of similar size and industry, and by reference to the skills and experience of Directors. Fees paid to Non-Executive Directors are not linked to the performance of the Group. This policy may change once the exploration phase is complete and the Group is generating revenue. At present the existing remuneration policy is not impacted by the Group's performance including earnings and changes in shareholder wealth (e.g. changes in share price).

The Board has not set short term performance indicators, such as movements in the Company's share price, for the determination of Non-Executive Director emoluments as the Board believes this may encourage performance which is not in the long-term interests of the Company and its shareholders. The Board has structured its remuneration arrangements in such a way it believes is in the best interests of building shareholder wealth in the longer term. The Board believes participation in the Company's Incentive Option Scheme motivates key management and executives with the long-term interests of shareholders.

e) Non-Executive Director remuneration policy

On appointment to the Board, all Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including remuneration relevant to the office of director.

REVIEW OF ACTIVITIES

The Board policy is to remunerate Non-Executive Directors at commercial market rates for comparable companies for their time, commitment and responsibilities. Non-Executive Directors receive a Board fee but do not receive fees for chairing or participating on Board committees. Board members are allocated superannuation guarantee contributions as required by law, and do not receive any other retirement benefits. From time to time, some individuals may choose to sacrifice their salary or consulting fees to increase payments towards superannuation.

The maximum annual aggregate Non-Executive Directors' fee pool limit is \$250,000 and was approved by shareholders at the Annual General Meeting held on 22 July 2008.

Fees for Non-Executive Directors are not linked to the performance of the Group. Non-Executive Directors' remuneration may also include an incentive portion consisting of options, subject to approval by shareholders.

f) Voting and comments made at the Company's 2018 Annual General Meeting

Alchemy Resources Limited received more than 97% of "yes" votes on its remuneration report for the 2018 financial year. The Company did not receive any specific feedback at the Annual General Meeting or throughout the year on its remuneration practices.

g) Details of remuneration

The following table shows details of the remuneration received by the Group's key management personnel for the current and previous financial year.

Name	Short-term benefits			Post-employment benefits	Share-based payment	Total	Performance related %
	Salary and fees	Cash bonus	Non-monetary benefit	Super-annuation	Options		
	\$	\$	\$	\$	\$	\$	%
2019							
Directors							
L Dudfield	20,000	-	-	-	-	20,000	-
L Ryan	150,000	-	-	15,200	11,295	176,495	6.4
L Carpene	-	-	-	-	-	-	-
A Ho	19,998	-	-	-	-	19,998	-
Totals	189,998	-	-	15,200	11,295	216,493	
2018							
Directors							
L Dudfield	20,000	-	-	-	-	20,000	-
L Ryan	150,000	50,000 ⁽¹⁾	-	14,250	32,244	246,494	13.1
L Carpene	-	-	-	-	-	-	-
A Ho	19,998	-	-	-	-	19,998	-
Totals	189,998	50,000	-	14,250	32,244	286,492	

(1) Bonus for completion of 12 months service in January 2018. Of this, \$10,000 was payable at 30 June 2018

REVIEW OF ACTIVITIES

h) Service agreements

On appointment to the Board, all Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms of appointment, including remuneration relevant to the office of Director. Remuneration and other terms of employment for other members of key management personnel are formalised in service agreements as summarised below.

L Ryan, Managing Director

Mr Ryan is remunerated pursuant to an ongoing Executive Service Agreement under which he is paid a base salary of \$150,000 plus superannuation. The Executive Service Agreement has no fixed term and either party can terminate the Agreement (without cause) with three months' notice.

i) Details of share-based compensation and bonuses

Options

Options over ordinary shares in Alchemy Resources Limited are granted under the Incentive Option Scheme ("Scheme"). Participation in the Scheme and any vesting criteria are at the Board's discretion and no individual has a contractual right to participate in the Scheme or to receive any guaranteed benefits. Any options issued to Directors of the Company are subject to shareholder approval.

The terms and conditions of each grant of options affecting remuneration in the current or future reporting periods are set out below.

Option series	Grant date	Vesting and exercise date	Expiry date	Exercise price	Value per option at grant date	% Vested
12	9 Jan 2017	8 Jan 2018	8 Jan 2021	\$0.04	\$0.0075	100%
13	9 Jan 2017	8 Jan 2019	8 Jan 2021	\$0.08	\$0.0054	100%
14	9 Jan 2017	8 Jan 2020	8 Jan 2021	\$0.12	\$0.0042	0%

The fair value of options at grant date are independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Further information on the fair value of share options and assumptions is set out in note 22 to the financial statements.

j) Equity instruments held by key management personnel

The following tables detail the number of fully paid ordinary shares and options over ordinary shares in the Company that were held during the financial year by key management personnel of the Group, including their close family members and entities related to them.

REVIEW OF ACTIVITIES

Options

2019	Opening balance (1 July)	Granted as remuneration	Options exercised	Net change other	Balance at 30 June	Vested but not exercisable	Vested and exercisable	Unvested
Executives								
L Ryan	12,000,000	-	-	-	12,000,000	-	8,000,000	4,000,000
	12,000,000	-	-	-	12,000,000	-	8,000,000	4,000,000

During the year, no ordinary shares in the Company were provided as a result of the exercise of remuneration options.

Shareholdings

2019	Opening balance (1 July)	Granted as remuneration	Options exercised	Net change other	Balance at 30 June
Directors					
L Dudfield	37,756,795	-	-	17,665,715	55,422,510
L Ryan	500,000	-	-	500,000	1,000,000
	38,256,795	-	-	18,165,715	56,422,510

k) Loans to key management personnel

There were no loans to individuals or members of key management personnel during the financial year or the previous financial year.

l) Other transactions with key management personnel

The wife of Mr Ryan, the Managing Director, provided geological drafting and data mapping services to the Company to the value of \$4,350 (2018: \$2,235). The services were provided on normal commercial terms and conditions.

There were no other transactions with key management personnel during the financial year or the previous financial year.

END OF REMUNERATION REPORT (AUDITED)

SHARES UNDER OPTION

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Date options granted	Expiry date	Issue price of shares	Number under option
27 November 2017	8 January 2021	\$0.04	4,000,000
27 November 2017	8 January 2021	\$0.08	4,000,000
27 November 2017	8 January 2021	\$0.12	4,000,000
16 April 2018	15 April 2021	\$0.05	10,000,000
			22,000,000

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

REVIEW OF ACTIVITIES

SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were no shares issued on the exercise of options during the year and up to the date of this report.

CORPORATE GOVERNANCE STATEMENT

The Company's 2019 Corporate Governance Statement has been released as a separate document and is located on the Company's website at <http://alchemyresources.com.au/corporate-governance>.

PROCEEDINGS ON BEHALF OF THE CONSOLIDATED ENTITY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company paid a premium to insure the Directors and Officers of the consolidated entity against any liability incurred as a Director or Officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits the disclosure of the nature of the liabilities covered or the amount of the premium paid.

The Group has not entered into any agreement with its current auditors indemnifying them against claims by a third party arising from their position as auditor.

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Details of the amounts paid or payable to the auditor (BDO Audit (WA) Pty Ltd) for audit and non-audit services provided during the year are set out in note 17. During the year ended 30 June 2019 no fees were paid or were payable for non-audit services provided by the auditor of the consolidated entity (2018: \$Nil).

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page.

Signed in accordance with a resolution of the Directors



Lindsay Dudfield
Chairman

Perth, 24 September 2019

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF ALCHEMY RESOURCES LIMITED

As lead auditor of Alchemy Resources Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Alchemy Resources Limited and the entities it controlled during the period.



Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth, 24 September 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Notes	CONSOLIDATED	
		2019 \$	2018 \$
Continuing operations			
Other income	3	14,204	36,111
Corporate expense	3	(148,479)	(172,422)
Employee expense	3	(151,922)	(225,833)
Administration expense	3	(96,126)	(101,158)
Exploration expense	9	(9,899,844)	(65,528)
Loss from continuing operations before income tax		(10,282,167)	(528,830)
Income tax benefit	5	-	-
Loss after income tax for the period attributable to the owners of Alchemy Resources Limited		(10,282,167)	(528,830)
Other comprehensive income		-	-
Other comprehensive income for the period (net of tax)		-	-
Total comprehensive loss for the period attributable to the owners of Alchemy Resources Limited		(10,282,167)	(528,830)
		Cents per share	Cents per share
Loss per share attributable to the owners of Alchemy Resources Limited			
Basic loss per share	16	2.36	0.15
Diluted loss per share	16	N/A	N/A

This Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

		CONSOLIDATED	
		2019	2018
		\$	\$
	Notes		
ASSETS			
Current Assets			
Cash and cash equivalents	6	533,886	742,854
Trade and other receivables	7	13,524	18,392
Other current assets	8	6,241	4,745
Total Current Assets		553,651	765,991
Non-Current Assets			
Exploration and evaluation	9	5,105,234	13,824,978
Property, plant and equipment		2,592	3,496
Total Non-Current Assets		5,107,826	13,828,474
TOTAL ASSETS		5,661,477	14,594,465
LIABILITIES			
Current Liabilities			
Trade and other payables	11	158,675	135,440
Provisions	12	35,999	21,383
Total Current Liabilities		194,674	156,823
TOTAL LIABILITIES		194,674	156,823
NET ASSETS		5,466,803	14,437,642
EQUITY			
Contributed equity	13	32,404,105	31,104,072
Reserves	14	134,452	182,417
Accumulated losses	15	(27,071,754)	(16,848,847)
TOTAL EQUITY		5,466,803	14,437,642

This Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE ENTITY			
	Issued capital	Option reserves	Accumulated losses	Total equity
	\$	\$	\$	\$
At 1 July 2017	30,914,072	525,820	(16,764,664)	14,675,228
Loss for the year	-	-	(528,830)	(528,830)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period, net of tax	-	-	(528,830)	(528,830)
Transactions with owners in their capacity as owners				
Transfer from option reserve to accumulated losses	-	(444,647)	444,647	-
Share-based payment	-	32,244	-	32,244
Issue of shares to Heron Resources	190,000	-	-	190,000
Issue of options to Heron Resources	-	69,000	-	69,000
At 30 June 2018	31,104,072	182,417	(16,848,847)	14,437,642
At 1 July 2018	31,104,072	182,417	(16,848,847)	14,437,642
Loss for the year	-	-	(10,282,167)	(10,282,167)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period, net of tax	-	-	(10,282,167)	(10,282,167)
Transactions with owners in their capacity as owners				
Issue of shares	1,321,258	-	-	1,321,258
Share issue costs	(21,225)	-	-	(21,225)
Share-based payment	-	11,295	-	11,295
Expiry of options	-	(59,260)	59,260	-
At 30 June 2019	32,404,105	134,452	(27,071,754)	5,466,803

This Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

		CONSOLIDATED	
		2019	2018
		\$	\$
	Notes		
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(391,564)	(442,656)
Interest received		14,204	26,862
NET CASH FLOWS USED IN OPERATING ACTIVITIES	23	(377,360)	(415,794)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-	(3,773)
Payments for exploration assets		(1,131,641)	(834,258)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(1,131,641)	(838,031)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		1,321,258	-
Share issue costs		(21,225)	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		1,300,033	-
Net increase/(decrease) in cash and cash equivalents		(208,968)	(1,253,825)
Cash and cash equivalents at beginning of the period		742,854	1,996,679
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	6	533,886	742,854

This Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: CORPORATE INFORMATION

The consolidated financial report of Alchemy Resources Limited for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the directors on 24 September 2019.

Alchemy Resources Limited is a for-profit company incorporated in Australia and limited by shares which are publicly quoted on the Australian Securities Exchange. The nature of the operation and principal activities of the consolidated entity are described in the attached Directors' Report.

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below and have been applied consistently to all periods presented in the consolidated financial statements and by all entities in the consolidated entity.

NOTE 2: STATEMENT OF COMPLIANCE

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

Compliance with IFRS

The consolidated financial statements of Alchemy Resources Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

New and amended accounting standards and interpretations adopted by the Group

The following standards and interpretations relevant to the operations of the Group and effective from 1 July 2018 have been adopted. The adoption of these standards did not have any impact on the current period or any prior period and is not likely to affect future periods.

AASB 9: *Financial Instruments*;

AASB 15: *Revenue from Contracts with Customers*; and

AASB 2016-5: *Amendments to Australian Accounting Standards - Classification and Measurement of Share-based Payment Transactions*.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group. Details of each standards' impact, and the new accounting policies adopted are set out below.

Impact of adoption of AASB 9: Financial Instruments ("AASB 9")

AASB 9 replaces the provisions of AASB 139: *Financial Instruments: Measurement and Recognition*, that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of AASB 9 resulted in minimal changes in accounting policies. There was no impact on the financial performance or position of the Group on the date of initial application, 1 July 2018, or at the reporting date, 30 June 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Impact of adoption of AASB 15: Revenue from Contracts with Customers (“AASB 15”)

AASB 15 replaces AASB 118 *Revenue*. AASB 15 provides a single, principles based five step model to be applied to all contracts with customers.

The adoption of AASB 15 resulted in minimal changes in accounting policies. There was no impact on the financial performance or position of the Group on the date of initial application, 1 July 2018, or at reporting date, 30 June 2019.

New accounting standards and interpretations

The following new and amended accounting standards and interpretations relevant to the operations of the Group have been published but are not mandatory for the current financial year. The Group has decided against early adoption of these standards, and has not yet determined the potential impact on the financial statements from the adoption of these standards and interpretations.

New or revised requirement	Application date of standard	Application date for Group
<p>AASB 16: <i>Leases</i></p> <p>This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.</p> <p>The entity is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.</p>	1 Jan 2019	1 Jul 2019

a) Basis of measurement

Historical Cost Convention

These consolidated financial statements have been prepared under the historical cost convention, except where stated.

Critical Accounting Estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed where appropriate.

b) Going Concern

These consolidated financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

On 16 September 2019, the Company completed the issue of 110,104,870 new Shares pursuant to a pro-rata non-renounceable entitlement and shortfall offer to eligible shareholders of 1 new Share for every 4 existing Shares held at an issue price of \$0.012 per share raising \$1,321,258 (before costs).

c) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2019 and the results of all subsidiaries for the year then ended. The Company and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its investment with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The acquisition method of accounting is used to account for business combinations by the Group.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated Statement of Profit or Loss and Other Comprehensive Income, consolidated statement of financial position and the consolidated statement of changes in equity respectively.

d) Critical accounting judgements and key sources of estimation uncertainty

The application of accounting policies requires the use of judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

e) Functional and presentation currency

The consolidated financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

f) Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

NOTE 3: REVENUE AND EXPENSES

	CONSOLIDATED	
	2019 \$	2018 \$
Other income		
Interest	14,204	26,661
Other	-	9,450
Total other income	14,204	36,111
Expenses		
<i>Employee expense</i>		
Employee benefit and director compensation expense	134,611	189,188
Expense of share-based payments (note 22)	11,295	32,244
Other employee expenses	6,016	4,401
Total employee expense	151,922	225,833
<i>Administration expense</i>		
Depreciation	904	1,478
Occupancy	21,819	24,239
Other administration expenses	73,403	75,441
Total administration expense	96,126	101,158

Revenue is recognised at an amount that reflects the consideration to which the Group expects to be entitled to in exchange for transferring services to a customer. Revenue and expenses are recognised on an accruals basis.

Interest income is recognised on a time proportion basis using the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4: SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Alchemy Resources Limited.

The Group operates in one geographical segment, being Australia and in one operating category, being mineral exploration. Therefore, information reported to the chief operating decision maker (the Board of Alchemy Resources Limited) for the purposes of resource allocation and performance assessment is focused on mineral exploration within Australia.

NOTE 5: INCOME TAX

Major components of income tax expense are as follows:

	CONSOLIDATED	
	2019 \$	2018 \$
Consolidated Statement of Profit or Loss and Other Comprehensive Income		
<i>Current income tax</i>		
At the rate of 30% (2018: 27.5%)	-	-
Current income tax charge	-	-
<i>Deferred income tax</i>		
Relating to origination and reversal of temporary differences	-	-
Utilisation of prior year tax losses	-	-
Income tax expense/(benefit) reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	-	-

A reconciliation of income tax expense/(benefit) applicable to accounting profit/(loss) before income tax at the statutory income tax rate to income tax expense/(benefit) at the Company's effective income tax is as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5: INCOME TAX (Continued)

	CONSOLIDATED	
	2019 \$	2018 \$
Accounting loss from continuing operations before income tax	(10,282,167)	(528,831)
At the statutory income tax rate of 27.5% (2018: 27.5%)	(3,084,650)	(145,428)
<i>Add:</i>		
- Non-deductible expenses	63	3,092
- Other deductible expenses	(6,302)	-
- Share-based payment	3,389	8,867
- Tax loss not brought to account as a deferred tax asset	3,019,264	137,616
- Capital raising costs	(3,764)	(4,147)
Income tax expense/(benefit) reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	-	-

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5: INCOME TAX (Continued)

Deferred income tax

	CONSOLIDATED	
	2019 \$	2018 \$
Recognised on the Statement of Financial Position		
Deferred income tax at the end of the reporting period relates to the following:		
<i>Deferred income tax liabilities</i>		
- Capitalised expenditure deductible for tax purposes	1,439,544	3,717,512
- Trade and other receivables	1,872	1,305
	1,441,416	3,718,817
<i>Deferred income tax assets</i>		
- Trade and other payables	(6,601)	(5,376)
- Employee benefits	(10,800)	(6,382)
- Capitalised expenditure non-deductible for tax purposes	(12,344)	(13,524)
- Tax losses available to offset DTL	(1,411,671)	(3,693,535)
Net deferred tax asset/(liability)	-	-

Tax consolidation

The Company and its 100% owned controlled entities have formed a tax consolidated group. The head entity of the tax consolidated group is Alchemy Resources Limited.

Alchemy Resources is no longer considered a base rate entity for income tax purposes and is therefore subject to income tax at a rate of 30% (2018: 27.5%).

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

At 30 June 2019, Alchemy Resources Limited had \$30,714,317 (2018: \$30,248,137) of tax losses that are available indefinitely for offset against future taxable profits subject to satisfaction of the loss tests. No deferred tax asset has been recognised in the Consolidated Statement of Financial Position in respect of the amount of either these losses or other deferred tax expenses. Should the Company not satisfy the Continuity of Ownership Test, the Company will be able to utilise the losses to the extent that it satisfies the Same Business Test.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6: CASH AND CASH EQUIVALENTS

	CONSOLIDATED	
	2019 \$	2018 \$
Cash at bank and on hand	517,386	126,354
Deposits at call	16,500	616,500
	533,886	742,854

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of six months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The weighted average interest rate for the year was 0.92% (2018: 1.72%).

The Group's exposure to interest rate risk is set out in note 21. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

NOTE 7: TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	2019 \$	2018 \$
Current		
GST receivable	13,524	18,273
Other	-	119
	13,524	18,392

Trade receivables are normally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Trade and other receivables are recognised at amortised cost using the effective interest rate method, less any allowance for expected credit losses.

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. For trade and other receivables, the Group applies the simplified approach permitted by AASB 9 to determine any allowances for expected credit losses, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience. The amounts held in trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these trade and other receivables, it is expected that the amounts will be received when due.

The Group's financial risk management objectives and policies are set out in Note 21.

Due to the short-term nature of these receivables their carrying value is assumed to approximate their fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8: OTHER CURRENT ASSETS

	CONSOLIDATED	
	2019	2018
	\$	\$
Prepayments	6,241	4,745
	6,241	4,745

NOTE 9: EXPLORATION AND EVALUATION

	CONSOLIDATED	
	2019	2018
	\$	\$
Opening balance	13,824,978	12,759,016
Exploration expenditure incurred during the year	1,180,100	1,131,490
Exploration expenditure written off	(9,899,844)	(65,528)
Closing balance	5,105,234	13,824,978

Following a review of the Group's tenements, the Directors wrote down the carrying value of its Bryah Basin Project by \$9,891,186. The remaining write down of \$8,658 relates to charges for tenements not granted at reporting date.

Exploration and evaluation expenditure, including the costs of acquiring licences and permits, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- i) the expenditures are expected to be recouped through successful development and exploitation or from sale of the area of interest; or
- ii) activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability, and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of minerals in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mineral property and development assets within property, plant and equipment.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9: EXPLORATION AND EVALUATION (Continued)

Significant estimate and judgement

There is some subjectivity involved in the carry forward of capitalised exploration and evaluation expenditure or, where appropriate, the write off to the Statement of Profit or Loss and Other Comprehensive Income, however management give due consideration to areas of interest on a regular basis and are confident that decisions to either write off or carry forward such expenditure fairly reflect the prevailing situation.

NOTE 10: SUBSIDIARIES

Details of the Company's subsidiaries are as follows:

Subsidiary	Principal activity	Country of incorporation	Proportion of ownership	
			2019	2018
Alchemy Resources (Murchison) Pty Ltd	Exploration	Australia	100%	100%
Alchemy Resources (Three Rivers) Pty Ltd	Exploration	Australia	100%	100%
Goldtribe Corporation Pty Ltd	Exploration	Australia	100%	100%
Alchemy Resources (NSW) Pty Ltd	Exploration	Australia	100%	100%

NOTE 11: TRADE AND OTHER PAYABLES

Trade creditors and accruals

CONSOLIDATED	
2019	2018
\$	\$
158,675	135,440

NOTE 12: PROVISIONS

Current
Employee benefits

CONSOLIDATED	
2019	2018
\$	\$
35,999	21,383

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months, are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

The obligations are presented as current liabilities in the Statement of Financial Position of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13: CONTRIBUTED EQUITY

a) Share capital

	CONSOLIDATED	
	2019	2018
	\$	\$
Ordinary shares fully paid	32,404,105	31,104,072

b) Movements in ordinary shares on issue

	CONSOLIDATED	
	Number	\$
	Balance at 1 July 2017	342,335,585
Issue of shares to Heron Resources Limited	10,000,000	190,000
Balance at 30 June 2018	352,335,585	31,104,072
Non-renounceable issue to shareholders ⁽¹⁾	88,083,896	1,321,258
Share issue costs	-	(21,225)
Balance at 30 June 2019	440,419,481	32,404,105

(1) On 23 July 2018 the Company completed the issue of 88,083,896 new Shares pursuant to a pro-rata non-renounceable entitlement and shortfall offer ("Issue") to eligible shareholders of 1 new Share for every 4 existing Shares held at an issue price of \$0.015 per share.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Ordinary shares have the right to receive dividends as declared, and in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid upon on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

c) Movements in options on issue

	CONSOLIDATED	
	2019	2018
	Number	Number
Balance at beginning of the financial year	29,500,000	10,500,000
Options granted	-	22,000,000
Options expired	(7,500,000)	(3,000,000)
Balance at end of the financial year	22,000,000	29,500,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 14: RESERVES

	CONSOLIDATED	
	2019	2018
	\$	\$
Options reserve		
Opening balance	182,417	525,820
Option expense	11,295	101,244
Expiry of options	(59,260)	-
Transfer from option reserve to accumulated losses	-	(444,647)
Balance at the end of the financial year	134,452	182,417

The options reserve is used to recognise the fair value of options issued to directors, employees and contractors.

NOTE 15: ACCUMULATED LOSSES

	CONSOLIDATED	
	2019	2018
	\$	\$
Balance at the beginning of the financial year	(16,848,847)	(16,764,664)
Net loss attributable to members	(10,282,167)	(528,830)
Transfer from option reserve to accumulated losses	59,260	444,647
Balance at the end of the financial year	(27,071,754)	(16,848,847)

NOTE 16: EARNINGS PER SHARE

	CONSOLIDATED	
	2019	2018
	Cents	Cents
Basic loss per share	2.36	0.15
Diluted loss per share	N/A	N/A

The following reflects the income and share data used in the calculations of basic and diluted loss per share:

	CONSOLIDATED	
	2019	2018
	\$	\$
Profits/(losses) used in calculating basic and diluted earnings per share	(10,282,167)	(528,830)

	CONSOLIDATED	
	2019	2018
	Number	Number
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	434,868,989	344,390,380

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 16: EARNINGS PER SHARE (Continued)

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

NOTE 17: AUDITOR'S REMUNERATION

Audit services
BDO Audit (WA) Pty Ltd
- Audit and review of the financial reports
Total remuneration

	CONSOLIDATED	
	2019 \$	2018 \$
	28,000	23,892
	28,000	23,892

NOTE 18: CONTINGENT ASSETS AND LIABILITIES

The Group had contingent assets at 30 June 2019 in respect of:

Future royalty payments

In March 2015, Alchemy completed a Sale and Purchase Agreement with Northern Star Resources Limited ("Northern Star") whereby the tenement containing the Hermes gold resource and adjacent tenements were acquired by Northern Star ("Hermes Tenements").

In October 2016, Northern Star completed the sale of its Plutonic gold operations, which included the Hermes Tenements to Billabong Gold Pty Ltd.

Alchemy retains a 1% of Net Smelter Return Royalty payable on refined gold recovered from the Hermes Tenements in excess of 70,000oz and up to 90,000oz.

There are no other material contingent assets or liabilities as at 30 June 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 19: EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 16 September 2019, the Company completed the issue of 110,104,870 new Shares pursuant to a pro-rata non-renounceable entitlement and shortfall offer to eligible shareholders of 1 new Share for every 4 existing Shares held at an issue price of \$0.012 per share raising \$1,321,258 (before costs).

As announced to ASX on 23 September 2019, Sandfire Resources NL (ASX:SFR) has advised the Company that it has exceeded its joint venture earn-in expenditure requirement under the terms of the Bryah Basin Letter Agreement. The Company has completed an audit and agrees that the expenditure has exceeded the earn-in requirement and that Sandfire has earned a 70% interest in the Bryah Basin project tenements owned 80% Alchemy / 20% Jackson Minerals Pty Ltd (a wholly owned subsidiary of Fe Ltd (ASX: FEL)), and an 80% interest in Alchemy's 100% owned tenements.

There have been no other events subsequent to reporting date which are sufficiently material to warrant disclosure.

NOTE 20: COMMITMENTS

In order to maintain an interest in the exploration tenements in which the Group is involved, the Group is committed to meet the conditions under which the tenements were granted. The timing and amount of exploration expenditure commitments and obligations of the Group are subject to the minimum expenditure commitments required as per the *Mining Act 1978*, as amended, and may vary significantly from the forecast based upon the results of the work performed which will determine the prospectivity of the relevant area of interest. Currently, the minimum expenditure commitments for the granted tenements are \$790,500 (2018: \$1,938,976) per annum.

Commitments in relation to the lease of office premises are payable as follows:

	CONSOLIDATED	
	2019	2018
	\$	\$
Within one year	6,957	7,707
Later than one year but not later than five years	-	-
Later than five years	-	-
	6,957	7,707

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 21: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial Risk Management

Overview

The Group has exposure to the following risks from their use of financial instruments:

Interest rate risk

Credit risk

Liquidity risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's principal financial instruments are tabled below.

	CONSOLIDATED	
	2019 \$	2018 \$
Financial assets		
<i>Current</i>		
Cash and cash equivalents	533,886	742,854
Trade and other receivables	533,886	742,854
Financial liabilities		
<i>Current</i>		
Trade and other payables	158,675	135,440
	158,675	135,440

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from fluctuations in interest bearing financial assets and liabilities that the Group uses.

Interest bearing assets comprise cash and cash equivalents which are considered to be short-term liquid assets. It is the Group's policy to settle trade payables within the credit terms allowed and therefore not incur interest on overdue balances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 21: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

The following tables set out the carrying amount, by maturity, of the financial instruments that are exposed to interest rate risk:

	Floating interest rate \$	Fixed interest rate maturing in			Non- interest bearing \$	Total \$
		1 year or less \$	Over 1 to 5 years \$	More than 5 years \$		
Consolidated 2019						
Financial assets						
Cash and cash equivalents	516,967	16,500	-	-	419	533,886
	516,967	16,500	-	-	419	533,886
Weighted average interest rate	0.42%	2.55%	-	-	-	-
Financial liabilities						
Trade and other payables	-	-	-	-	158,675	158,675
	-	-	-	-	158,675	158,675
Weighted average interest rate	-	-	-	-	-	-
Consolidated 2018						
Financial assets						
Cash and cash equivalents	124,630	616,500	-	-	1,724	742,854
	124,630	616,500	-	-	1,724	742,854
Weighted average interest rate	0.52%	2.21%	-	-	-	-
Financial liabilities						
Trade and other payables	-	-	-	-	135,440	135,440
	-	-	-	-	135,440	135,440
Weighted average interest rate	-	-	-	-	-	-

Sensitivity analysis for interest rate exposure

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below:

	2019 \$	2018 \$
Impact on profit/(loss) and equity		
Increase of 100 basis points	15,418	15,501
Decrease of 100 basis points	(15,418)	(15,501)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 21: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. The Group trades only with recognised, creditworthy third parties. It is the Group policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The maximum exposure to credit risk is the carrying value of the receivable, net of any provision for doubtful debts.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. This risk is minimised by reviewing term deposit accounts from time to time with approved banks of a sufficient credit rating which is -AA and above.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk is tabled below:

	CONSOLIDATED	
	2019 \$	2018 \$
Cash and cash equivalents	533,886	742,854
	533,886	742,854

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 21: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

The Group's objective is to maintain a balance between continuity of funding and flexibility. The following are the contractual maturities of financial liabilities:

	Less than 6 months \$	Contractual cash flows \$	Carrying amount \$
Consolidated - 2019			
Trade and other payables	158,675	158,675	158,675
	158,675	158,675	158,675
Consolidated - 2018			
Trade and other payables	135,440	135,440	135,440
	135,440	135,440	135,440

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The management of the Group's capital is performed by the Board.

The capital structure of the Group consists of net debt (trade and other payables and provisions detailed in notes 11 and 12 offset by cash and bank balances) and equity of the Group (comprising issued capital, reserves, offset by accumulated losses detailed in notes 13, 14 and 15).

The Group is not subject to any externally imposed capital requirements. None of the Group's entities are subject to externally imposed capital requirements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 22: SHARE-BASED PAYMENTS

a) Share option plan

The Group has an Incentive Option Scheme ("Scheme") for executives and employees of the Group. In accordance with the provisions of the Scheme, as approved by shareholders at a previous annual general meeting, executives and employees may be granted options at the discretion of the directors.

Each share option converts into one ordinary share of Alchemy Resources Limited on exercise. No amounts are paid or are payable by the recipient on receipt of the option. The options carry neither rights of dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

Options issued to directors are not issued under the Scheme but are subject to approval by shareholders.

The following share-based payment arrangements were in existence during the reporting period:

Option series	Number	Grant date	Expiry date	Vesting date	Exercise price	Fair value at grant date
12	4,000,000	9 Jan 2017	8 Jan 2021	8 Jan 2018	\$0.04	\$0.0075
13	4,000,000	9 Jan 2017	8 Jan 2021	8 Jan 2019	\$0.08	\$0.0054
14	4,000,000	9 Jan 2017	8 Jan 2021	8 Jan 2020	\$0.12	\$0.0042
15	10,000,000	16 Apr 2018	15 Apr 2021	Immediate	\$0.05	\$0.0069

Fair value of share options granted during the year

The fair value of share options at grant date are determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share and the risk free rate for the term of the option. The fair value of share options expensed during the year was \$11,295 (2018: \$32,244)

The fair value of options granted is recognised as an employee benefits expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options.

b) Movements in share options during the year

Movement in the number of share options held by directors, employees and advisors:

	2019		2018	
	No. of options	Weighted average exercise price (\$)	No. of options	Weighted average exercise price (\$)
Outstanding at the beginning of the year	29,500,000	0.07	10,500,000	0.11
Granted during the year	-	-	22,000,000	0.07
Expired during the year	(7,500,000)	0.15	(3,000,000)	0.15
Outstanding at the end of the year	22,000,000	0.07	29,500,000	0.07
Exercisable at the end of the year	18,000,000	0.05	21,500,000	0.07

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 22: SHARE-BASED PAYMENTS (Continued)

The weighted average remaining contractual life of share options outstanding at the end of the year was 1.65 years (2018: 1.72 years).

c) Share options outstanding at the end of the year

Share options issued and outstanding at the end of the year have the following exercise prices:

Expiry date	Exercise price (\$)	2019 (number)	2018 (number)
31 May 2019	0.10	-	7,500,000
8 January 2021	0.04	4,000,000	4,000,000
8 January 2021	0.08	4,000,000	4,000,000
8 January 2021	0.12	4,000,000	4,000,000
15 April 2021	0.05	10,000,000	10,000,000
		22,000,000	29,500,000

NOTE 23: RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	CONSOLIDATED	
	2019 \$	2018 \$
Cash flows from operating activities		
Loss for the period	(10,282,167)	(528,830)
<i>Non-cash flows in profit/(loss):</i>		
- Depreciation	904	1,478
- Share-based remuneration	11,295	32,244
- Exploration expenditure write-off	9,899,844	65,528
<i>Change in assets and liabilities:</i>		
- Decrease/(increase) in trade receivables	1,801	5,308
- Decrease/(increase) in prepayments	(1,496)	(4,745)
- Increase/(decrease) in trade creditors and accruals	(20,330)	(178)
- Increase/(decrease) in provisions	12,789	13,401
Net cash used in operating activities	(377,360)	(415,794)
Non-cash investing and financing activities		
Acquisition of tenements through issue of shares and options	-	259,000
	-	259,000

During the year ended 30 June 2018, the Company issued 10,000,000 shares and 10,000,000 unlisted options to Heron Resources Limited ("Heron") as consideration for the inclusion of the West Lynn and Woodsreef licences into the Joint Venture Agreement with Heron.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 24: RELATED PARTY DISCLOSURE

a) Parent entity

	Class	Country of incorporation	Investment at cost	
			2019 (\$)	2018 (\$)
Alchemy Resources Limited	Ordinary	Australia	-	-

b) Subsidiaries

	Class	Country of incorporation	Investment at cost	
			2019 (\$)	2018 (\$)
Alchemy Resources (Murchison) Pty Ltd	Ordinary	Australia	100	100
Alchemy Resources (Three Rivers) Pty Ltd	Ordinary	Australia	100	100
Goldtribe Corporation Pty Ltd	Ordinary	Australia	1	1
Alchemy Resources (NSW) Pty Ltd	Ordinary	Australia	1	1

c) Key management personnel compensation

	CONSOLIDATED	
	2019 \$	2018 \$
Short-term employee benefits	189,998	189,998
Post-employment benefits	15,200	14,250
Bonus payment	-	50,000
Share-based payments	11,295	32,244
	216,493	286,492

Detailed remuneration disclosures are provided in the remuneration report on pages 35 to 39.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 25: PARENT ENTITY DISCLOSURE

	CONSOLIDATED	
	2019 \$	2018 \$
Financial Performance		
Loss for the year	1,517,730	1,562,694
Other comprehensive income	-	-
Total comprehensive loss	1,517,730	1,562,694
Financial Position		
ASSETS		
Current assets	546,851	755,353
Non-current assets	4,880	5,784
TOTAL ASSETS	551,731	761,137
LIABILITIES		
Current liabilities	116,301	119,305
TOTAL LIABILITIES	116,301	119,305
NET ASSETS	435,430	641,832
EQUITY		
Issued equity	32,404,105	31,104,072
Reserves	134,452	182,417
Accumulated losses	(32,103,127)	(30,644,657)
TOTAL EQUITY	435,430	641,832

No guarantees have been entered into by Alchemy Resources Limited in relation to the debts of its subsidiaries. Alchemy Resources Limited had no expenditure commitments as at 30 June 2019 other than the commitment in relation to the lease of office premises as disclosed in note 20.

DIRECTORS' DECLARATION

The directors of Alchemy Resources Limited declare that:

- a) in the directors' opinion, the financial statements and notes set out on pages 42 to 67 and the Remuneration Report in the Directors' Report are in accordance with the *Corporations Act 2001*, including:
 - i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and its performance, for the financial year ended on that date; and
 - ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), *Corporations Regulations 2001* and mandatory professional reporting requirements.
- b) the financial statements also comply with International Financial Reporting Standards as disclosed in note 2; and
- c) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* by the Managing Director and Chief Financial Officer for the financial year ended 30 June 2019.

Signed in accordance with a resolution of the directors

A handwritten signature in black ink that reads 'Lindsay Dudfield' followed by a period.

Lindsay Dudfield
Chairman

Perth, Western Australia

24 September 2019

INDEPENDENT AUDITOR'S REPORT

To the members of Alchemy Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Alchemy Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying Value of Exploration and Evaluation Asset

Key audit matter	How the matter was addressed in our audit
<p>At 30 June 2019, the carrying value of the exploration and evaluation asset is disclosed in Note 9. During the year, an impairment was charged to the asset as per Note 9.</p> <p>Refer to Note 9 of the Financial Report for a description of the accounting policy and significant judgement applied to capitalised exploration and evaluation expenditure.</p> <p>The recoverability of exploration and evaluation expenditure requires significant judgement by management in determining whether there are any facts or circumstances that exist to suggest that the carrying amount of the asset may exceed its recoverable amount. Due to the quantum of this impairment, and the significant management judgements involved, this was considered a key audit matter.</p>	<p>Our audit procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Considering the basis of the impairment and methods used by management in determining the amount of impairment to charge; • Holding discussions with management to gain an understanding of the strategic rationale behind the various farm-out arrangements; • Assessing other observable indicators of the recoverable amount, including the market capitalisation of the group; • Assessing the adequacy of the related disclosures in Note 9 to the Financial Report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 35 to 39 of the annual report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Alchemy Resources Limited, for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Glyn O'Brien', written over a faint 'BDO' watermark.

Glyn O'Brien

Director

Perth, 24 September 2019

ADDITIONAL SHAREHOLDER INFORMATION AS AT 23 SEPTEMBER 2019

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows.

Distribution of Holders of Equity Securities

Shares held	Shareholders
1 to 1,000	144
1,001 to 5,000	171
5,001 to 10,000	137
10,001 to 100,000	472
100,001 and over	356
Total	1,280

The number of holders of less than a marketable parcel of ordinary fully paid shares is 724.

Substantial Shareholders

Substantial shareholders (i.e. shareholders who hold 5% or more of the issued capital):

	Number of shares	Percentage held
Northern Star Resources Limited	78,125,000	14.19
LG Dudfield Pension Fund	44,836,090	8.14
Rossdale Superannuation Pty Ltd	33,250,001	6.04

Voting Rights

a) Ordinary shares

Each shareholder is entitled to receive notice of and attend and vote at general meetings of the Company. At a general meeting, every shareholder present in person or by proxy, representative of attorney will have one vote on a show of hands and on a poll, one vote for each share held.

b) Options

No voting rights.

Quoted Securities on Issue

The Company has 550,524,351 quoted shares on issue. No options on issue by the Company are quoted.

On-Market Buy Back

There is no current on-market buy back.

ADDITIONAL SHAREHOLDERS INFORMATION

Unquoted Equity Securities

	Number of shares	Number of holders
Options exercisable at \$0.04 on or before 8 January 2021	4,000,000	1
Options exercisable at \$0.08 on or before 8 January 2021	4,000,000	1
Options exercisable at \$0.12 on or before 8 January 2021	4,000,000	1
Options exercisable at \$0.05 on or before 15 April 2021	10,000,000	1

Twenty Largest Holders of Quoted Ordinary Shares

Shareholder	Number of shares	Percentage held
Northern Star Resources Limited	78,125,000	14.19
LG Dudfield Pension Fund	44,836,090	8.14
Rossdale Superannuation Pty Ltd	33,250,001	6.04
TBB NSW Pty Ltd	22,732,500	4.13
Dr Stephen Garth Nordstrom	20,000,000	3.63
Jindalee Resources Limited	17,469,759	3.17
Mr Christopher Paul Lewis	14,100,415	2.56
Grandor Pty Ltd	12,323,689	2.24
Jetosea Pty Ltd	12,208,520	2.22
Heron Resources Limited	12,000,000	2.18
Mr Eric Anthony Bennik	9,685,240	1.76
Kale Capital Corporation Limited	9,587,750	1.74
New Greenwich Pty Ltd	8,333,333	1.51
Dr Colin Rose	8,150,397	1.48
Cardinal Management Services Pty Ltd	5,893,602	1.07
Netwealth Investments Ltd	4,816,666	0.87
MKM Superannuation Pty Ltd	4,000,000	0.73
Honker Pty Ltd	3,580,000	0.65
Mrs Stella Emily Downey	3,467,750	0.63
Girdis Superannuation Pty Ltd	3,333,333	0.61
	327,894,045	59.56

TENEMENT SCHEDULE

Project/Tenement	Location/Status	Interest	Co-Holder	Notes
Bryah Basin Project	Western Australia			
E52/1668	Granted	10%	Jackson / Billabong / Sandfire	1, 2, 3
E52/1678	Granted	10%	Jackson / Billabong / Sandfire	1, 2, 3
E52/1722	Granted	10%	Jackson / Sandfire	1, 2
E52/1723-l	Granted	20%	Billabong / Sandfire	2, 4, 5
E52/1730	Granted	10%	Jackson / Billabong / Sandfire	1, 2, 3
E52/1731	Granted	20%	Billabong / Sandfire	2, 4
E52/1810	Granted	20%	Sandfire	2
E52/1852	Granted	20%	Billabong	4
E52/2360	Granted	20%	Sandfire	2, 6
E52/2362	Granted	20%	Billabong / Sandfire	2, 4, 6
E52/3292	Granted	20%	Sandfire	2
E52/3358	Transfer	20%	Sandfire	2
E52/3359	Transfer	20%	Sandfire	2
E52/3405	Granted	20%	Billabong / Sandfire	2, 4
E52/3406	Granted	20%	Billabong / Sandfire	2, 4
E52/3407	Granted	20%	Sandfire	2
E52/3408	Granted	20%	Billabong / Sandfire	2, 4
E52/3409	Granted	20%	Sandfire	2
E52/3472	Granted	20%	Sandfire	2
E52/3475	Granted	20%	Sandfire	2
M52/722	Granted	20%	Billabong / Sandfire	2, 4, 6
M52/723	Granted	20%	Billabong / Sandfire	2, 4, 6
M52/737	Granted	20%	Billabong	4, 6
M52/795	Granted	20%	Billabong / Sandfire	2, 4, 6
M52/844-l	Granted	20%	Sandfire	2, 6
M52/1049	Granted	20%	Billabong	4, 6
P52/1425	Granted	20%	Sandfire	2
P52/1427	Granted	20%	Sandfire	2
P52/1428	Granted	20%	Sandfire	2
P52/1429	Granted	20%	Billabong	4
P52/1467	Granted	20%	Sandfire	2
P52/1468	Granted	20%	Sandfire	2
P52/1469	Granted	20%	Sandfire	2
P52/1470	Granted	20%	Sandfire	2
P52/1531	Granted	20%	Sandfire	2
P52/1532	Granted	20%	Sandfire	2
P52/1533	Granted	20%	Sandfire	2
P52/1534	Granted	20%	Sandfire	2
P52/1535	Granted	20%	Sandfire	2
P52/1538	Granted	10%	Jackson / Billabong	1, 4
P52/1539	Granted	10%	Jackson / Billabong	1, 4
P52/1540	Transfer	20%	Sandfire	2
P52/1541	Transfer	20%	Sandfire	2
P52/1565	Granted	20%	Sandfire	2

TENEMENT SCHEDULE

Project/Tenement	Location/Status	Interest	Co-Holder	Notes
P52/1566	Granted	20%	Sandfire	2
P52/1567	Granted	20%	Sandfire	2
P52/1568	Granted	20%	Sandfire	2
P52/1572	Granted	20%	Sandfire	2, 6
P52/1577	Granted	20%	Billabong	4, 6
Karonie Project	Western Australia			
E28/2575	Granted	100%		7
E28/2576	Granted	100%		7
E28/2601	Granted	100%		7
E28/2619	Granted	100%		7
E28/2643	Granted	100%		7
E28/2657	Granted	100%		7
E28/2667	Granted	100%		7
E28/2668	Granted	100%		7
E28/2681	Granted	100%		7
E28/2752	Granted	100%		7
E28/2818	Appl. pending	-		7
E28/2821	Appl. pending	-		7
E28/2824	Appl. pending	-		7
E28/2880	Granted	100%		7
E28/2940	Appl. pending	-		7
Lachlan Projects	New South Wales			
EL5878 - Overflow	Granted	51%	Heron Resources	8
EL7941 - Overflow	Granted	51%	Heron Resources	8
EL8267 - Overflow Nth	Granted	51%	Heron Resources	8
EL8356 - Yellow Mtn	Granted	51%	Heron Resources	8
EL8192 - Eurow	Granted	51%	Heron Resources	8
EL8318 - Girilambone	Granted	51%	Heron Resources	8
EL8631 - West Lynn	Granted	51%	Heron Resources	8
EL8711 - Woodsreef	Granted	51%	Heron Resources	8

Notes:

- Jackson Minerals Pty Ltd, a subsidiary of Fe Ltd (ASX: FEL), retains a 20% interest free-carried to a decision to mine.
- Sandfire Resources NL (ASX: SFR) holds a 70-80% interest (excludes iron ore) in whole or part tenements, with Alchemy free-carried up to completion of a pre-feasibility study.
- Billabong Gold Pty Ltd (a wholly owned subsidiary of Superior Gold Inc.) holds a 70% interest in whole or part of tenement.
- Billabong Gold Pty Ltd (a wholly owned subsidiary of Superior Gold Inc.) holds an 80% interest in whole or part of tenement.
- PepinNini Robinson Range Pty Ltd retains a 1% NSR on iron ore.
- Carey Mining Iron Ore JV: Alchemy has 100% mineral rights for all minerals, excluding iron ore where ownership is Alchemy 50% / Carey Mining 50%.
- Goldtribe Corporation Pty Ltd, a subsidiary of Alchemy Resources Ltd, holds a 100% interest in the tenement.
- Alchemy Resources (NSW) Pty Ltd, a subsidiary of Alchemy Resources Ltd, holds a 51% interest in the tenement, and has a right to earn an 80% interest in tenements from Heron Resources Ltd by sole funding a total of \$2,000,000 on exploration expenditure prior to 27 May 2021.