



# **ALCHEMY RESOURCES LIMITED**

ABN 17 124 444 122

## **ANNUAL REPORT**

### **For the year ended 30 June 2020**

## CONTENTS

---

CORPORATE DIRECTORY.....	2
CHAIRMAN'S LETTER.....	3
KEY INVESTMENT HIGHLIGHTS.....	4
REVIEW OF ACTIVITIES.....	5
DIRECTORS' REPORT.....	27
AUDITOR'S INDEPENDENCE DECLARATION.....	37
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020.....	38
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020.....	39
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020.....	40
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020.....	41
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020.....	42
DIRECTORS' DECLARATION.....	66
INDEPENDENT AUDITOR'S REVIEW REPORT.....	67
ADDITIONAL SHAREHOLDER INFORMATION AS AT 14 SEPTEMBER 2020.....	70
TENEMENT SCHEDULE.....	72

## 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

Automic Group  
Level 2, 267 St Georges Terrace  
Perth WA 6000

Telephone:	+61 (2) 9698 5414
------------	-------------------

### 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 30 June 2020.

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

During the period Alchemy undertook two drilling programs at its 100% owned Karonie Project in Western Australia, recording broad gold intercepts from the Parmelia and KZ5 prospects, located immediately along strike of Silver Lake's Aldiss Mining Centre, with follow up drilling to commence soon.

Our Bryah Basin Base Metals and Gold Joint Ventures, also in Western Australia, continued to be advanced at no cost to Alchemy by partners Sandfire Resources and Superior Gold respectively. Sandfire's aggressive drilling campaign on our ground along strike of their DeGrussa copper-gold mine was paused due to COVID-19 related issues but is expected to resume in the December 2020 quarter with 1,400 holes proposed. Furthermore, Superior Gold is evaluating the potential to include the 114,000oz Hermes South deposit as a source of open pit feed for their Plutonic Mine, 65km to the northeast, with production currently slated to commence mid-2021.

Despite COVID-19 related travel restrictions, Alchemy successfully developed exciting new targets at its New South Wales projects, including a strong IP anomaly interpreted down-plunge of shallow gold and base metal intercepts at Yellow Mountain Mine. Alchemy also recognised that a large magnetic feature at the nearby Melrose prospect represents a significant hydrothermal alteration zone similar to zones associated with major porphyry copper-gold deposits like Cadia-Ridgeway, with work to better define drill targets planned. Furthermore, drill testing of the interpreted extensions of high-grade gold and base metal mineralisation at Overflow is expected to commence late 2020.

On 11 August 2020 Alchemy completed a placement of shares at \$0.015 to professional investors to raise \$1M, with a 1 for 10 entitlement offer to Shareholders at the same price completed in early September raising a further \$0.8M. The proceeds from these raisings will fund the drilling proposed at Karonie, Overflow and Yellow Mountain Mine, and define drill targets at Melrose. Alchemy recognises the support of Veritas Securities in facilitating the placement and warmly welcomes the new Shareholders introduced by Veritas.

Finally, 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 look forward to an exciting year ahead.

A handwritten signature in black ink that reads 'Lindsay Dudfield'.

**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 realising value to Shareholders through the mining or sale of mineral discoveries.

Karonie and Lake Rebecca Projects - quality gold targets close to existing resources and processing infrastructure.

Lachlan/Cobar Basin Projects - high grade gold and base metal drill targets within the Overflow and Yellow Mountain Projects.

Bryah Basin Project - joint-venture funded exploration for high-grade gold and base metals in a highly prospective metallogenic province.

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

Experienced Board and management team.

Enterprise Value of ~\$10M; 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 nickel-cobalt-alumina resources within Australia. The Company has built a significant land package in the Karonie-Carosue Dam 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, both well-endowed metal provinces 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 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).

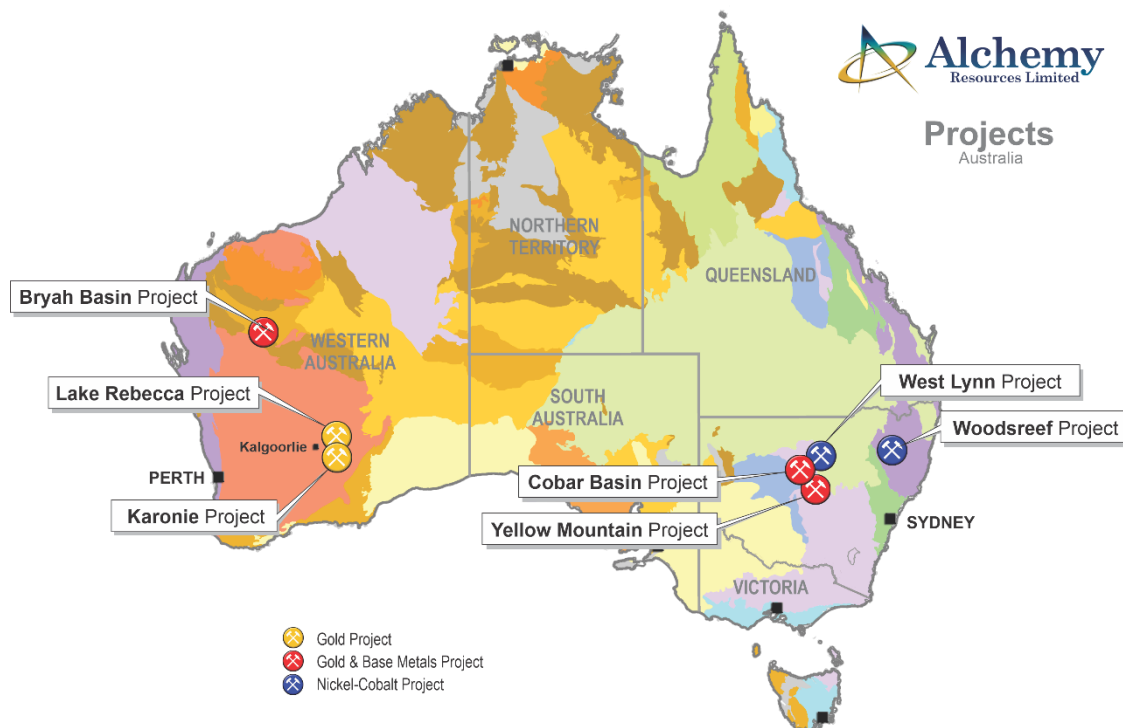


Figure 1: Alchemy Resources’ Project Location Map

## REVIEW OF ACTIVITIES

---

Exploration over the past 12 months focussed on the Karonie Gold Project in Western Australia. This work included regional surface geochemistry, and aircore (AC) and reverse circulation (RC) drilling at the Taupo, KZ5 and Parmelia prospects along strike of Silver Lake's Aldiss Mining Centre.

A significant area of highly prospective greenstones was pegged forming a new project called the Lake Rebecca Project, centred 80km north of Karonie and strategically located near established resources and mining infrastructure.

Exploration within the Bryah Basin Joint Venture continued with Sandfire Resources completing phase 1 of an aggressive AC and RC drilling campaign along strike of their DeGrussa copper-gold mine, and Superior Gold commencing design and scheduling work for the Hermes South resource where mining is expected to commence in the first half of 2021.

In NSW, two highly prospective exploration targets were identified at the Yellow Mountain Mine and Melrose prospects, and surveying and field preparations for diamond drilling targeting high-grade gold-silver-zinc-lead mineralisation down plunge to the south of the Overflow historic workings were completed.

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 and Yellow Mountain Mine prospects;
- Closely monitor exploration and Hermes South mining activities undertaken by Billabong within the Bryah Basin Joint Venture;
- Undertake reviews and detailed reporting of Sandfire Resources funded exploration for gold and base metal deposits within the Bryah Basin Joint Venture;
- Advance the West Lynn Project by conducting kinetic leach test work for nickel-cobalt and alumina on selected ore samples, and pursue and assess value creation options; 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.

## KARONIE PROJECT (WA) (Alchemy 100%)

The Karonie Project includes eleven granted licences and three licence applications covering 1,209km<sup>2</sup> 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 associated with the regional-scale Keith-Kilkenny Fault and Claypan Shear Zone (Figure 2). 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/Tank and French Kiss deposits which host resources and reserves of 0.6Moz @ 1.9g/t Au<sup>1</sup>, where mining is continuing. 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 1Moz<sup>2</sup>. The Bombora mineralisation is associated with the Claypan Shear Zone which extends for over 38km of strike through Alchemy's eastern licences.

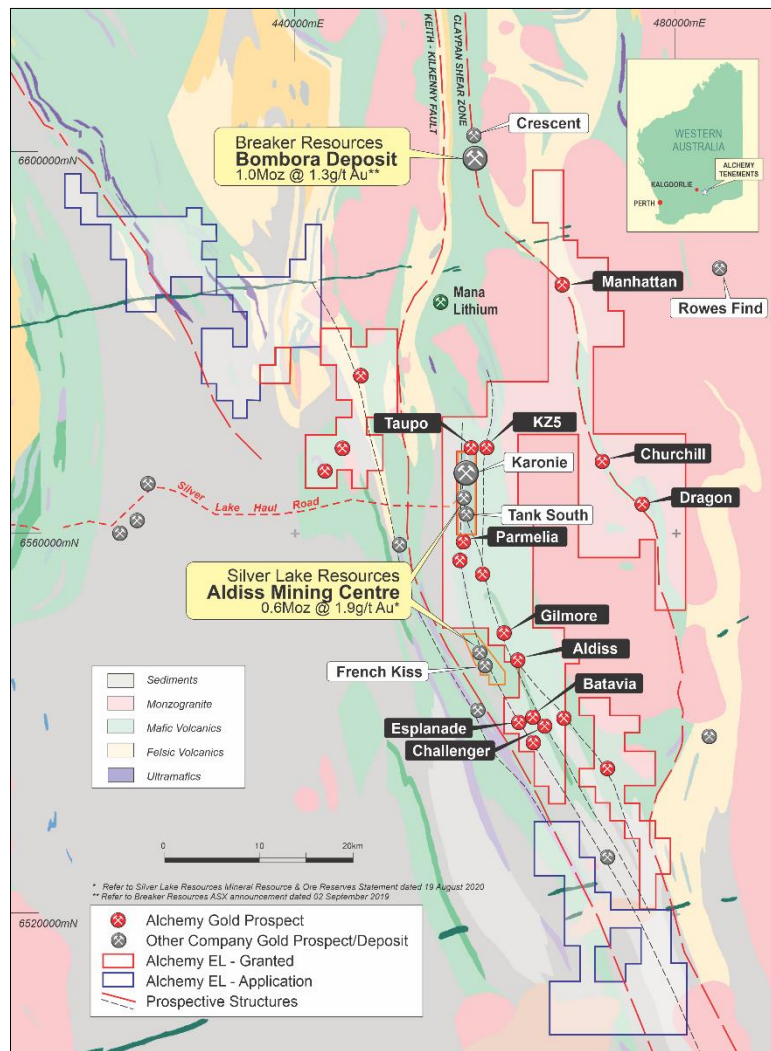


Figure 2: Karonie Project tenements, major deposits, prospects and interpreted major structures over published geology

<sup>1</sup> Refer to Silver Lake Resources Limited ASX announcement dated 19 August 2020

<sup>2</sup> Refer to Breaker Resources Limited ASX Announcement dated 2 September 2019



## REVIEW OF ACTIVITIES

During the year drill programs were completed at several key gold prospects including Parmelia, KZ5, and Taupo (Figure 2). The drilling targeted Karonie style gold mineralisation immediately along strike to the north and south of the Silver Lake Resources' Aldiss Mining Centre.

Seven RC holes for 746m were drilled at the Parmelia Prospect located ~2km south of Silver Lake's Tank South Prospect in order to test along strike to the north and south of a previous Gold Fields Australasia AC intercept of 20m @ 1.0g/t Au from 32m<sup>3</sup>. The RC drilling returned best intercepts of 26m @ 1.6g/t Au from 83m (incl. 13m @ 2.1g/t Au from 87m), 9m @ 1.2g/t Au from 112m (incl. 2m @ 2.2g/t Au from 112m), and 19m @ 0.81g/t Au from 70m (incl. 4m @ 1.1g/t Au from 85m) (Figures 3 & 4).

The drilling has confirmed that gold mineralisation is confined to a single, consistently mineralised silica-biotite-albite-pyrite altered dolerite unit close to vertical in nature, and has identified a gold depletion zone up-dip of primary gold mineralisation. Historic drilling along strike to the north and south of the intercepts is limited to ineffective, shallow, wide spaced vertical AC drill holes that have not tested the primary mineralisation, and subsequently gold mineralisation at Parmelia remains open down dip and along strike to the north and south.

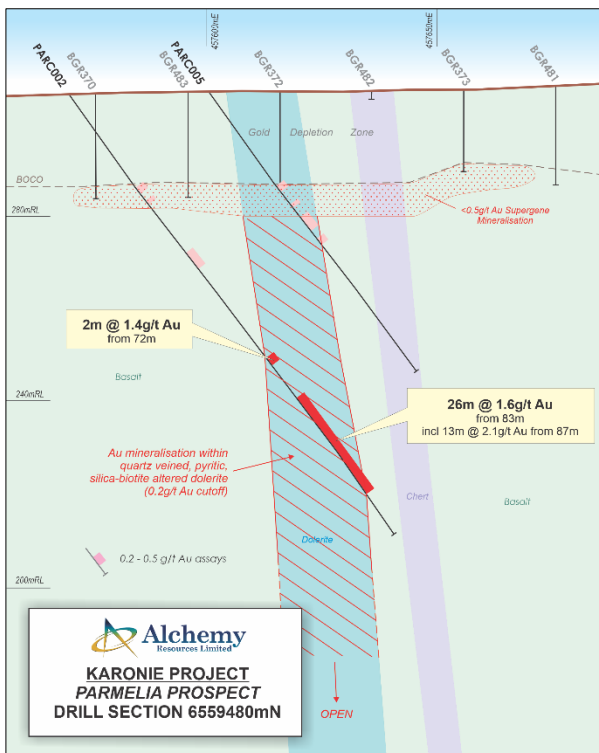


Figure 3: Parmelia Prospect cross section

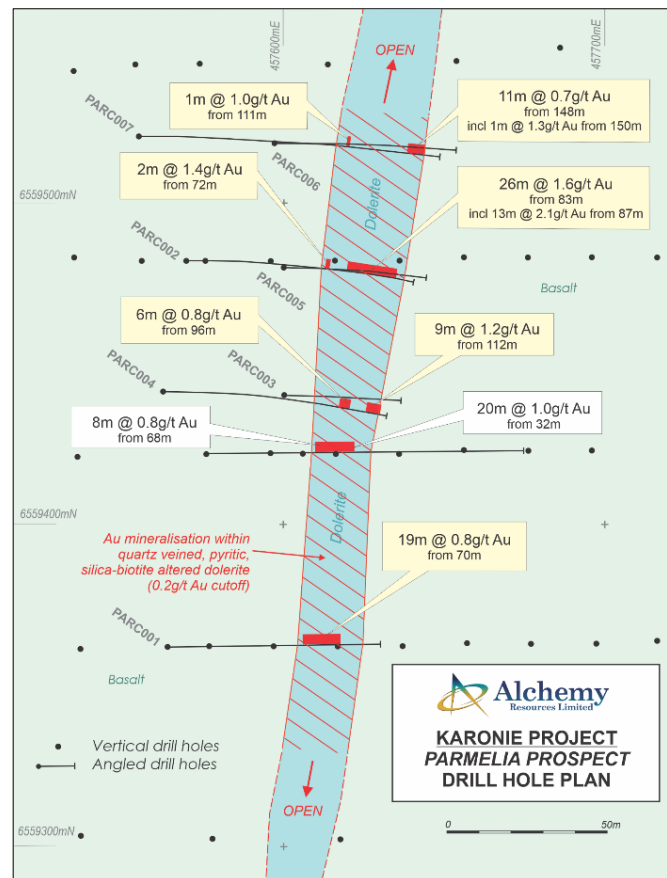


Figure 4: Parmelia Prospect: Significant intercepts over interpreted geology

<sup>3</sup> Refer to Gold Fields Australasia Pty Ltd open file annual report (C63/2000) dated 5 December 2002

## REVIEW OF ACTIVITIES

Further RC drilling along strike to the north and south is planned at Parmelia in order to confirm the dip of mineralisation and identify high-grade plunging gold shoots similar in style to Silver Lake's Tank South Prospect. A Program of Work has been approved by the Department of Mines, Industry Regulation and Safety (DMIRS) and drilling is due to commence Q4 2020.

Drilling at the KZ5 Prospect during the year included two RC holes for 333m. One RC hole (K5RC002) targeted the up and down plunge position of two historic drill intercepts (20m @ 1.6g/t Au from 190m and 28m @ 1.1g/t Au from 26m respectively). The hole returned an intercept of 26m @ 1.3g/t Au, 0.85% Zn from 125m (incl. 5m @ 2.6g/t Au, 0.95% Zn from 125m) confirming the widths and grades intercepted in previous drilling (Figures 5 & 6). The host rocks, alteration and sulphide mineralisation encountered in K5RC002 suggest a potential volcanogenic massive sulphide (VMS) origin. A second hole (K5RC003), designed to test a strong soil anomaly ~500m to the south-east of K5RC002, returned no significant intercepts.

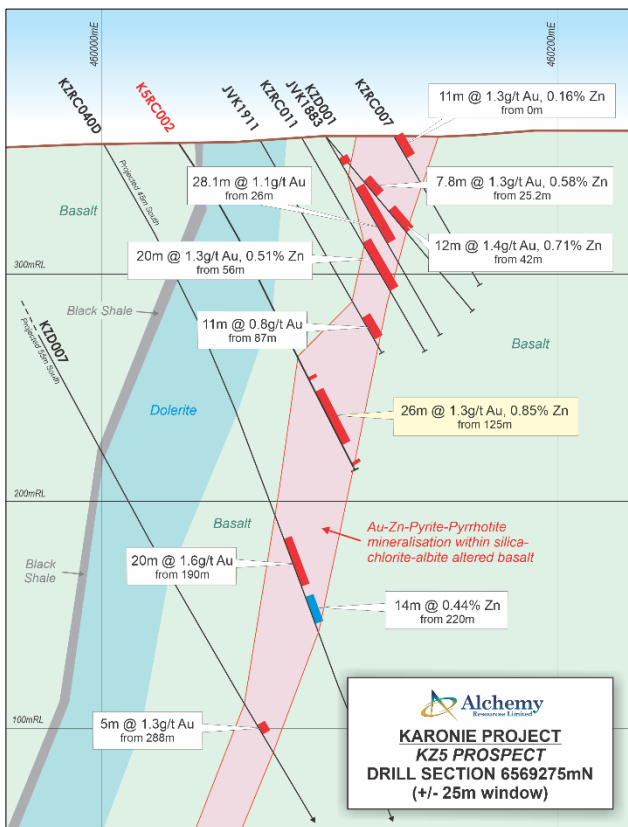


Figure 5: KZ5 Prospect cross section (6569275N)  
(Alchemy intercept in yellow box)

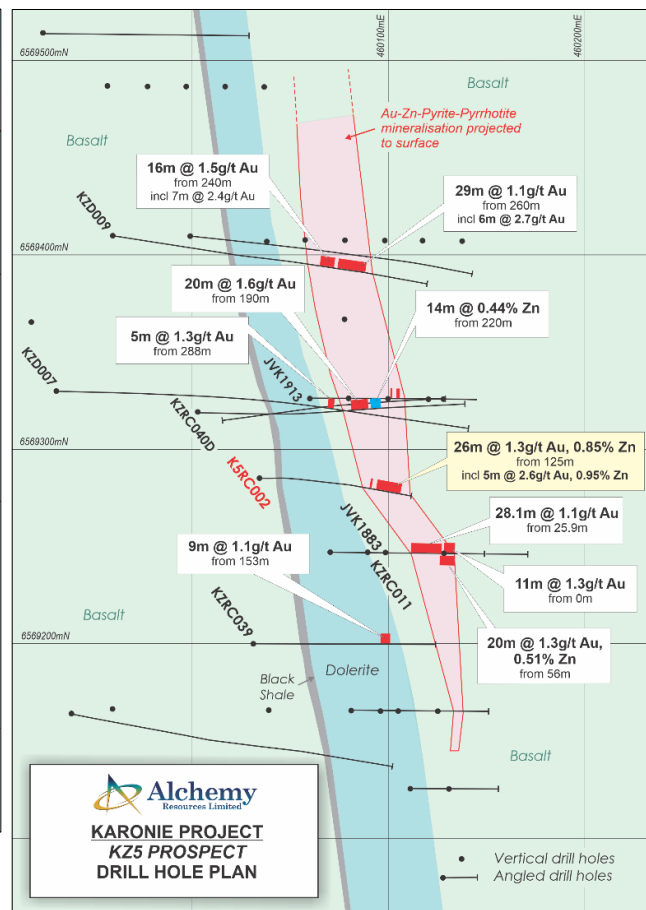


Figure 6: KZ5 Prospect drill hole locations and significant intercepts over interpreted geology

Historic surface Induced Polarisation (IP) and surface electromagnetic (EM) surveys identified various chargeability and conductivity anomalies which correlate well with an interpreted VMS 'exhalative' sulphide horizon at the KZ5 prospect, and an interpreted 'feeder' zone ~300m to the east (Figure 7)<sup>4</sup>.

<sup>4</sup> Refer to Integra Mining Limited ASX announcement "KZ5 Exploration Update" dated 16 January 2007. CP: C. Cairns

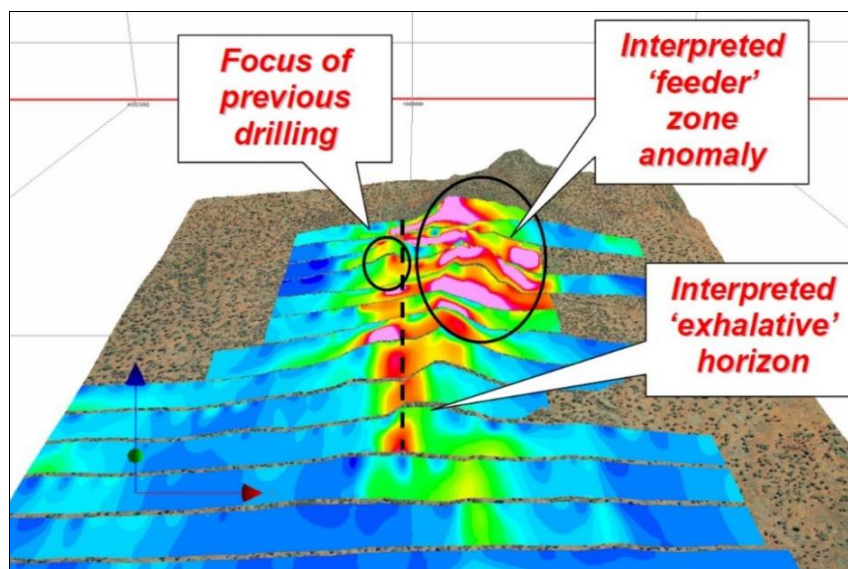


Figure 7: KZ5 IP chargeability anomaly draped on exaggerated topography

Additional drilling has been planned to test several down-hole EM conductors located within the VMS horizon at KZ5, that potentially indicate additional massive sulphide mineralisation along strike and down dip of previous drill intercepts.

Assay results from infill soil sampling completed at KZ5 during the year confirmed and further defined previous gold anomalism including the identification of a strong gold in soil anomaly (up to 454ppb Au) located near old workings ~600m east of the main area of drilling at KZ5. Further evaluation of this anomaly is required.

Twenty-four angled AC holes for 1,198m, and seven angled RC holes for 750m were drilled at the Taupo Prospect, located 2km along strike to the north of the Karonie Main open cut mine. AC drilling returned best intercepts of 6m @ 1.7g/t Au from 36m (incl. 2m @ 3.8g/t Au from 40m), and 6m @ 1.0g/t Au from 32m (incl. 2m @ 1.5g/t Au from 36m) (Figures 8 & 9) with both of these holes ending in gold mineralisation (blade refusal). Follow-up RC drilling returned best intercepts of 10m @ 1.8g/t Au from 68m (incl. 7m @ 2.5g/t Au from 68m), 3m @ 5.1g/t Au from 67m, 10m @ 1.0g/t Au from 81m (incl. 1m @ 3.9g/t Au from 81m), and 3m @ 1.5g/t Au from 55m (Figures 8 & 9)<sup>5</sup>. Gold mineralisation is associated with quartz veined, strongly silica-biotite-pyrite altered basalt within a broader zone of strong carbonate alteration. The drilling confirmed two sub-parallel zones of gold mineralisation still open down dip and along strike to the north and south. Previous drilling along strike is limited to shallow, wide spaced, vertical AC holes that are not adequate to identify the plunging high-grade gold shoots that are common in the Aldiss area. Further drilling targeting potential high-grade shoots at depth is being planned.

<sup>5</sup> Refer to Alchemy Resources Limited's ASX announcement *Drilling Results, Karonie Gold Project, Eastern Goldfields, WA* dated 15 July 2020. CP: L. Ryan

REVIEW OF ACTIVITIES

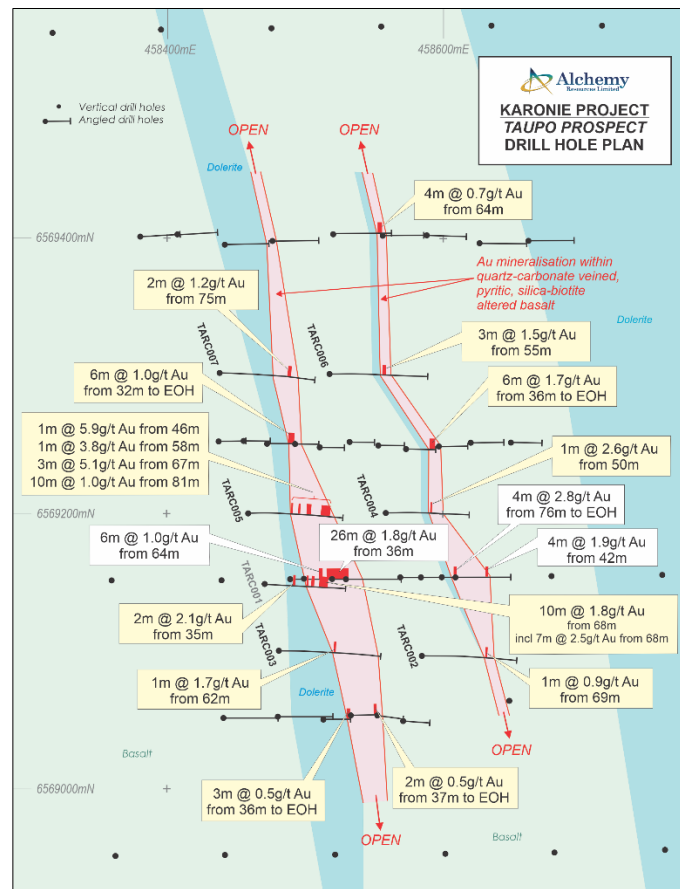


Figure 8: Taupo Prospect: Significant intercepts over interpreted geology (Alchemy intercepts in yellow text boxes)

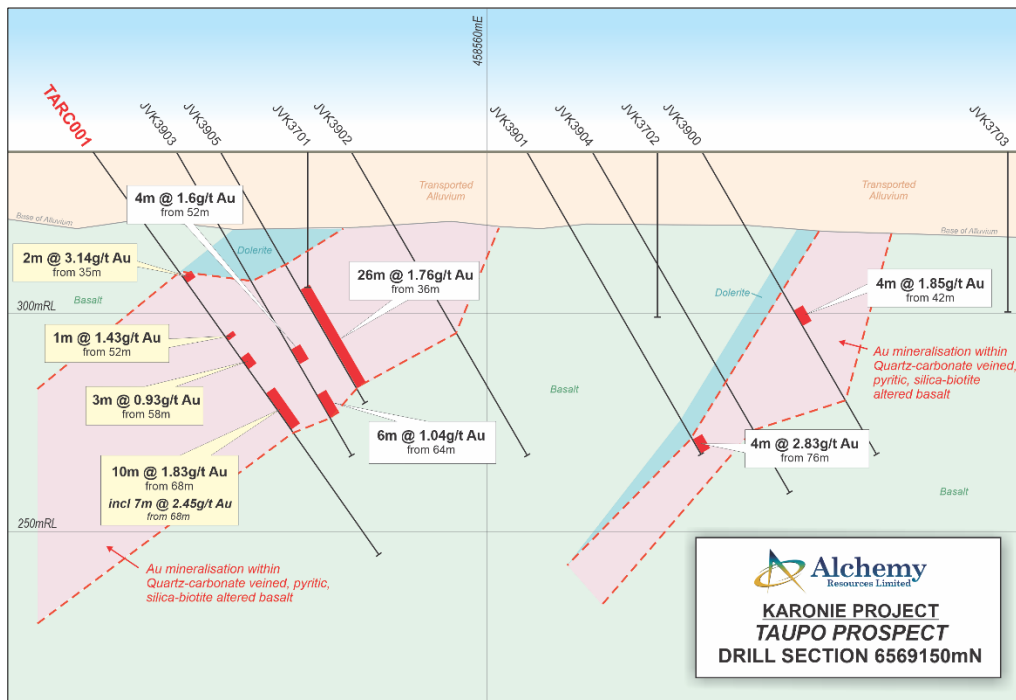


Figure 9: Taupo Prospect cross section (Alchemy intercepts in yellow text boxes)

## REVIEW OF ACTIVITIES

The commencement of RAB drilling along the Claypan Shear Zone at Manhattan, Dragon, and Churchill prospects was delayed due to the restrictions and market uncertainty imposed by the COVID-19 pandemic. The RAB drilling is designed to test folded and/or converging dolerite units interpreted from detailed aeromagnetic imagery. Drilling is now expected to commence early in 2021.

During the year 250 soil samples and 12 rock chip samples were collected over areas of outcrop and subcrop within the Roe Hills tenements and at the Calista Prospect to the northwest and northeast of Karonie respectively. No significant results were received.

### LAKE REBECCA PROJECT (WA) (Alchemy 100%)

The Lake Rebecca Project includes 11 new exploration licence applications covering 494km<sup>2</sup> 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 greenstones, numerous internal granites and known gold bearing structures (Figure 10). It is located just 10km southeast of Saracen Mineral Holdings' (ASX: SAR) Carosue Dam deposit which hosts resources of 5.4Moz @ 2.0g/t Au<sup>6</sup>, and 6km west of Apollo Consolidated Limited's (ASX: AOP) Rebecca, Duchess and Duke deposits which contain a combined resource of 1Moz @ 1.2g/t Au<sup>7</sup>.

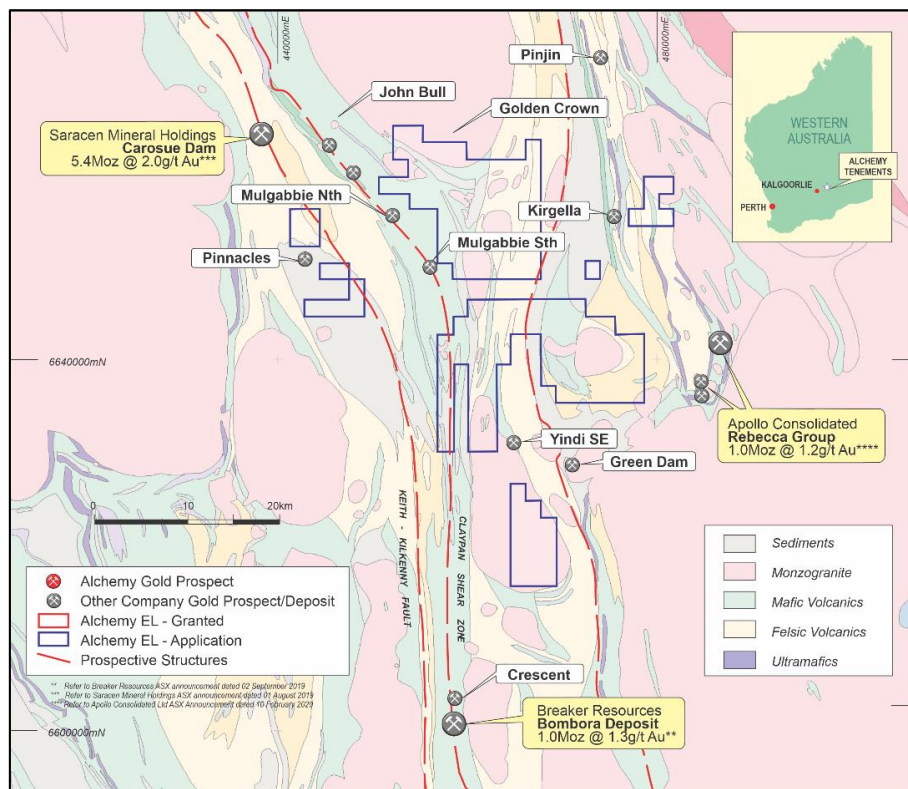


Figure 10: Lake Rebecca Project tenements, major deposits, prospects and interpreted major structures over published geology

Native Title Heritage Agreement negotiations and exploration data compilations are underway. The licences are expected to be granted mid-2021.

<sup>6</sup> Refer to Saracen Mineral Holdings Limited ASX announcement dated 1 August 2019

<sup>7</sup> Refer to Apollo Consolidated Limited ASX announcement dated 10 February 2020

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

The Lachlan/Cobar Basin Projects consist of the Overflow and Yellow Mountain Gold-Base Metal Projects, 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, Yellow Mountain, 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 a further \$0.35M before 30 May 2021.

The Projects represent a strategic exploration project acquisition for Alchemy, with a large (1,055km<sup>2</sup>) 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 Parkes (Figure 11).

During the year exploration licence EL8267 (Overflow North) was renewed for a further three years.

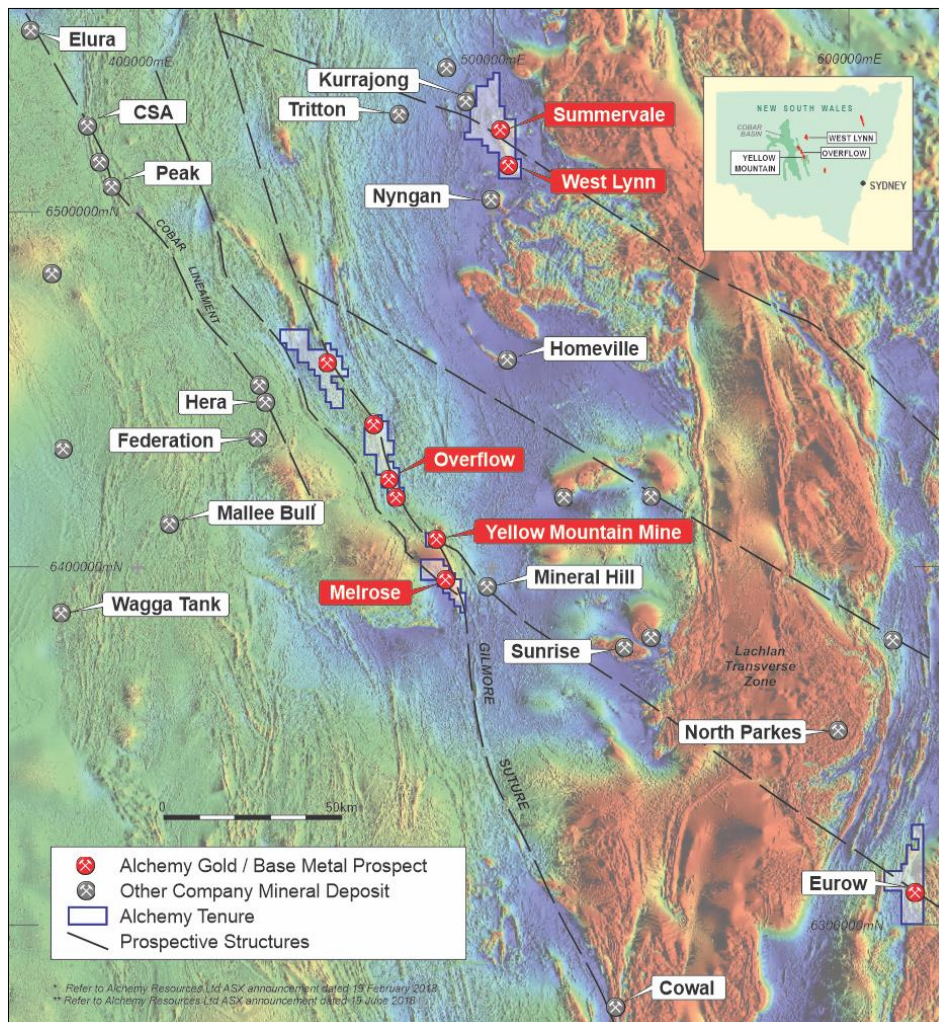


Figure 11: Alchemy prospects and other mineral deposits over regional TMI aeromagnetic image

### Overflow Gold-Base Metal Project

The Overflow Project consists of three exploration licences covering 285km<sup>2</sup> located over a 34km long section of the Gilmore Suture ~20km east of the high-grade Hera/Nymagee deposits (Figure 11). 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 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 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) <sup>8</sup> (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 designed and completed field preparations for two diamond holes targeting high-grade gold-silver-zinc-lead mineralisation down plunge to the south of the Overflow historic workings (Figure 12). Freehold and Crown Land lot boundaries immediately west of the Overflow workings were surveyed and the proposed diamond hole locations pegged by a licenced surveyor. The drilling was delayed due to the restrictions imposed by the COVID-19 pandemic and is now expected to commence Q3 2020.

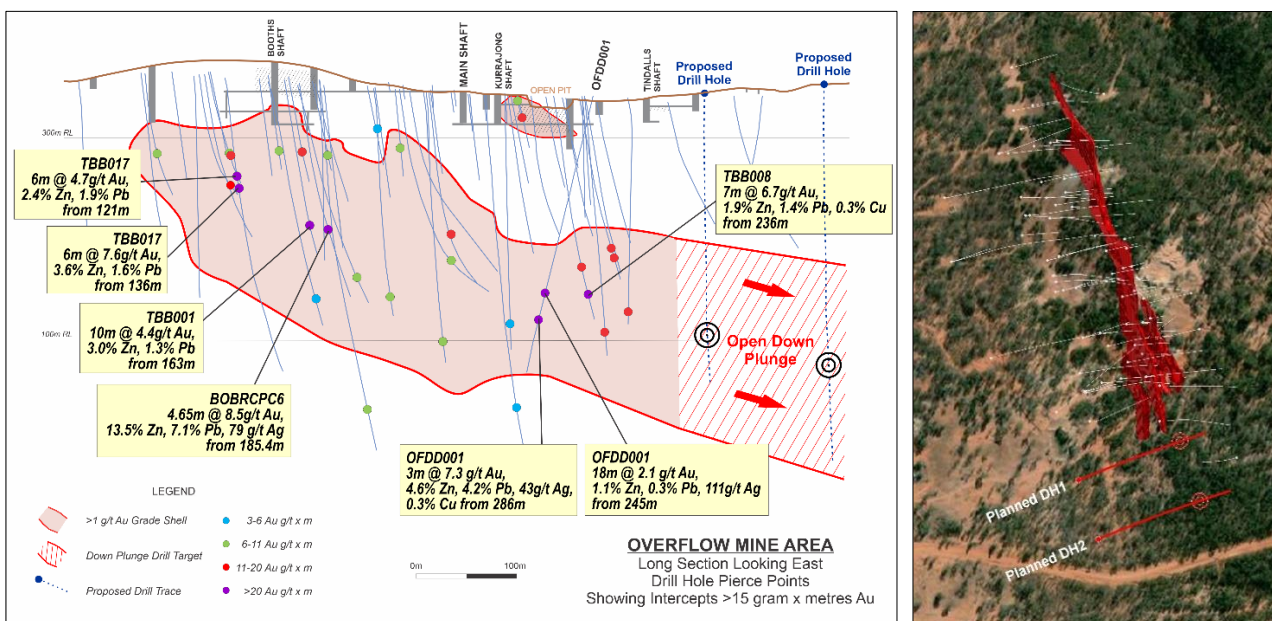


Figure 12: Long section looking east showing historic workings, >15 GxM drill intercepts, pierce points coloured by GxM, 1g/t Au grade shell outline and proposed diamond holes (left), and plan showing all drill traces, 1g/t Au grade shell and proposed diamond holes over satellite image (right).

Field reconnaissance of four historic copper and gold workings was also conducted to the northeast of the Hera mine. The workings had a limited strike extent, however additional soil and rock chip sampling at all four areas is warranted.

<sup>8</sup> Refer to Alchemy Resources ASX Announcement dated 29 March 2017

## REVIEW OF ACTIVITIES

---

Several other targets warranting further drilling within the Overflow Project include the BO2, Deeves Shaft and Parkvale prospects which have returned elevated Cu-Pb-Zn values in both soil geochemistry and historic drilling. Historic RC hole OFTRC005 designed to test a very strong IP chargeability anomaly located 2km along strike to the south of the Overflow mine ended 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.

### **Yellow Mountain Gold-Base Metal Project**

The Yellow Mountain Project consists of one 93km<sup>2</sup> exploration licence located ~10km west of the historic Mineral Hill deposits. The licence covers a 20km long section of the Gilmore Suture, a crustal scale structure associated with several gold deposits in the district, including the Cowal gold mine (current resources 8.6Moz<sup>9</sup>) owned by Evolution Mining Limited (ASX: EVN) (Figure 11). The Project is located on Ordovician-Silurian granites, Ordovician metasediments, and Devonian volcanics which are prospective for VMS, porphyry copper-gold and Cobar-style gold and base-metal mineralisation.

A recent review of the Yellow Mountain open file data identified two highly prospective exploration targets (Yellow Mountain Mine and Melrose prospects), both structurally connected to the Gilmour Suture.

#### Melrose Porphyry Cu-Au Target

Previous specialised analysis completed on magnetite and molybdenite samples from the 12km long Melrose Magnetite Anomaly (MMA) (Figure 13), confirmed chemical signatures similar to porphyry Cu-Au mineralisation. Al/Ti and V/Ti ratios within the Melrose magnetite samples are typical of lower temperature hydrothermal magnetite, similar to those from porphyry Cu-Au systems elsewhere in Australia and overseas including the Cadia-Ridgeway system, and are indicative of an oxidised mineralising fluid with the potential to develop significant copper-gold mineralisation<sup>10</sup>.

The rhenium (Re) content of a molybdenite sample from within the MMA was very high (939 ppm Re)<sup>11</sup>, which is also a characteristic of molybdenites analysed from numerous other porphyry Cu-Au systems.

Rhenium–osmium (Re-Os) age dating completed on the Melrose magnetic anomaly molybdenite sample returned a model age of 424.7 ± 1.5 Ma<sup>12</sup> which is similar to igneous rocks associated with the Mineral Hill mineralisation just 10km to the east, and similar to Pb model age on sulfides from the Mineral Hill mine. This implies that the Melrose hydrothermal alteration was formed at a similar time

---

<sup>9</sup> Refer to Evolution Mining Limited's ASX announcement "Annual Mineral Resources and Ore Reserves Statement" dated 12 February 2020

<sup>10</sup> Refer to Alchemy Resources Limited's ASX announcement "Significant Copper-Gold Targets Identified at Yellow Mountain, NSW" dated 9 June 2020. CP: L. Ryan

<sup>11</sup> Refer to Alchemy Resources Limited's ASX announcement "Significant Copper-Gold Targets Identified at Yellow Mountain, NSW" dated 9 June 2020. CP: L. Ryan

<sup>12</sup> Refer to Alchemy Resources Limited's ASX announcement "Significant Copper-Gold Targets Identified at Yellow Mountain, NSW" dated 9 June 2020. CP: L. Ryan



## REVIEW OF ACTIVITIES

to the mineralisation at Mineral Hill where past production and current resources and reserves total 460,000oz Au, 36,000t Cu, 1.1Moz Ag, 16,000t Pb and 15,000t Zn<sup>13</sup>.

Previous drilling within the Melrose alteration zone has focussed on the Fountaindale prospect, a prominent northeast plunging, 800m wide granodiorite intrusion (plug) modelled as a magnetic low within the larger Melrose magnetic anomaly (Figures 13 & 14). Six diamond holes and five RC holes all <190m deep, except for a 458m diamond hole completed in 1968, have been drilled into the Fountaindale intrusive returning gold intercepts associated with quartz veined sericite altered granodiorite including<sup>14</sup>:

- 2m @ 3.1g/t Au from 56m
- 2.5m @ 3.1g/t Au, 1.54% As from 70m
- 1m @ 5.5g/t Au from 150m
- 1m @ 4.5g/t Au from 44m
- 3.3m @ 3.1g/t Au from 73m
- 1m @ 5.0g/t Au from 135m

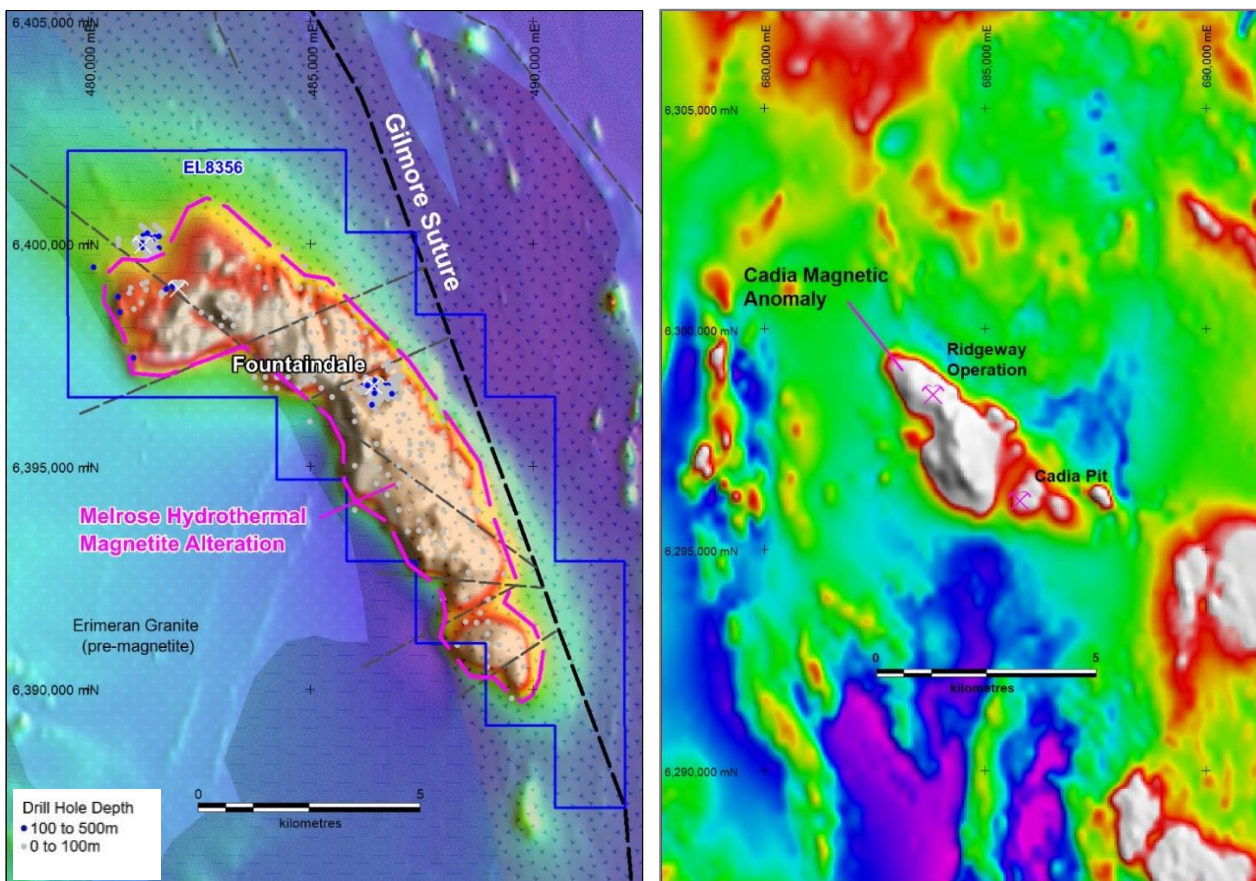


Figure 13: Melrose (left) and Cadia-Ridgeway (right) magnetic anomalies (same scale).

<sup>13</sup> Refer to Alchemy Resources Limited's ASX announcement "Significant Copper-Gold Targets Identified at Yellow Mountain, NSW" dated 9 June 2020. CP: L. Ryan

<sup>14</sup> Refer to Golden Cross Resources Limited June Quarterly Report 2004 dated 30 July 2004, CP - D. Timms

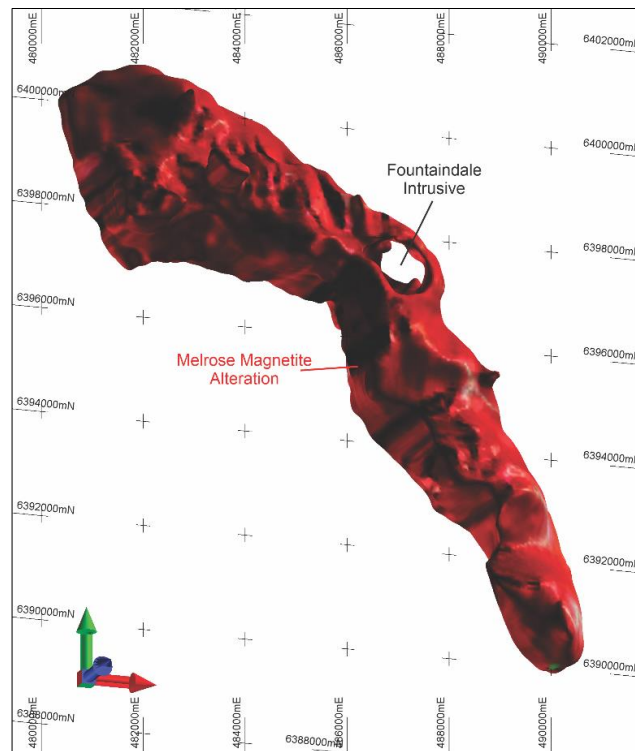


Figure 14: 3D model of the Melrose magnetite alteration anomaly (looking down to the NE) showing the Fountaindale intrusive as a distinct hole in the alteration zone.

Alchemy considers the Fountaindale intrusive to be an apophysis off a related potentially mineralised intrusive at depth, with this deeper intrusive the likely cause of the 12km long magnetite alteration zone. The Fountaindale intrusive is surrounded by chlorite-epidote-albite-magnetite altered and brecciated sediments and volcanoclastic rocks that form the Melrose magnetic high and probably represent hydrothermal recrystallisation associated with buried oxidised I-type intrusions.

Historic data shows that the majority of the Melrose magnetic anomaly has not been covered by IP surveys, and Alchemy intends to complete IP surveys over these areas to better define targets for drill testing. Porphyry copper-gold and geochemistry experts are also being consulted to help define drill targets within this large highly prospective alteration zone.

Yellow Mountain Mine

The open file data research also identified a poorly tested, strong chargeability high centred over the depth extensions of the Yellow Mountain Mine gold-copper-silver-lead-zinc mineralisation (Figures 15 & 16).

The Yellow Mountain Mine prospect contains strong silica-sericite-pyrite alteration associated with gold-copper-silver-lead-zinc mineralisation within fine grained clastic sediments and siltstones, located stratigraphically beneath a highly resistive dacitic volcanic unit.

## REVIEW OF ACTIVITIES

---

Historic drilling at the Yellow Mountain Mine Prospect (Figure 15) returned broad zones of gold and base metal mineralisation including<sup>15</sup>:

- 52m @ 0.54g/t Au, 0.31% Cu, 35g/t Ag, 1.15% Pb, 1.28% Zn from 14m (PYM011)
- 40m @ 0.49g/t Au, 0.34% Cu, 29g/t Ag, 1.18% Pb, 1.81% Zn from 64m (PYM012)
- 41m @ 0.35g/t Au, 0.23% Cu, 17g/t Ag, 0.85% Pb, 0.94% Zn from 10m (PYM013)
- 78m @ 0.32g/t Au, 25g/t Ag from 57.4m (YD02)
- 66m @ 0.31% Cu, 0.79% Pb, 1.69% Zn from 97.5m (YD02)
- 37m @ 0.28g/t Au, 21g/t Ag from 43.2m (YD05)
- 45m @ 0.24% Cu, 0.58% Pb, 1.07% Zn from 39.6m (YD05)
- 16.5m @ 1.08g/t Au, 0.48% Cu, 52g/t Ag, 2.04% Pb, 3.48% Zn from 198m (YD13)
- 24.4m @ 1.12% Cu, 1.19% Pb, 1.02% Zn from surface (YP05A) (no Au or Ag assays)

Drilling includes massive sulphide intercepts up to 2m thick (YD13), and gold and base metal mineralisation is interpreted as an exhalative, stratabound VMS system with a structurally controlled gold mineralisation overprint associated with quartz veins in high strain zones. 3D analysis of the historic drilling results and the IP data suggest the chargeability high could represent a concentration of sulphides related to a VMS feeder zone located down plunge of the shallow gold and base metal drill intercepts (Figure 15).

One deep diamond hole has been designed to test the chargeability high, and one RC hole is planned to test the down plunge component of the interpreted northeast-plunging gold and base metal mineralisation (Figure 15 & 16). Drilling is due to commence as soon as possible, subject to Native Title and statutory approvals.

---

<sup>15</sup> Refer to Alchemy Resources Limited's ASX announcement "Significant Copper-Gold Targets Identified at Yellow Mountain (NSW)" dated 9 June 2020. CP: L. Ryan

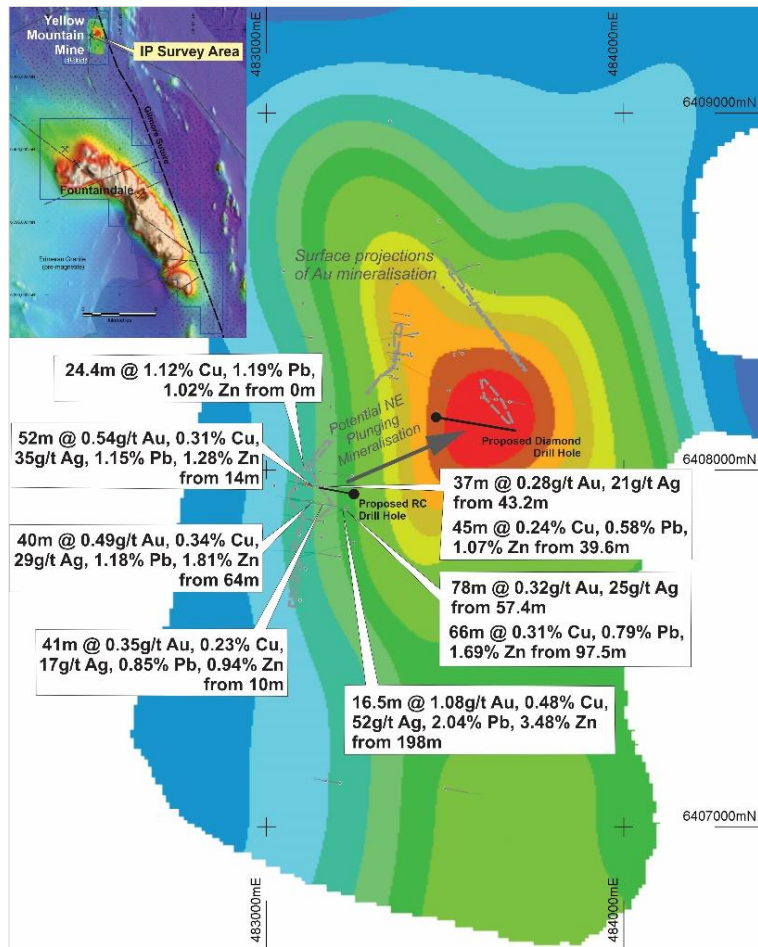


Figure 15: Yellow Mountain Mine prospect IP chargeability plan (300m RL)

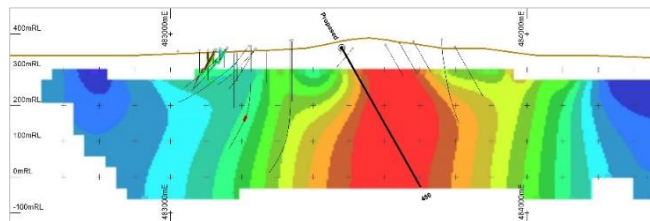


Figure 16: Yellow Mountain Mine IP chargeability cross section (6408200N) – same scale as Figure 15.

### West Lynn Nickel-Cobalt-Alumina Project

EL8631 (West Lynn) is centred 17km northwest of Nyngan, NSW. The Project, which covers an area of 100km<sup>2</sup>, 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 17).

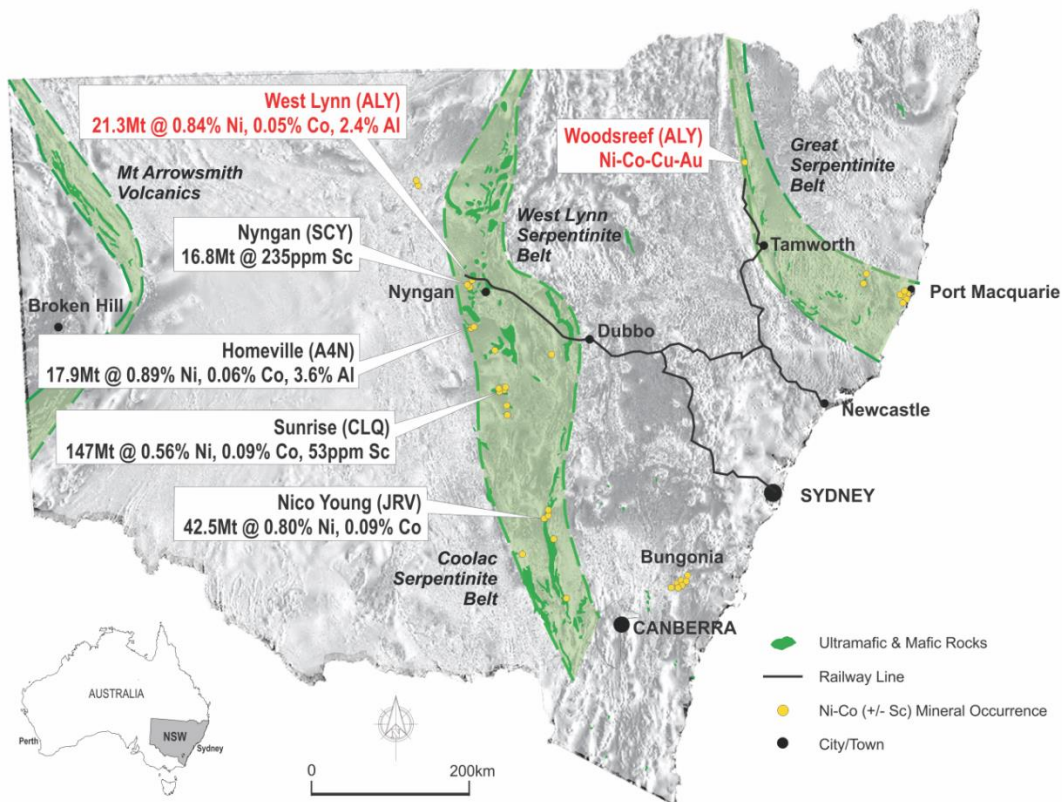


Figure 17: West Lynn Ni-Co Project, Ni-Co+Sc occurrences, and NSW Serpentinite Belts over state-wide greyscale TMI aeromagnetic image

During the previous reporting period Alchemy announced maiden inferred resources of 21.3Mt @ 0.84% Ni, 0.05% Co, 2.4% Al & 20.0% Fe<sup>16</sup> (0.6% Ni lower cut-off), and 6.6Mt @ 20.8% Al<sub>2</sub>O<sub>3</sub> (18% Al<sub>2</sub>O<sub>3</sub> lower cut-off)<sup>17</sup> (reported in accordance with the JORC Code - 2012 Edition) at the West Lynn and Summervale prospects.

Subsequent to very encouraging initial nickel and cobalt metallurgical recoveries using the patented DNi Process™ nitric acid leach, additional metallurgical testwork (DNi bench scale kinetic leaching) is planned for the Summervale and West Lynn blended ore samples. Alchemy also intends to conduct further metallurgical testwork, on the alumina ore including ore beneficiation and process optimisation, in order to improve aluminium recoveries and confirm the potential for 99.99% alumina (4N HPA) production.

Alchemy 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. Additional resource expansion and resource infill drilling has been planned.

<sup>16</sup> Refer to Alchemy Resources Limited's ASX Announcement dated 19 February 2019

<sup>17</sup> Refer to Alchemy Resources Limited's ASX Announcement dated 19 June 2019

### **Eurow Copper-Gold Project**

The Eurow Copper-Gold Project ("Eurow"), located 30km southeast of Parkes (Figure 11), covers 167km<sup>2</sup> 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 old workings.

Copper-gold mineralisation at Eurow appears to be planar and stratiform with a distinct steep south plunge, 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 and the down plunge position of mineralisation warrant further drill testing.

No ground work was completed by Alchemy during the year.

### **Girilambone Copper Project**

Girilambone comprises one granted tenement covering 129km<sup>2</sup>, located about 20km east of Aeris Resources Ltd's (ASX: AIS) Tritton copper operation on the eastern edge of the Girilambone Basin (Figure 11). Girilambone is prospective for 'Besshi-type' VMS copper-gold mineralisation within mafic units of the Ordovician Girilambone Group, 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 Kurrajong copper workings where mineralisation dips east beneath the Girilambone tenement. Recent drilling beneath the Kurrajong 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 403m <sup>18</sup>.

No ground work was completed by Alchemy during the year.

### **Woodsreef Ni-Co Project**

Exploration Licence 8711 is located 35km north of Tamworth, NSW, and covers an area of 281km<sup>2</sup> 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 copper-gold deposits within 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.

No ground work was completed by Alchemy during the year.

---

<sup>18</sup> Refer to Aeris Resources Ltd ASX Announcements dated 12 June 2018 and 21 August 2018

### BRYAH BASIN PROJECT (WA) (10-20% ALCHEMY)

Alchemy’s base metal and gold prospective Bryah Basin Project comprises a 488km<sup>2</sup> 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 18). 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 Inc. (TSX-V: SGI). 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 18). Hermes has produced ~53,500oz since mining commenced in 2017<sup>19</sup> and Superior Gold currently reports a Measured and Indicated Resource (inclusive of Reserves) of 90,000oz gold (2.0Mt @ 1.4g/t Au), and an Inferred Resource of 160,000oz gold (3.9Mt @ 1.3g/t Au) at Hermes<sup>20</sup>.

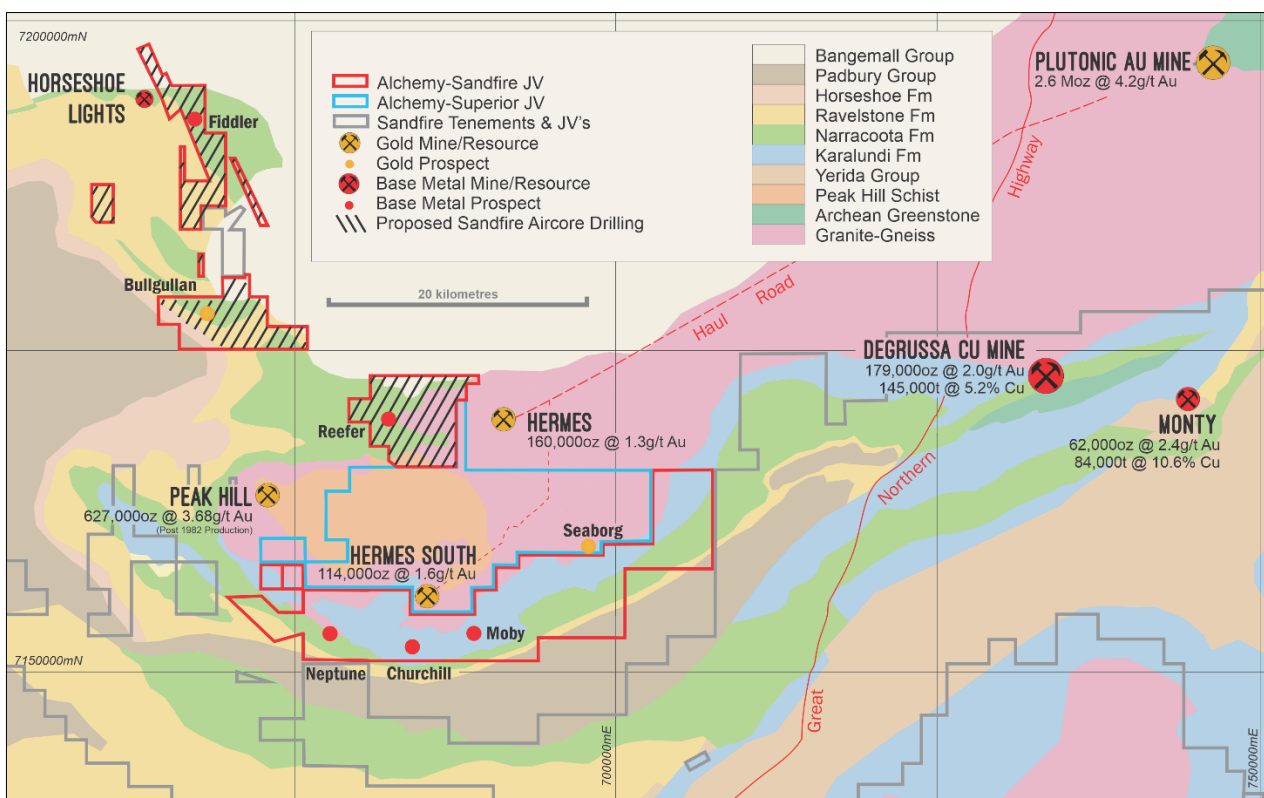


Figure 18: Bryah Basin Project – Sandfire Resources JV and Billabong Gold JV areas and gold and base metal prospects

<sup>19</sup> Refer to Superior Gold Inc. Interactive Analyst Centre (company website) accessed 26 August 2020

<sup>20</sup> Refer to Superior Gold Inc. TSX-V Announcement dated 7 August 2020

**Base Metals Exploration (Sandfire 70-80%)**

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 18)<sup>21</sup>. Subsequent to completing almost 130,000m of drilling and spending over \$6M on the Bryah Basin base metal tenements in 2019, Sandfire has earned an 80% interest in Alchemy's 100% owned tenements and a 70% interest in the tenements jointly owned by Alchemy and Jackson Minerals Pty Ltd (a wholly owned subsidiary of Fe Ltd (ASX: FEL)). Alchemy remains 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 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.

During the year Sandfire completed 542 first-pass AC holes (35,238m) drilled along strike to the southwest of the DeGrussa copper-gold deposit, thereby completing 800m spaced drill line coverage across a 40km strike of the Narracoota and Karalundi formations that host the DeGrussa VMS copper-gold mineralisation (Figure 19).

Best results received from these AC holes and from 279 AC holes drilled in the previous reporting period included 5m @ 2.0g/t Au from 65m\* and 20m @ 0.11% Cu from 85m (Neptune East), 5m @ 1.2g/t Au from 45m and 10m @ 0.27% Zn from 75m\* (Moby), 5m @ 1.0g/t Au from 25m\* (Churchill), and 5m @ 1.1g/t Au from 45m\* (Seaborg SE) (Figure 19)<sup>22</sup>. It is important to note that four of these intercepts (\*) have yet to be followed up with infill drilling. This includes coincident gold and copper mineralisation on drill lines 800m apart within the Karalundi Formation at Moby and to the southeast and southwest of Seaborg. Anomalous gold intercepts at Moby South, and to the east and west of Neptune also require infill AC drilling. Anomalous gold in Sandfire AC identified along strike to the southeast of Neptune has highlighted no gold analysis in previous IGO AC drilling. Pulps from this program are available and have been recommended for re-submission for gold analysis.

Four deep RC holes (1,294m) were also drilled during the year as follow-up to earlier anomalous AC drilling results, returning best results of 5m @ 0.7g/t Au from 125m, and 5m @ 0.7g/t Au from 175m (Moby)<sup>23</sup>.

---

<sup>21</sup> Refer to Alchemy Resources ASX Announcement dated 6 August 2018

<sup>22</sup> Refer to Alchemy Resources Limited's ASX announcement "Significant Intercepts returned from Bryah Basin Joint Venture" dated 30 January 2020. CP: L. Ryan

<sup>23</sup> Refer to Alchemy Resources Limited's ASX announcement "Significant Intercepts returned from Bryah Basin Joint Venture" dated 30 January 2020. CP: L. Ryan



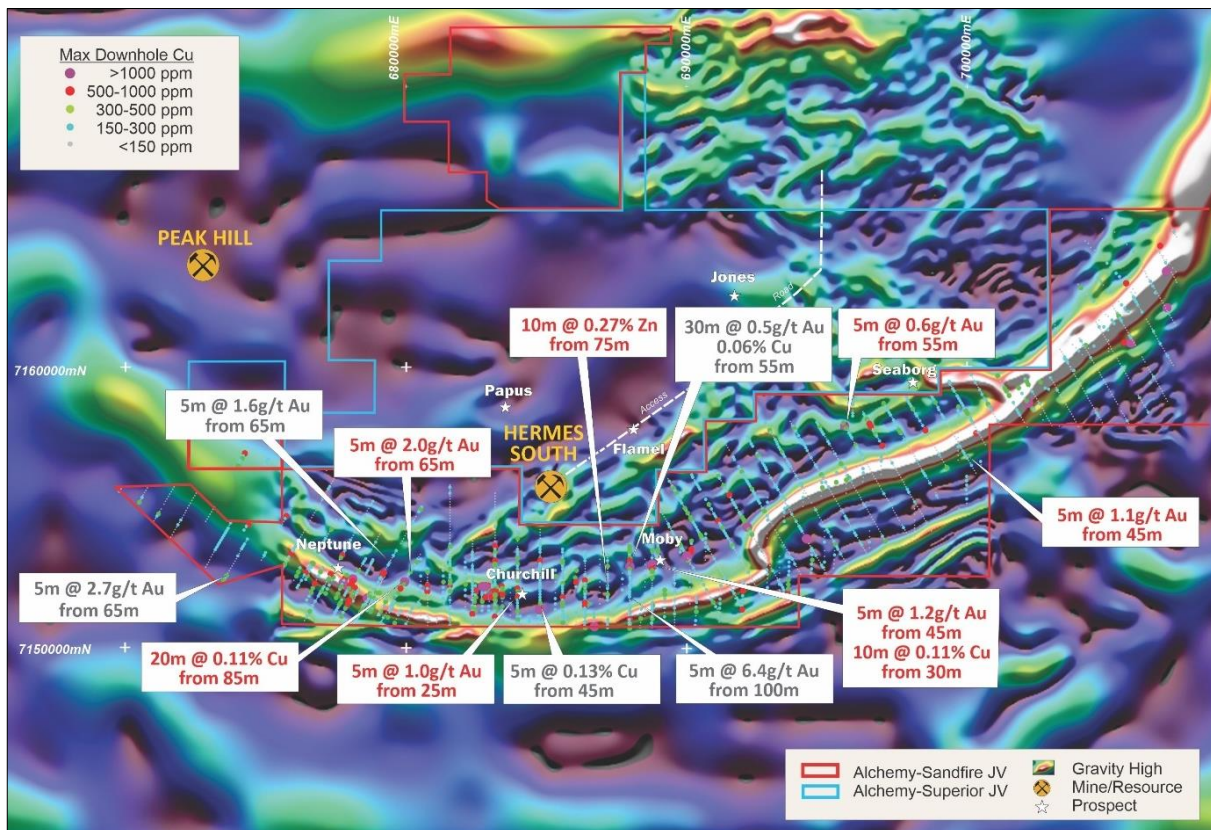


Figure 19: Sandfire AC/RC and previous drilling (coloured by maximum downhole copper), recent Sandfire drilling results (labelled in red), and JV tenement outlines over regional gravity image.

Downhole electromagnetic (DHEM) surveys were completed on seven of the 11 RC holes drilled to date. A preliminary examination of the DHEM data has identified a variably conductive geological unit to the south. Additional RC drilling is planned targeting coincident geochemical anomalism and DHEM conductivity identified in the Central Range area east of Moby.

A detailed moving loop electromagnetic (MLEM) survey designed to further improve targeting of the host VMS horizon was also completed during the year. Strongly conductive stratigraphic units are present along both the southwest and northeast margins of the survey area. A very strong conductor identified within the eastern part of the survey area is related to graphitic sediments, and further interpretation is needed to determine if any weaker bedrock conductors are being masked by the graphite. The EM data is being incorporated with gravity data previously collected and modelled in a 3D environment prior to planning additional infill AC drilling.

First pass AC drilling has been planned for the Fiddler, Bullgullan and Reefer tenements. The drilling will be conducted at an 800m x 100m hole spacing, with ~1,400 AC drill holes designed to test for copper-gold mineralisation within the Narracoota volcanics and the Ravelstone Formation sediments to the east of the Horseshoe Lights copper mine (Figure 18). Drill rig access clearing for the proposed aircore drilling within the Fiddler tenements has been completed with drilling to commence Q4 2020 or early 2021. Heritage clearances for the Bullgullan and Reefer aircore drilling programs were put on hold due to Government COVID-19 restrictions, however the surveys are due to recommence in Q4 2020.

**Gold Exploration (Billabong Gold 70-80%)**

Exploration of Alchemy's tenements that cover the gold prospective part of the Bryah Basin Project (blue outline in Figure 18) continued under the farm-in and joint venture agreement with Superior Gold's subsidiary Billabong Gold. 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.

The Billabong Gold JV contains a mineral resource of 2.2Mt @ 1.6g/t for 114,000oz Au reported in accordance with the JORC guidelines (2012 Edition) at the Hermes South deposit<sup>24</sup>. Hermes South is located approximately 20km south-southwest of the Hermes mining operation, and 65km southwest of the Plutonic gold mine (Figure 18). The mineralisation remains open at depth and there is excellent potential for further drilling to expand the area of gold mineralisation and add to the known resource.

A mineral reserve estimate for Hermes South was completed during the year in accordance with Canadian NI 43-101 Standards of Disclosure for Mineral Projects<sup>25</sup>. Design and scheduling work for Hermes South is continuing with mining expected to commence in the first half of 2021.

A Miscellaneous Licence application to accommodate the development of a haul road between the existing Hermes Haul road and the Hermes South resource area was granted, and a Deed of Variation with regard to the existing NWN Heritage Deed was signed enabling Heritage Surveys to be conducted across the JV tenements, and providing for the negotiation of a Mining Agreement covering the relevant JV tenements within the NWN determination area. A Heritage Protection Survey of the Hermes South to Hermes proposed haul road commenced, and a preliminary assessment was received, however due to COVID-19 restrictions the completion of the heritage survey was postponed but will recommence as soon as Government restrictions are eased.

The drafting and negotiation of a Joint Venture Agreement based on the existing Farm-in Agreement terms with the addition of Australian Mining Petroleum Law Association (AMPLA) model mining Agreement terms is nearing completion.

Billabong completed drill site rehabilitation and received encouraging metallurgical sample results from four HQ diamond holes drilled at the Hermes South resource area in the previous reporting period. A metallurgical report is pending.

Billabong also collected 366 soil samples from the Papus, Flamel and Jones prospects, however no significant results were received.

---

<sup>24</sup> Refer to Alchemy Resources Limited's ASX Announcement dated 8 May 2019 "Hermes South Resource Upgrade Bryah Basin, WA" CP: L. Ryan, P. Blampain

<sup>25</sup> Refer to <https://www.sedar.com/DisplayCompanyDocuments.do?lang=EN&issuerNo=00040606> accessed 26 August 2020

## CORPORATE

### Entitlement Issue

A pro-rata non-renounceable 1 for 4 Rights Issue of 110,104,870 ordinary fully paid shares at a price of \$0.012 per share was successfully completed in September 2019, raising \$1,321,258 (before costs).

### Junior Minerals Exploration Incentive

On 2 July 2019, the Company received a notification from the Australian Tax Office ("ATO") that its application to be a participant in the Federal Government's Junior Mineral Exploration Incentive ("JMEI") scheme for the tax year ending 30 June 2020 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 September 2019 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/Summervale Nickel-Cobalt and Summervale-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 Stephen Hyland, a geological consultant working for Superior Gold Inc. Mr Hyland is a Fellow of The Australasian Institute of Mining and Metallurgy, 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 Hyland consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

*The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.*

### 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 2020.

### **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 2020 was \$390,897 (2019: \$10,282,167).

### **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 \$12,333 (2019: \$9,899,844) were written off during the year in accordance with the Group's accounting policy.

As at 30 June 2020, the Group had net assets of \$6,399,808 (2019: \$5,466,803) including cash and cash equivalents of \$873,397 (2019: \$533,886).

### **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 110,104,870 ordinary fully paid shares at a price of \$0.012 per share was successfully completed in September 2019, raising \$1,321,258 (before costs).

During the year Sandfire Resources' expenditure on the Bryah Basin Project exceeded \$6M and a Joint Venture between Alchemy and Sandfire was formed. 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.

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**

The Company completed a placement of 66,666,667 ordinary fully paid shares ("Placement Shares") and 16,666,667 free attaching unlisted options ("Placement Options") ("Placement") in August 2020 raising \$1,000,000 (before costs). The Placement Shares were issued at \$0.015 per Share along with a 1 for 4 free attaching Placement Option exercisable at \$0.03 and expiring on 30 September 2022.

A pro-rata non-renounceable 1 for 10 Rights Issue of 55,052,435 ordinary fully paid shares at a price of \$0.015 per share with a 1 for 4 free attaching option exercisable at \$0.03 and expiring on 30 September 2022 was successfully completed in September 2020, raising \$825,787 (before costs).

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

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.

### 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 2020, 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	69,653,142
	Unlisted Options – Alchemy Resources Limited	1,185,983

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	None	
Former directorships in last 3 years	Non-Executive Director of Peppermint Innovation Limited (formerly Chrysalis Resources Limited) (September 2014 to July 2020)	
Special responsibilities	Managing Director	
Interests in shares and options	Ordinary Shares – Alchemy Resources Limited	1,375,000
	Unlisted Options – Alchemy Resources Limited	16,031,250

## DIRECTOR'S REPORT

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	1,100,000
	Unlisted Options – Alchemy Resources Limited	25,000

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 company 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 2020, and the numbers of meetings attended by each Director were:

Director	Board of Directors		Audit Committee	
	A	B	A	B
L Dudfield	7	7	2	2
L Ryan	7	7	*	*
L Carpene	7	7	2	2
A Ho	6	7	1	2

A = Number of meetings attended

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**

Ms Carpene, being a Director retiring by rotation who, being eligible, will offer herself for re-election at the Annual General Meeting.

**REMUNERATION REPORT (AUDITED)**

The Directors present the Alchemy Resources Limited 2020 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 2019 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 29 to 30 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.

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 year ended 30 June 2020.

### **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.

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

## DIRECTOR'S REPORT

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 2019 Annual General Meeting

Alchemy Resources Limited received more than 97% of "yes" votes on its remuneration report for the 2019 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 \$		
<b>2020</b>							
Directors *							
L Dudfield	15,000	-	-	-	-	15,000	-
L Ryan	156,000	-	-	14,820	30,148	200,968	15.0
L Carpene	10,000	-	-	-	-	10,000	-
A Ho	14,999	-	-	-	-	14,999	-
<b>Totals</b>	<b>195,999</b>	<b>-</b>	<b>-</b>	<b>14,820</b>	<b>30,148</b>	<b>240,967</b>	
<b>2019</b>							
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	-
<b>Totals</b>	<b>189,998</b>	<b>-</b>	<b>-</b>	<b>15,200</b>	<b>11,295</b>	<b>216,493</b>	

\* As announced to the ASX in April 2020, and in response to the uncertainty surrounding the impact of COVID-19, the Company implemented various health and safety measures and cost saving initiatives. One cost saving initiative being a 20% cut in salaries and the suspension of non-executive Directors fees from 1 April 2020. Salaries and non-executive Directors fees were restored with effective 1 July 2020

**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 \$180,000 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
14	9 Jan 2017	8 Jan 2020	8 Jan 2021	\$0.12	\$0.0042	100%
16	11 Dec 2019	11 Dec 2019	31 Dec 2023	\$0.025	\$0.0070	100%
17	7 Feb 2020	7 Feb 2020	31 Dec 2023	\$0.025	\$0.0070	100%

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.

**Options**

2020	Opening balance (1 July)	Granted as remuneration	Options exercised	Net change other	Balance at 30 June	Vested but not exercisable	Vested and exercisable	Unvested
Director L Ryan	12,000,000	4,000,000	-	-	16,000,000	-	16,000,000	-
	12,000,000	4,000,000	-	-	16,000,000	-	16,000,000	-

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

**Shareholdings**

2020	Opening balance (1 July)	Granted as remuneration	Options exercised	Net change other	Balance at 30 June
Directors					
L Dudfield	55,422,510	-	-	9,486,690	64,909,200
L Carpene	-	-	-	1,000,000	1,000,000
L Ryan	1,000,000	-	-	250,000	1,250,000
	56,422,510	-	-	10,736,690	67,159,200

**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 database services to the Company to the value of \$7,485 (2019: \$4,350). 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	Exercise price	Number under option
9 January 2017	8 January 2021	\$0.04	4,000,000
9 January 2017	8 January 2021	\$0.08	4,000,000
9 January 2017	8 January 2021	\$0.12	4,000,000
16 April 2018	15 April 2021	\$0.05	10,000,000
11 December 2019	31 December 2023	\$0.025	1,000,000
7 February 2020	31 December 2023	\$0.025	4,000,000
			27,000,000

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

## 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 2020 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 2020 no fees were paid or were payable for non-audit services provided by the auditor of the consolidated entity (2019: \$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, 23 September 2020

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 2020, 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, 23 September 2020

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Notes	CONSOLIDATED	
		2020 \$	2019 \$
Continuing operations			
Other income	3	67,885	14,204
Corporate expense		(166,681)	(148,479)
Employee expense	3	(176,202)	(151,922)
Administration expense	3	(103,666)	(96,126)
Exploration expenditure written off	9	(12,233)	(9,899,844)
<b>Loss from continuing operations before income tax</b>		<b>(390,897)</b>	(10,282,167)
Income tax benefit	5	-	-
<b>Loss after income tax for the year attributable to the owners of Alchemy Resources Limited</b>		<b>(390,897)</b>	(10,282,167)
Other comprehensive income		-	-
<b>Other comprehensive income for the year (net of tax)</b>		<b>-</b>	-
Total comprehensive loss for the year attributable to the owners of Alchemy Resources Limited		<b>(390,897)</b>	(10,282,167)
		<b>Cents per share</b>	Cents per share
<b>Loss per share attributable to the owners of Alchemy Resources Limited</b>			
Basic loss per share	16	0.07	2.36
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 2020

		CONSOLIDATED	
		2020	2019
		\$	\$
	Notes		
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	873,397	533,886
Trade and other receivables	7	54,637	13,524
Other current assets	8	12,088	6,241
<b>Total Current Assets</b>		<b>940,122</b>	553,651
<b>Non-Current Assets</b>			
Exploration and evaluation	9	5,687,452	5,105,234
Property, plant and equipment		3,521	2,592
<b>Total Non-Current Assets</b>		<b>5,690,973</b>	5,107,826
<b>TOTAL ASSETS</b>		<b>6,631,095</b>	5,661,477
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	11	205,082	158,675
Provisions	12	26,205	35,999
<b>Total Current Liabilities</b>		<b>231,287</b>	194,674
<b>TOTAL LIABILITIES</b>		<b>231,287</b>	194,674
<b>NET ASSETS</b>		<b>6,399,808</b>	5,466,803
<b>EQUITY</b>			
Contributed equity	13	33,690,859	32,404,105
Reserves	14	171,600	134,452
Accumulated losses	15	(27,462,651)	(27,071,754)
<b>TOTAL EQUITY</b>		<b>6,399,808</b>	5,466,803

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 2020

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE ENTITY			
	Issued capital	Option reserves	Accumulated losses	Total equity
	\$	\$	\$	\$
<b>At 1 July 2018</b>	<b>31,104,072</b>	<b>182,417</b>	<b>(16,848,847)</b>	<b>14,437,642</b>
Loss for the year	-	-	(10,282,167)	(10,282,167)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the year, net of tax</b>	-	-	(10,282,167)	(10,282,167)
<b>Transactions with owners in their capacity as owners</b>				
Issue of shares	1,321,258			1,321,258
Share issue costs	(21,225)			(21,225)
Fair value of options issued	-	11,295	-	11,295
Expiry of options	-	(59,260)	59,260	-
<b>At 30 June 2019</b>	<b>32,404,105</b>	<b>134,452</b>	<b>(27,071,754)</b>	<b>5,466,803</b>
<b>At 1 July 2019</b>	<b>32,404,105</b>	<b>134,452</b>	<b>(27,071,754)</b>	<b>5,466,803</b>
Loss for the year	-	-	(390,897)	(390,897)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the year, net of tax</b>	-	-	(390,897)	(390,897)
<b>Transactions with owners in their capacity as owners</b>				
Issue of shares	1,321,258			1,321,258
Share issue costs	(34,504)			(34,504)
Fair value of options issued	-	37,148	-	37,148
<b>At 30 June 2020</b>	<b>33,690,859</b>	<b>171,600</b>	<b>(27,462,651)</b>	<b>6,399,808</b>

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 2020

		CONSOLIDATED	
		2020	2019
		\$	\$
	Notes		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(432,856)	(391,564)
Interest received		9,907	14,204
Government grant received		23,855	-
<b>NET CASH FLOWS USED IN OPERATING ACTIVITIES</b>	23	<b>(399,094)</b>	(377,360)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(2,307)	-
Payments for exploration assets		(545,842)	(1,131,641)
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>		<b>(548,149)</b>	(1,131,641)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		1,321,258	1,321,258
Share issue costs		(34,504)	(21,225)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>1,286,754</b>	1,300,033
Net increase/(decrease) in cash and cash equivalents		339,511	(208,968)
Cash and cash equivalents at beginning of the year		533,886	742,854
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	6	<b>873,397</b>	533,886

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 2020

---

### NOTE 1: CORPORATE INFORMATION

The consolidated financial report of Alchemy Resources Limited for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of the directors on 23 September 2020.

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 standard and interpretation relevant to the operations of the Group and effective from 1 July 2019 have been adopted. The adoption of this standard and interpretation did not have any impact on the current period or any prior period but may impact future periods.

- AASB 16 *Leases*, and
- AASB *Interpretation 23 Uncertainty over Income Tax Treatments*.

#### Impact of adoption of AASB 16: Leases ("AASB 16")

AASB 16 *Leases* requires lessees to account for all leases under a single on-balance sheet model. The standard includes two recognition exemptions for lessees namely leases of 'low-value' assets and short-term leases (i.e. leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset).

Lessees will separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group has adopted AASB 16 *Leases* however its current leases fall within either the 'low-value' or 'short-term' recognition exemptions. The adoption of this standard has had no impact on the current or previous reporting period and as such there have been no adjustments to the opening balance of retained earnings.

### AASB Interpretation 23 Uncertainty over Income Tax Treatments

This Interpretation clarifies the application of the recognition and measurement criteria in AASB 112 *Income Taxes* when there is uncertainty over income tax treatments. The Interpretation addresses (a) whether an entity considers uncertain tax treatments separately; (b) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (c) how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and (d) how an entity considers changes in facts and circumstances.

The adoption of this Interpretation has had no impact on the current or previous reporting period and as such there have been no adjustments to the opening balance of retained earnings.

### 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><b>AASB 2018-6: Amendments to Australian Accounting Standards – Definition of a Business</b></p> <p>The Standard amends the definition of a business in AASB 3 <i>Business Combinations</i>. The amendments clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.</p>	1 Jan 2020	1 Jul 2020
<p><b>AASB 1018-7: Amendments to Australian Accounting Standards – Definition of Material</b></p> <p>This Standard amends AASB 101 <i>Presentation of Financial Statements</i> and AAS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The amendments clarify that materiality will depend on the nature or magnitude of information. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.</p>	1 Jan 2020	1 Jul 2020

#### 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.

The Company completed a placement of 66,666,667 ordinary fully paid shares ("Placement Shares") and 16,666,667 free attaching unlisted options ("Placement Options") ("Placement") in August 2020 raising \$1,000,000 (before costs). The Placement Shares were issued at \$0.015 per Share along with a 1 for 4 free attaching Placement Option exercisable at \$0.03 and expiring on 30 September 2022.

A pro-rata non-renounceable 1 for 10 Rights Issue of 55,052,435 ordinary fully paid shares at a price of \$0.015 per share with a 1 for 4 free attaching option exercisable at \$0.03 and expiring on 30 September 2022 was successfully completed in September 2020, raising \$825,787 (before costs).

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

### **c) Principles of consolidation**

#### **Subsidiaries**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2020 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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

---

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.

### **f) Leases**

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 as incurred over the period of the lease.

Leases in which a significant portion of the risks and rewards of ownership are transferred to the Group as lessee are classified as finance leases. At the commencement date of a lease, the Group recognises a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). The Group separately recognises the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

**NOTE 3: REVENUE AND EXPENSES**

	CONSOLIDATED	
	2020 \$	2019 \$
Other income		
Interest	10,089	14,204
Government grant	55,848	-
Other	1,948	-
<b>Total other income</b>	<b>67,885</b>	<b>14,204</b>
Expenses		
<i>Employee expense</i>		
Employee benefit and director compensation expense	135,917	134,611
Expense of share-based payments (note 22)	37,148	11,295
Other employee expenses	3,137	6,016
<b>Total employee expense</b>	<b>176,202</b>	<b>151,922</b>
<i>Administration expense</i>		
Depreciation	1,378	904
Occupancy	21,818	21,819
Other administration expenses	80,470	73,403
<b>Total administration expense</b>	<b>103,666</b>	<b>96,126</b>

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.

**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	
	2020 \$	2019 \$
Consolidated Statement of Profit or Loss and Other Comprehensive Income		
<i>Current income tax</i>		
At the rate of 30% (2019: 30%)	-	-
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:



**NOTE 5: INCOME TAX (Continued)**

	CONSOLIDATED	
	2020 \$	2019 \$
Accounting loss from continuing operations before income tax	(390,897)	(10,282,167)
At the statutory income tax rate of 30% (2019: 30%)	(117,269)	(3,084,650)
<i>Add:</i>		
- Non-assessable income	(16,754)	-
- Non-deductible expenses	1,478	63
- Capital raising costs	(5,431)	(3,764)
- Other deductible expenses	(2,013)	(6,302)
- Share-based payment	11,144	3,389
- Tax loss not brought to account as a deferred tax asset	128,845	3,019,264
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.

**NOTE 5: INCOME TAX (Continued)**

**Deferred income tax**

Recognised on the Statement of Financial Position

Deferred income tax at the end of the reporting period relates to the following:

*Deferred income tax liabilities*

- Capitalised expenditure deductible for tax purposes
- Trade and other receivables

*Deferred income tax assets*

- Trade and other payables
- Employee benefits
- Capitalised expenditure non-deductible for tax purposes
- Tax losses available to offset DTL

Net deferred tax asset/(liability)

	CONSOLIDATED	
	2020	2019
	\$	\$
	1,614,210	1,439,544
	3,681	1,872
	<b>1,617,891</b>	<b>1,441,416</b>
	(7,569)	(6,601)
	(7,809)	(10,800)
	(13,830)	(12,344)
	(1,588,683)	(1,411,671)
	-	-

**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.

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 2020, Alchemy Resources Limited had \$31,746,581 (2019: \$30,714,317) 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.

**NOTE 6: CASH AND CASH EQUIVALENTS**

	CONSOLIDATED	
	2020 \$	2019 \$
Cash at bank and on hand	256,897	517,386
Deposits at call	616,500	16,500
	<b>873,397</b>	<b>533,886</b>

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 0.85% (2019: 0.92%).

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	
	2020 \$	2019 \$
Current		
GST receivable	16,327	13,524
Other	38,310	-
	<b>54,637</b>	<b>13,524</b>

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.

**NOTE 8: OTHER CURRENT ASSETS**

	CONSOLIDATED	
	2020 \$	2019 \$
Prepayments	12,088	6,241
	<b>12,088</b>	<b>6,241</b>

**NOTE 9: EXPLORATION AND EVALUATION**

	CONSOLIDATED	
	2020 \$	2019 \$
Opening balance	5,105,234	13,824,978
Exploration expenditure incurred during the year	594,451	1,180,100
Exploration expenditure written off	(12,233)	(9,899,844)
Closing balance	<b>5,687,452</b>	<b>5,105,234</b>

During the 2019 year, the Directors reviewed the carrying value of the Group’s Bryah Basin Project and wrote down the carrying value of this Project by \$9.9 million.

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.

**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	
			2020	2019
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	
2020	2019
\$	\$
205,082	158,675

**NOTE 12: PROVISIONS**

Current  
Employee benefits

CONSOLIDATED	
2020	2019
\$	\$
26,205	35,999

**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.

**NOTE 13: CONTRIBUTED EQUITY**

**a) Share capital**

	CONSOLIDATED	
	2020	2019
	\$	\$
Ordinary shares fully paid	33,690,859	32,404,105

**b) Movements in ordinary shares on issue**

	CONSOLIDATED	
	Number	\$
Balance at 1 July 2018	<b>352,335,585</b>	31,104,072
Non-renounceable issue to shareholders	88,083,896	1,321,258
Share issue costs	-	(21,225)
<b>Balance at 30 June 2019</b>	<b>440,419,481</b>	32,404,105
Non-renounceable issue to shareholders <sup>(1)</sup>	110,104,870	1,321,258
Share issue costs	-	(34,504)
<b>Balance at 30 June 2020</b>	<b>550,524,351</b>	33,690,859

(1) 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 ("Issue") to eligible shareholders of 1 new Share for every 4 existing Shares held at an issue price of \$0.012 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	
	2020 Number	2019 Number
Balance at beginning of the financial year	22,000,000	29,500,000
Options granted	5,000,000	-
Options expired	-	(7,500,000)
<b>Balance at end of the financial year</b>	<b>27,000,000</b>	22,000,000

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 14: RESERVES

	CONSOLIDATED	
	2020 \$	2019 \$
Options reserve		
Opening balance	134,452	182,417
Option expense	37,148	11,295
Expiry of options	-	(59,260)
Balance at the end of the financial year	<b>171,600</b>	134,452

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

### NOTE 15: ACCUMULATED LOSSES

	CONSOLIDATED	
	2020 \$	2019 \$
Balance at the beginning of the financial year	(27,071,754)	(16,848,847)
Net loss attributable to members	(390,897)	(10,282,167)
Transfer from option reserve to accumulated losses	-	59,260
Balance at the end of the financial year	<b>(27,462,651)</b>	(27,071,754)

### NOTE 16: LOSS PER SHARE

	CONSOLIDATED	
	2020 Cents	2019 Cents
Basic loss per share	0.07	2.36
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	
	2020 \$	2019 \$
Profits/(losses) used in calculating basic and diluted loss per share	(390,897)	(10,282,167)

	CONSOLIDATED	
	2020 Number	2019 Number
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	527,059,379	434,868,989

**NOTE 16: LOSS PER SHARE (Continued)**

**Basic loss per share**

Basic loss 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 loss per share**

Diluted loss 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	
2020	2019
\$	\$
28,000	28,000
<b>28,000</b>	<b>28,000</b>

**NOTE 18: CONTINGENT ASSETS AND LIABILITIES**

The Group had contingent assets at 30 June 2020 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 2020.



**NOTE 19: EVENTS OCCURRING AFTER THE REPORTING PERIOD**

The Company completed a placement of 66,666,667 ordinary fully paid shares (“Placement Shares”) and 16,666,667 free attaching unlisted options (“Placement Options”) (“Placement”) in August 2020 raising \$1,000,000 (before costs). The Placement Shares were issued at \$0.015 per Share along with a 1 for 4 free attaching Placement Option exercisable at \$0.03 and expiring on 30 September 2022.

A pro-rata non-renounceable 1 for 10 Rights Issue of 55,052,435 ordinary fully paid shares at a price of \$0.015 per share with a 1 for 4 free attaching option exercisable at \$0.03 and expiring on 30 September 2022 was successfully completed in September 2020, raising \$825,787 (before costs).

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

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 \$957,000 (2019: \$790,500) per annum.

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

	CONSOLIDATED	
	2020	2019
	\$	\$
Within one year	6,957	6,957
Later than one year but not later than five years	-	-
Later than five years	-	-
	<b>6,957</b>	<b>6,957</b>

**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	
	2020 \$	2019 \$
Financial assets		
<i>Current</i>		
Cash and cash equivalents	873,397	533,886
Trade and other receivables	54,637	13,524
	928,034	547,410
Financial liabilities		
<i>Current</i>		
Trade and other payables	208,282	158,675
	208,282	158,675

**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 \$		
<b>Consolidated 2020</b>						
<b>Financial assets</b>						
Cash and cash equivalents	234,207	616,500	-	-	22,690	873,397
Trade and other receivables	-	-	-	-	54,637	54,637
	<b>234,207</b>	<b>616,500</b>	<b>-</b>	<b>-</b>	<b>77,327</b>	<b>928,034</b>
Weighted average interest rate	0.09%	1.34%	-	-	-	-
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	-	208,282	208,282
	-	-	-	-	208,282	208,282
Weighted average interest rate	-	-	-	-	-	-
<b>Consolidated 2019</b>						
<b>Financial assets</b>						
Cash and cash equivalents	516,967	16,500	-	-	419	533,886
Trade and other receivables	-	-	-	-	13,524	13,524
	<b>516,967</b>	<b>16,500</b>	<b>-</b>	<b>-</b>	<b>13,943</b>	<b>547,410</b>
Weighted average interest rate	0.42%	2.55%	-	-	-	-
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	-	158,675	158,675
	-	-	-	-	158,675	158,675
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:

	2020 \$	2019 \$
Impact on profit/(loss) and equity		
Increase of 100 basis points	11,890	15,418
Decrease of 100 basis points	(11,890)	(15,418)

**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	
	2020	2019
	\$	\$
Cash and cash equivalents	873,397	533,886
	<b>873,397</b>	533,886

**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.

**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 \$
<b>Consolidated - 2020</b>			
Trade and other payables	208,282	208,282	208,282
	<b>208,282</b>	<b>208,282</b>	<b>208,282</b>
<b>Consolidated – 2019</b>			
Trade and other payables	158,675	158,675	158,675
	<b>158,675</b>	<b>158,675</b>	<b>158,675</b>

**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.

**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
16	1,000,000	11 Dec 2019	31 Dec 2023	Immediate	\$0.025	\$0.0070
17	4,000,000	7 Feb 2020	31 Dec 2023	Immediate	\$0.025	\$0.0070

**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 \$37,148 (2019: \$11,295).

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.

The model inputs for options granted during the year ended 30 June 2020 are as follows:

Inputs	Series 16	Series 17
Exercise Price	\$0.25	\$0.25
Grant date	11 Dec 2019	7 Feb 2020
Vesting date	11 Dec 2019	7 Feb 2020
Expiry date	31 Dec 2023	31 Dec 2023
Share price at grant date	\$0.12	\$0.12
Expected price volatility	102%	102%
Risk-free interest rate	0.81%	0.80%
Expected dividend yield	0%	0%

**NOTE 22: SHARE-BASED PAYMENTS (Continued)**

**b) Movements in share options during the year**

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

	2020		2019	
	No. of options	Weighted average exercise price (\$)	No. of options	Weighted average exercise price (\$)
Outstanding at the beginning of the year	22,000,000	0.07	29,500,000	0.07
Granted during the year	5,000,000	0.025	-	-
Expired during the year	-	-	(7,500,000)	0.15
Outstanding at the end of the year	27,000,000	0.06	22,000,000	0.07
Exercisable at the end of the year	27,000,000	0.06	18,000,000	0.05

The weighted average remaining contractual life of share options outstanding at the end of the year was 1.18 years (2019: 1.65 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 (\$)	2020 (number)	2019 (number)
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
31 December 2023	0.025	5,000,000	-
		<b>27,000,000</b>	22,000,000

**NOTE 23: RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES**

	CONSOLIDATED	
	2020 \$	2019 \$
Cash flows from operating activities		
Loss for the period	(390,897)	(10,282,167)
<i>Non-cash flows in profit/(loss):</i>		
- Depreciation	1,378	904
- Share-based remuneration	37,148	11,295
- Exploration expenditure write-off	12,233	9,899,844
<i>Change in assets and liabilities:</i>		
- Decrease/(increase) in trade receivables	(33,787)	1,801
- Decrease/(increase) in prepayments	(5,847)	(1,496)
- Increase/(decrease) in trade creditors and accruals	(9,528)	(20,330)
- Increase/(decrease) in provisions	(9,794)	12,789
Net cash used in operating activities	(399,094)	(377,360)

**Non-cash investing and financing activities**

There were no non-cash investing and financing activities during the year.



**NOTE 24: RELATED PARTY DISCLOSURE**

**a) Parent entity**

	Class	Country of incorporation	Investment at cost	
			2020 (\$)	2019 (\$)
Alchemy Resources Limited	Ordinary	Australia	-	-

**b) Subsidiaries**

	Class	Country of incorporation	Investment at cost	
			2020 (\$)	2019 (\$)
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	
	2020 \$	2019 \$
Short-term employee benefits	195,999	189,998
Post-employment benefits	14,820	15,200
Share-based payments	30,148	11,295
	<b>240,967</b>	<b>216,493</b>

The wife of Mr Ryan, the Managing Director, provided geological drafting and database services to the Company to the value of \$7,485 (2019: \$4,350). The services were provided on normal commercial terms and conditions.

Detailed remuneration disclosures are provided in the remuneration report on pages 31 to 35.

**NOTE 25: PARENT ENTITY DISCLOSURE**

	CONSOLIDATED	
	2020 \$	2019 \$
<b>Financial Performance</b>		
Loss for the year	938,878	1,517,730
Other comprehensive income	-	-
<b>Total comprehensive loss</b>	<b>938,878</b>	<b>1,517,730</b>
<b>Financial Position</b>		
<b>ASSETS</b>		
Current assets	913,865	546,851
Non-current assets	5,809	4,880
<b>TOTAL ASSETS</b>	<b>919,674</b>	<b>551,731</b>
<b>LIABILITIES</b>		
Current liabilities	99,220	116,301
<b>TOTAL LIABILITIES</b>	<b>99,220</b>	<b>116,301</b>
<b>NET ASSETS</b>	<b>820,454</b>	<b>435,430</b>
<b>EQUITY</b>		
Issued equity	33,690,859	32,404,105
Reserves	171,600	134,452
Accumulated losses	(33,042,005)	(32,103,127)
<b>TOTAL EQUITY</b>	<b>820,454</b>	<b>435,430</b>

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 2020 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 38 to 65 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 2020 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 2020.

Signed in accordance with a resolution of the directors



**Lindsay Dudfield**  
**Chairman**

Perth, Western Australia

23 September 2020

## 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 2020, 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 2020 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 (including Independence Standards) (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.

## Recoverability of exploration and evaluation expenditure

Key audit matter	How the matter was addressed in our audit
<p>As disclosed in Note 9 to the Financial Report, the carrying value of capitalised exploration and evaluation expenditure represents a significant asset of the Group.</p> <p>Refer to Note 9 of the Financial Report for a description of the accounting policy and significant judgements applied to capitalised exploration and evaluation expenditure.</p> <p>In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources (AASB 6), the recoverability of exploration and evaluation expenditure requires significant judgment by management in determining whether there are any facts or circumstances that exist to suggest that the carrying amount of this asset may exceed its recoverable amount. As a result, this is considered a key audit matter.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date;</li> <li>• Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and directors' minutes;</li> <li>• Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;</li> <li>• Considering whether any facts or circumstances existed to suggest impairment testing was required; and</li> <li>• Assessing the adequacy of the related disclosures in Note 9 to the Financial Report.</li> </ul>

### 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 2020, 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 (<http://www.auasb.gov.au/Home.aspx>) at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.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 in pages 31 to 35 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Alchemy Resources Limited, for the year ended 30 June 2020, 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

Glyn O'Brien

Director

Perth, 23 September 2020

## ADDITIONAL SHAREHOLDER INFORMATION AS AT 14 SEPTEMBER 2020

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	136
1,001 to 5,000	161
5,001 to 10,000	134
10,001 to 100,000	529
100,001 and over	383
<b>Total</b>	<b>1,343</b>

The number of holders of less than a marketable parcel of ordinary fully paid shares is 612.

### 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	11.62
LG Dudfield Pension Fund	41,319,698	7.34
Dr Stephen Garth Nordstrom	43,500,000	6.47
Rossdale Superannuation Pty Ltd	38,250,001	5.69

### 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 672,243,453 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 on issue	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
Options exercisable at \$0.025 on or before 31 December 2023	5,000,000	3
Options exercisable at \$0.03 on or before 30 September 2022	33,429,776	275

### Twenty Largest Holders of Quoted Ordinary Shares

Shareholder	Number of shares	Percentage held
Northern Star Resources Limited	78,125,000	11.62
LG Dudfield Pension Fund	49,319,698	7.34
Dr Stephen Garth Nordstrom	43,500,000	6.47
Rossdale Superannuation Pty Ltd	38,250,001	5.69
Jetosea Pty Ltd	27,542,458	4.10
TBB NSW Pty Ltd	27,058,333	4.03
Jindalee Resources Limited	17,469,759	2.60
Mr Alexander Angelopoulos	15,259,000	2.27
Grandor Pty Ltd	12,323,689	1.83
Heron Resources Limited	12,000,000	1.79
Mr Christopher Paul Lewis	11,737,415	1.75
Netwealth Investments Limited	11,066,332	1.65
Rossdale Super Pty Ltd	11,000,000	1.64
New Greenwich Pty Ltd	10,333,332	1.54
Kale Capital Corporation Ltd	9,587,750	1.43
Eric Anthony Frederick Bennik	9,173,764	1.36
National Nominees Limited	8,856,612	1.32
Bluestar Management Pty Ltd	7,000,000	1.04
Bora Bora Resources Limited	7,000,000	1.04
Radrob Pty Ltd	6,000,000	0.89
	412,603,143	61.38



## TENEMENT SCHEDULE

Project/Tenement	Location/Status	Interest	Co-Holder	Notes
<b>Bryah Basin Project</b>	<b>Western Australia</b>			
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-l	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	Granted	20%	Sandfire	2
P52/1541	Granted	20%	Sandfire	2
P52/1565	Granted	20%	Sandfire	2
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
<b>Karonie Project</b>	<b>Western Australia</b>			

## TENEMENT SCHEDULE

Project/Tenement	Location/Status	Interest	Co-Holder	Notes
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
E28/2880	Granted	100%		7
E28/2940	Appl. pending	-		7
E28/2976	Appl. pending	-		
<b>Lake Rebecca Project</b>	<b>Western Australia</b>			
E28/2960	Appl. pending	-		7
E28/3004	Appl. pending	-		7
E28/3006	Appl. pending	-		7
E28/3007	Appl. pending	-		7
E28/3008	Appl. pending	-		7
E28/3009	Appl. pending	-		7
E28/3010	Appl. pending	-		7
E28/3011	Appl. pending	-		7
E28/3012	Appl. pending	-		7
E28/3026	Appl. pending	-		7
E28/3035	Appl. pending	-		7
E28/3039	Appl. pending	-		7
E28/3048	Appl. pending	-		7
E28/3059	Appl. pending	-		7
<b>Lachlan Projects</b>	<b>New South Wales</b>			
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.