



ALCHEMY RESOURCES LIMITED

ABN 17 124 444 122

ANNUAL REPORT
For the year ended 30 June 2022

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CORPORATE DIRECTORY

DIRECTORS & MANAGEMENT

Lindsay Dudfield	Non-Executive Chairman
Liza Carpena	Non-Executive Director
Anthony Ho	Non-Executive Director
James Wilson	Chief Executive Officer

COMPANY SECRETARY

Carly Terzanidis

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

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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 2022.

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

Alchemy successfully completed multiple exploration programs in Western Australia and continued to advance projects in New South Wales towards drill testing, with exploration activities managed to ensure the well-being and safety of our employees, contractors and local communities.

A number of drilling programs were undertaken at our 100% owned Karonie Project (WA), with drilling designed to build on the inferred gold resource estimate of 111,110oz announced 31 August 2021. Several anomalous gold intercepts were recorded from these programs and further work is recommended.

An exciting development during the period was recognition of the potential for lithium at Karonie. Mapping and surface sampling undertaken by Alchemy have outlined a prospective mineralised corridor extending over 50km which has never been explored for lithium, with scout drilling of pathfinder anomalies expected to commence in the December quarter.

Our Bryah Basin our Gold and Base Metals Joint Ventures, also in WA, continued to be advanced at no cost to Alchemy by partners Superior Gold and Sandfire Resources respectively.

Superior Gold progressed mining studies on the Hermes and Hermes South deposits, evaluating the potential to include the 114,000oz Hermes South deposit (and any additional resources outlined from recent drilling at Central Bore and Seaborg) as open pit feed for their Plutonic Mine, 65km to the northeast. Meanwhile, Sandfire continued aggressive exploration on our ground along strike of their DeGrussa copper-gold mine with further drilling and geophysical surveys completed on JV tenements.

During the period Alchemy completed a heritage survey at Yellow Mountain, one of four projects in NSW comprising the Lachlan/Cobar Basin Joint Venture (Alchemy 80%). Yellow Mountain is a very promising base metal-gold target which has not been explored since 1986 and we look forward to commencing drilling at the project. The Company is also examining options to advance our other projects in NSW.

On behalf of the Board, I would like to thank our CEO James Wilson and the rest of the small but dedicated Alchemy team for their efforts during the period. I would also like to thank you, our shareholders, for your support to date.

The next 12 months promises to be an exciting time for Alchemy shareholders with initial drill testing of lithium targets at Karonie and exploration expected to recommence in NSW. We look forward to reporting to shareholders on our progress as we continue to build the Company.



Lindsay Dudfield
Chairman

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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 PROJECT (WA) and LAKE REBECCA (WA) – Lithium and Gold

Quality lithium and gold targets close to existing resources and processing infrastructure.

LACHLAN/COBAR BASIN PROJECTS (NSW) – Gold / Base Metals

High grade gold and base metal drill targets within the Overflow and Yellow Mountain Projects.

BRYAH BASIN PROJECT (WA) – Gold / Base Metals

Joint-venture funded exploration for high-grade gold and base metals in a highly prospective metallogenic province.

CORPORATE

Placement of 168,060,862 ordinary fully paid shares completed in October 2021 raising a total of \$1,848,669 (before costs).

Completion of pro rata non-renounceable 1 for 6 Entitlement Offer in November 2021 raising a total of \$1,232,446 (before costs), with 112,040,575 ordinary fully paid shares issued at \$0.011 per share under the Entitlement Offer.

Resignation of Ms Jessamyn Lyons as Joint Company Secretary in December 2021, with Ms Carly Terzanidis remaining in the role of Company Secretary to the Company and its subsidiaries.

Enterprise Value of ~\$9.4M as at 30 June 2022; highly leveraged to success.

Strong major Shareholder support maintained.

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 battery metal resources within Australia. The Company has built a significant land package in the Karonie-Carusue Dam greenstone belt in the Eastern Goldfields region in Western Australia and has a Joint Venture Agreement with Heron Resources Ltd (ASX: HRR; "Heron") where Alchemy has earned an 80% interest in the Lachlan/Cobar Basin Projects in New South Wales, both well-endowed metal provinces with significant upside for lithium, 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).

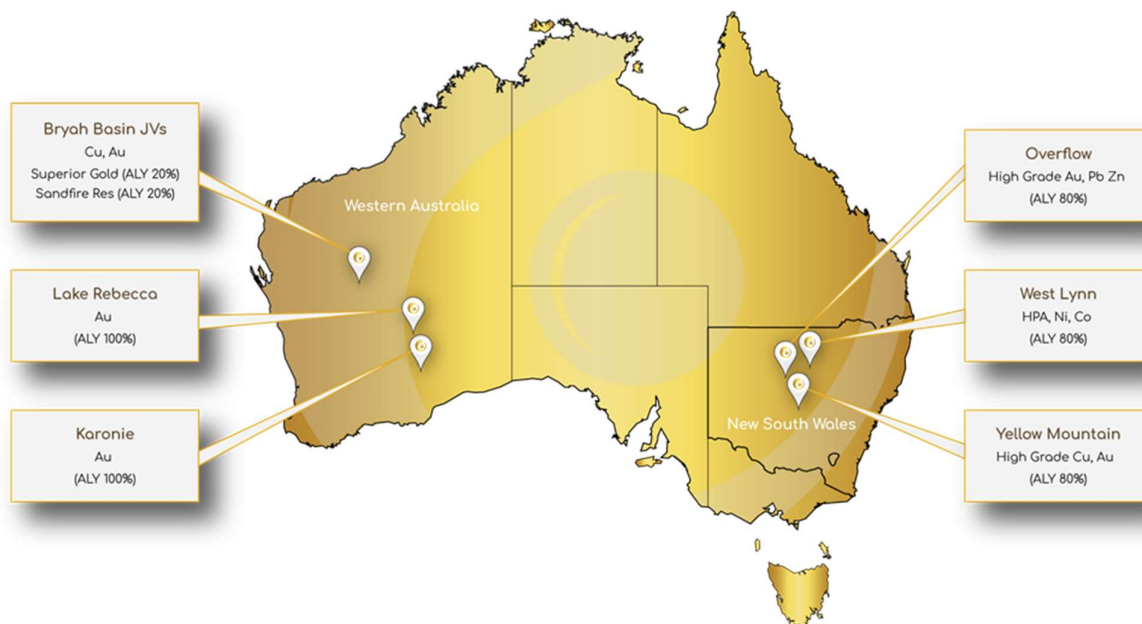


Figure 1: Alchemy Resources' Project Location Map

Exploration over the last 12 months focussed on the Karonie Project in Western Australia, and Yellow Mountain and Melrose in New South Wales. This work included the continuation of structural mapping, target generation, high resolution magnetics as well as resource calculation on the Taupo, KZ5 and Parmelia deposits; reverse circulation ("RC") drilling at the Gilmore Prospect; and Aircore ("AC") at the Karonie East Prospects. In New South Wales, work focussed on the Melrose and Yellow Mountain Projects with resampling of historic drillholes as well as heritage surveys to progress access into the area for future drill programs.

Exploration at the Karonie Project in Western Australia continued with two drilling campaigns completed during the year. Results from the Taupo, KZ5 and Parmelia Prospects returned high grade gold intercepts which remain open at depth and along strike of all three zones. A Mineral Resource Estimate ("MRE") was completed which reported an inferred resource of 111,100oz Au.

REVIEW OF ACTIVITIES

Lithium exploration commenced at Karonie in early 2022. An in-depth review of existing soil sampling data revealed multi-element lithium and pathfinder anomalism over numerous prospect areas along the entire Karonie tenure which extends up to 60km along strike. The most advanced of these target areas are the Cherry, Hickory, Mesquite and Pecan Prospects. The analysis of lithium and pathfinder elements shows a strong pattern of anomalism over 7.2km long x 1.5km wide with numerous outcropping pegmatites which had previously never been mapped.

Exploration within the Bryah Basin Joint Venture ("JV") continued with Sandfire's ongoing programs of aggressive AC and geophysics on the JV areas, and Superior continued with heritage clearance work and scheduling for the Hermes South Resource. Superior also commenced exploration on the regional targets at Central Bore, Seaborg and Pelorus Prospects.

In New South Wales, at the Melrose Prospect, resampling of historic holes and analysis of multi-element geochemistry was carried out to refine the geological model to assist with future drill planning. At Yellow Mountain, Alchemy conducted heritage surveys with the local aboriginal communities with the aim of progressing access agreements into these areas for exploration and upcoming drill programs.

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

- Advance the lithium prospectivity at the Karonie Project.
- Undertake targeted drill programs at the Karonie Project with the aim of delineating significant gold and lithium resources.
- Complete ground mapping and structural targeting for lithium and gold in the southern Karonie Tenure as well as the north-western areas at Roe Hills.
- Unlock the gold, base metal and battery metal potential of the Lachlan/Cobar Projects through systematic exploration and targeted drill campaigns with a focus on Yellow Mountain, Overflow, Melrose and West Lynn Projects.
- Closely monitor exploration and Hermes South activities undertaken by Billabong within the Bryah Basin JV.
- Undertake reviews and detailed reporting of Sandfire funded exploration for gold and base metals deposits within the Bryah Basin JV.
- Continue to advance the land access agreements at the Lake Rebecca tenement package.
- Continue to enhance the Company's position through strategic investment decisions and evaluation of quality advanced project opportunities throughout Australia.

KARONIE PROJECT (WA) (Alchemy 100%)

The Karonie Project now includes 12 exploration licences and three exploration licence applications covering 1,196km² of highly prospective mineralised structures within Kurnalpi Terrain greenstones 100km east of Kalgoorlie (Figure 2). The tenements are located along strike of Silver Lake Resources (ASX: SLR) ("Silver Lake") Aldiss Mining Centre, are within 50km of Silver Lake's Randalls processing plant, and cover 38km of the under-explored, gold endowed Claypan Shear Zone commencing just 12km along strike to the south of Breaker Resources NL's (ASX: BRB) Lake Roe deposit.

REVIEW OF ACTIVITIES

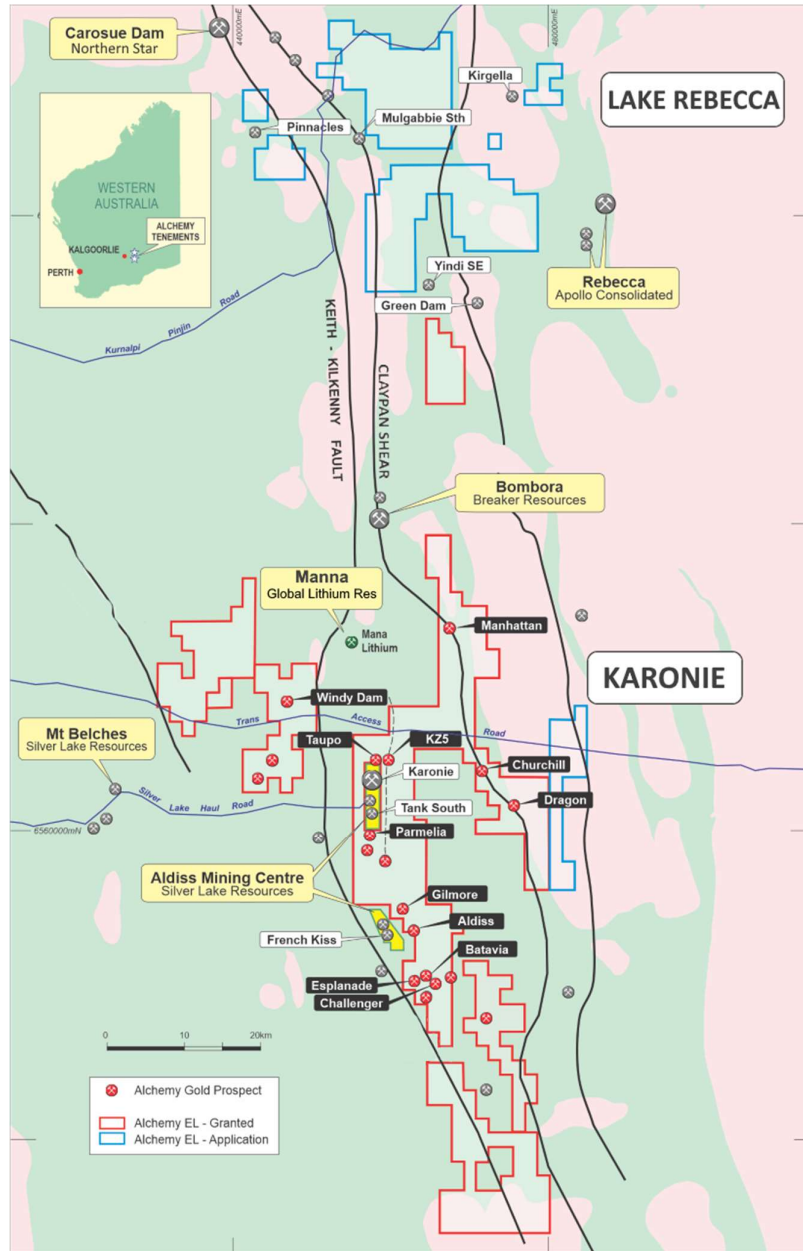


Figure 2: Karonie Project tenements, major deposits, prospects and interpreted major structures over published geology

During the year, exploration at the Karonie Project in Western Australia continued with ongoing detailed structural mapping and two drilling campaigns completed. Detailed geological mapping conducted at Karonie South looked at five target areas to better understand the controls on mineralisation for future targeting as part of the phase 2 drilling campaign. Drill results from the Taupo, KZ5 and Parmelia Prospects returned high grade gold intercepts which remain open at depth and along strike of all three zones. These results were incorporated into a MRE. A follow-up drill program of AC drilling was carried out at Karonie East after high resolution drone magnetics identified additional targets to test in the eastern corridor adjacent to the Aldiss Mining Operations.

REVIEW OF ACTIVITIES

Work was completed on two key Heritage Surveys at the Karonie Gold Project with no areas of significance identified. The comprehensive archaeological and ethnographic surveys were conducted in November and December 2021 with representatives of the Ngadju and the Kakarra Traditional Owners. The surveys were designed to assess areas of proposed exploration at the Karonie East, Western Brown, Gilmore, Esplanade and Challenger targets. Advice from both groups confirms that the areas are clear. In early 2022, a review of the existing multi-element data in Alchemy's database identified significant lithium prospectivity.

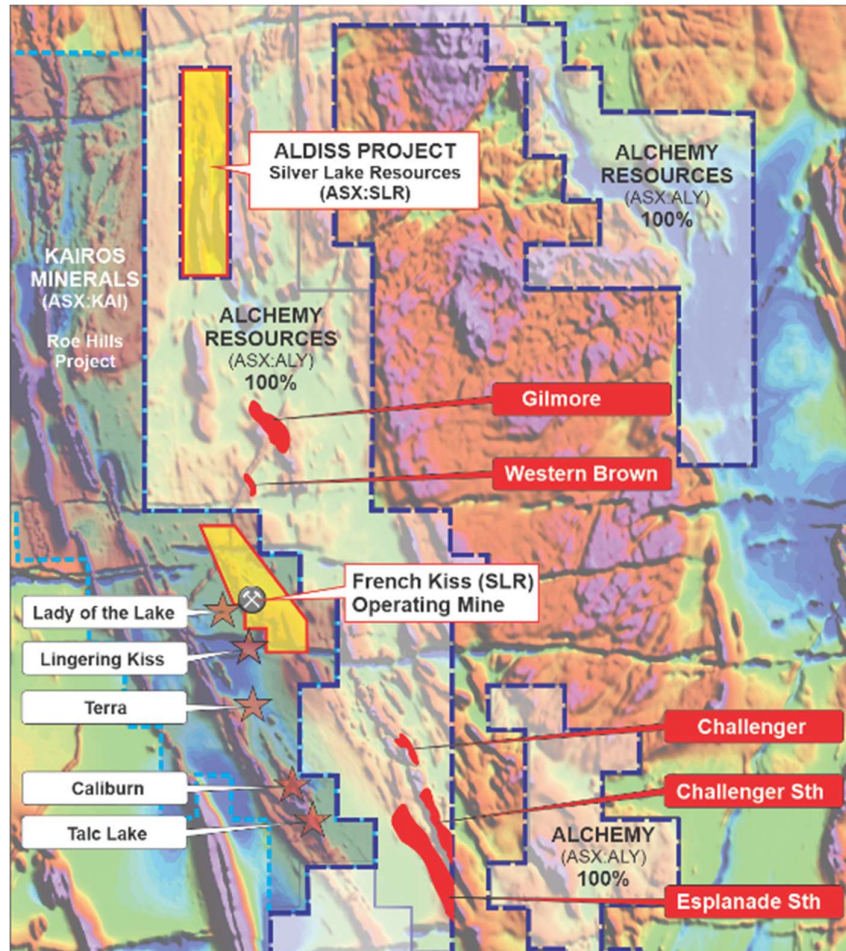


Figure 3: Alchemy Phase 2 drill targets (red) over magnetics

Karonie MRE

Results from the Taupo, KZ5 and Parmelia Prospects drill programs returned high grade gold intercepts which remain open at depth and along strike of all three zones. A MRE was completed for these prospects which reported an inferred resource of 111,100oz Au¹ (Table 1). Alchemy believes there is substantial potential to expand the current JORC MRE through additional drilling, as the deposits remain open along strike and at depth.

¹ Refer to Alchemy Resources Limited ASX announcement dated 31 August 2021

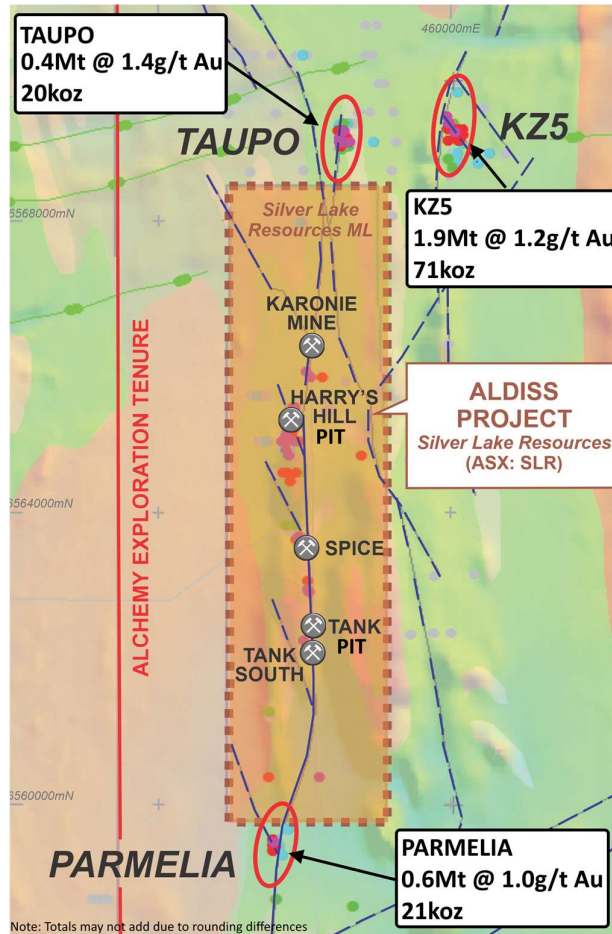


Figure 4: Karonie Project gold Resource areas (0.8g/t Cut-off grade)

Deposit	Classification	Tonnes	Grade g/t	Ounces
KZ5	Inferred	1,876,000	1.2	70,600
Parmelia	Inferred	644,000	1.0	20,700
Taupo	Inferred	441,000	1.4	19,800
TOTAL	Inferred	2,961,000	1.2	111,100

Note: Totals may not add due to rounding differences

Table 1: Karonie Gold Project MRE (0.8g/t Au Cut-off grade)

Karonie high resolution drone magnetics

UAV (Drone) high resolution magnetics was flown over the Karonie East corridor in early 2022. The aim of the program was to better understand the structural framework of the area and to complement the field mapping undertaken earlier in the year. Ground truthing of the historical reconnaissance drilling has shown a significant amount of previous RAB drilling to be ineffective or too wide spaced to target short strike length but high-grade structures. The high-resolution magnetic survey aided in significantly refining the location of the magnetic dolerite host rock, as well as north-south and north-east trending structural features, which are key elements of the mineralising events at Karonie. AC drilling was conducted over several of these targets which returned positive initial results.

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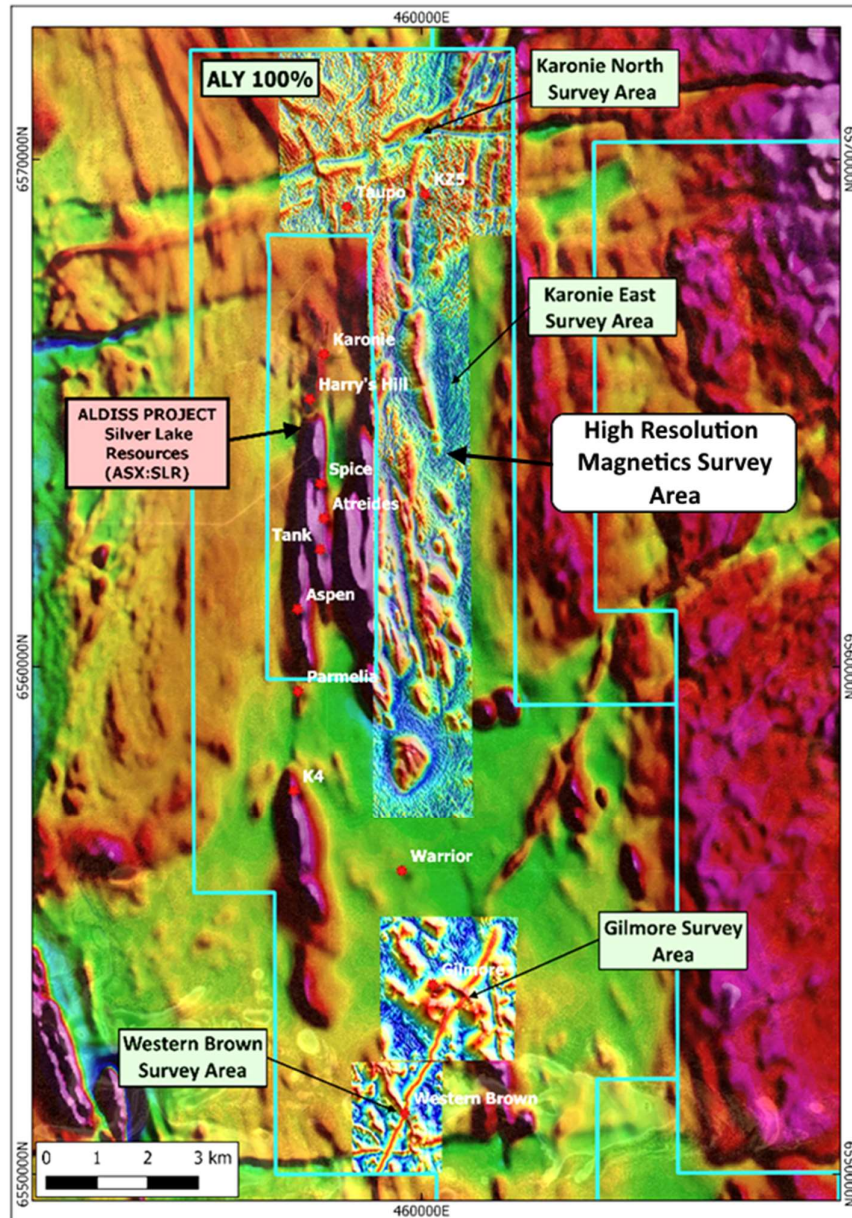


Figure 5: UAV magnetic survey areas at Karonie

Karonie East AC Drilling

The Karonie East survey area is a newly defined area of interest for Alchemy. The area has wide spaced RAB drilling (generally 150m x 1km line spacing) that was relatively ineffective at testing basement geology (Figure 6 and Figure 7). Ground truthing revealed that a large portion of the historic holes in the region failed to reach basement, often terminating in calcrete or younger cover.

AC drilling was undertaken at Karonie East after the high-resolution magnetics flown in 2021 pin-pointed multiple high tenor structures in proximity to the existing deposits and open pits at the adjacent Aldiss Mining Operations currently operated by Silver Lake. The program aimed to test the 10km long corridor

REVIEW OF ACTIVITIES

AC and consisted of 112 holes for a total of 6,357m of drilling. The program was split into two zones, in the north and south of the trend. Holes in this area (Figure 6) were designed to test a magnetic feature which runs along the northern zone over a 2km strike length. A north-east trending structural dislocation occurs in the centre of Figure 3, which Alchemy believes is a key control on mineralisation in the region. Assays returned numerous zones of anomalous gold (>0.1g/t Au) over a strike length of approximately 950m, with a best intercept of 2m @ 2.7g/t Au (48m) in KEAC009, including 1m @ 3.99g/t Au from 48m logged in saprolite².

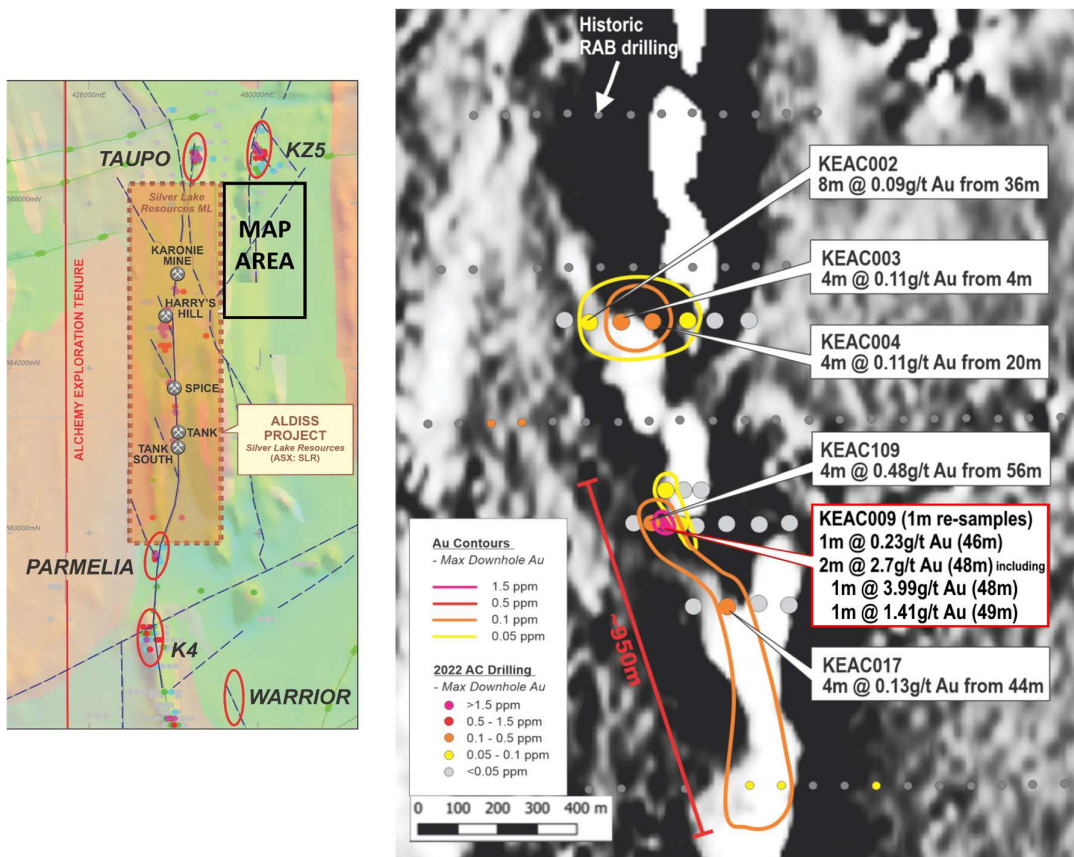


Figure 6: Karonie East – Northern Zone drilling, and updated assay results draped on magnetics

Holes in the Karonie South AC target (Figure 7) were designed to test a series of magnetic features which run along the southern zone over a 5km strike length and returned anomalous results (>0.1g/t Au) over a 4,300m strike extent. Single metre assays of the quartz gravels in KEAC045 returned 2m @ 3.79g/t Au (from 84m), including 1m @ 5.24g/t Au from 84m and 1m @ 2.34g/t Au from 85m (previously 4m @ 1.59g/t Au from 84m)³. Analysis and panning of the quartz gravel in KEAC045 returned a small specimen of visible gold.

² Refer Alchemy Resources Limited ASX announcement 9 March 2022

³ Refer Alchemy Resources Limited ASX announcement 15 February 2022

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REVIEW OF ACTIVITIES

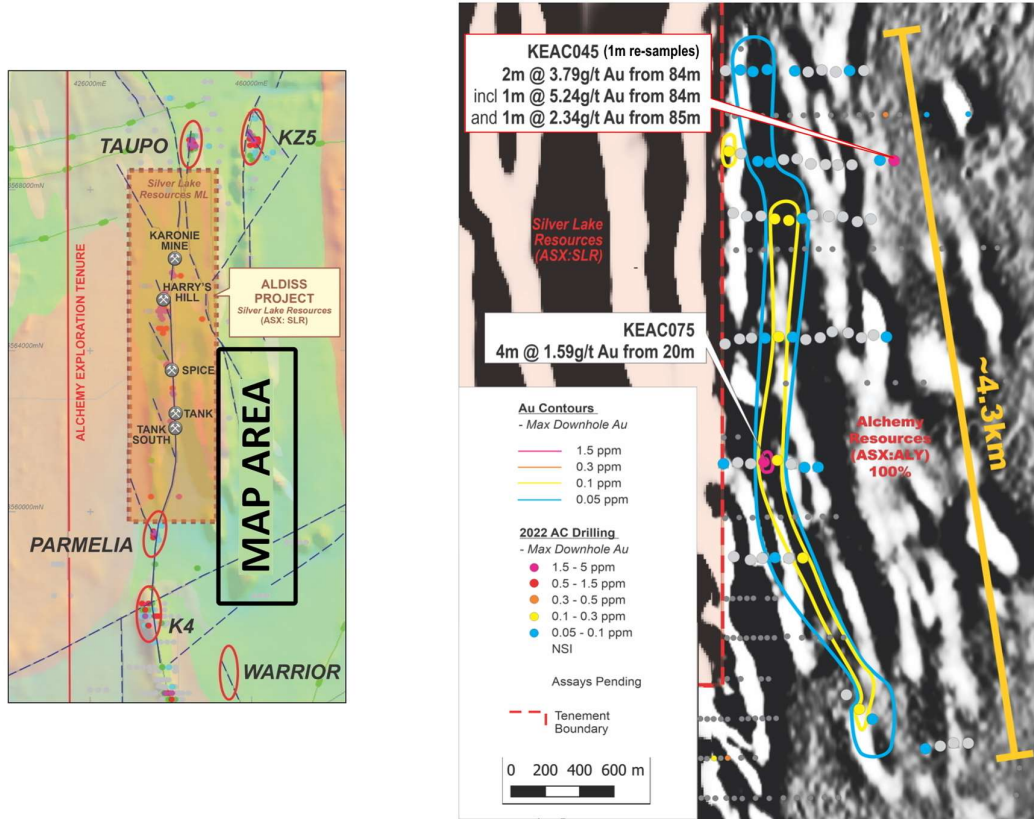


Figure 7: Karonie East – Southern Zone drilling, and updated assay results draped on magnetics

Karonie Lithium Exploration

Lithium exploration commenced at Karonie in early 2022. An in-depth review of existing soil sampling data revealed multi-element lithium and pathfinder anomalism over a large portion of the tenement package. The most advanced of these are the Cherry, Hickory, Mesquite and Pecan Prospects. Analysis of lithium and pathfinder elements shows a strong pattern of anomalism over a zone 7.3km long x 1.5km wide with the northern zone having increasing levels of surface cover which could have obscured outcrops. Alchemy's KZ5 deposit located in the southern portion and adjacent to the Cherry Prospect is a gold deposit which is believed to be VMS hosted mineralisation. Prior exploration had focussed dominantly on gold and the areas of lithium soil anomalism to the east of the KZ5 gold deposit have never been drill-tested.

Soil Sampling: Detailed mapping and rock-chip sampling were completed at the Cherry, Hickory, Mesquite and Pecan Prospects. The program had several objectives including: i) mapping additional pegmatite bodies, ii) identifying zonation within the pegmatites to identify the most prospective zones, iii) obtaining additional surface rock-chip samples, and iv) infilling the existing soil geochemistry on a 100m x 40m pattern. The mapping identified numerous additional pegmatites with the overall mapped dimensions of the zone increasing to 7.3km x 1.5km.

REVIEW OF ACTIVITIES

Mapping: Further ground truthing of the lithium anomalies revealed additional outcropping pegmatites at Cherry and Hickory (Figure 8). A broad zonation has been recognised, trending from outer zones of high rubidium anomalism in proximity to the Cherry Prospect, to tantalum rich (and lower rubidium) zones at Hickory. In particular, the strongest zones of tantalum mineralisation up to 139.5ppm Ta⁴ occur at the northern end of mapped pegmatites at Hickory where these trend under cover.

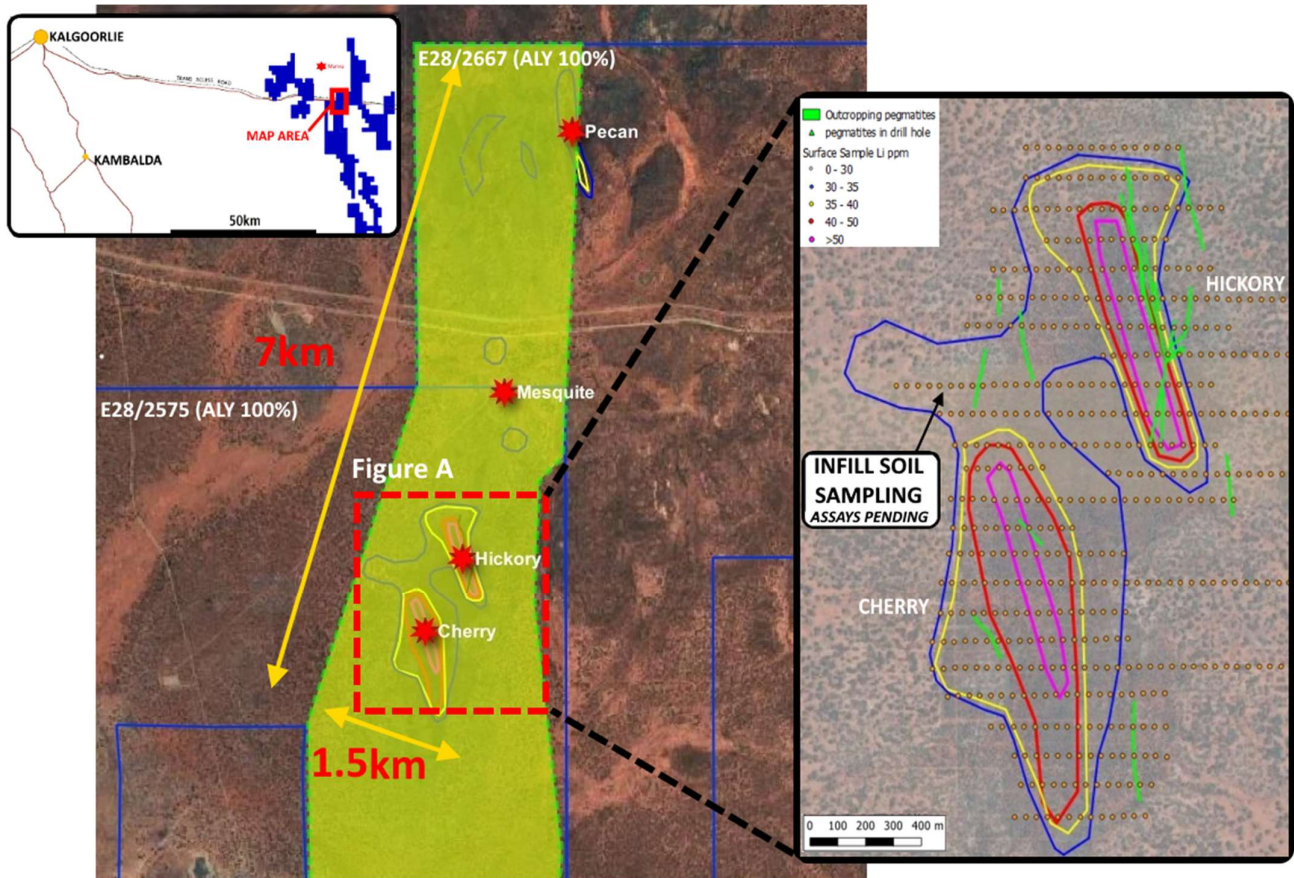


Figure 8: Cherry-Hickory Prospect with infill soil sampling and mapped pegmatites

Infill soil sampling and rock-chip sampling: Infill soil sampling and rock chip sampling programs were completed in late June 2022 over the Cherry-Hickory and Pecan Prospects, with a total of 793 soil samples on a 100m x 40m pattern submitted for multi-element analysis. Results were still pending at the end of the reporting period.

A selection of outcrop photos is shown in Figure 9. A key highlight is the typical “UST” (Unidirectional Solidification Texture) shown in Photographs #1 and #2 where the growth of crystals occurs perpendicular to the dyke walls.

⁴ Refer Alchemy Resources Limited ASX announcement 29 July 2022



Figure 9: Field photographs of Pegmatite outcrops at Cherry and Hickory

Regional Lithium Soil Sampling⁵

Alchemy designed a project wide 400m x 400m spaced soil sampling program to explore for indications of potential lithium, caesium and tantalum (“LCT”) pegmatite mineralisation. The soil sampling involved the collection of 1,471 samples and was completed in late June 2022. Alchemy’s Karonie tenure covers over 60km of strike extent along the contact zone of a regional granite. These areas sit within a prospective “Goldilocks Zone”, a defined corridor in which LCT pegmatites exist. This zone lies outboard of the granitic terrain and within the greenstone belts and is largely untested for battery minerals (Figure 10).

⁵ Refer Alchemy Resources Limited ASX announcement 13 September 2022

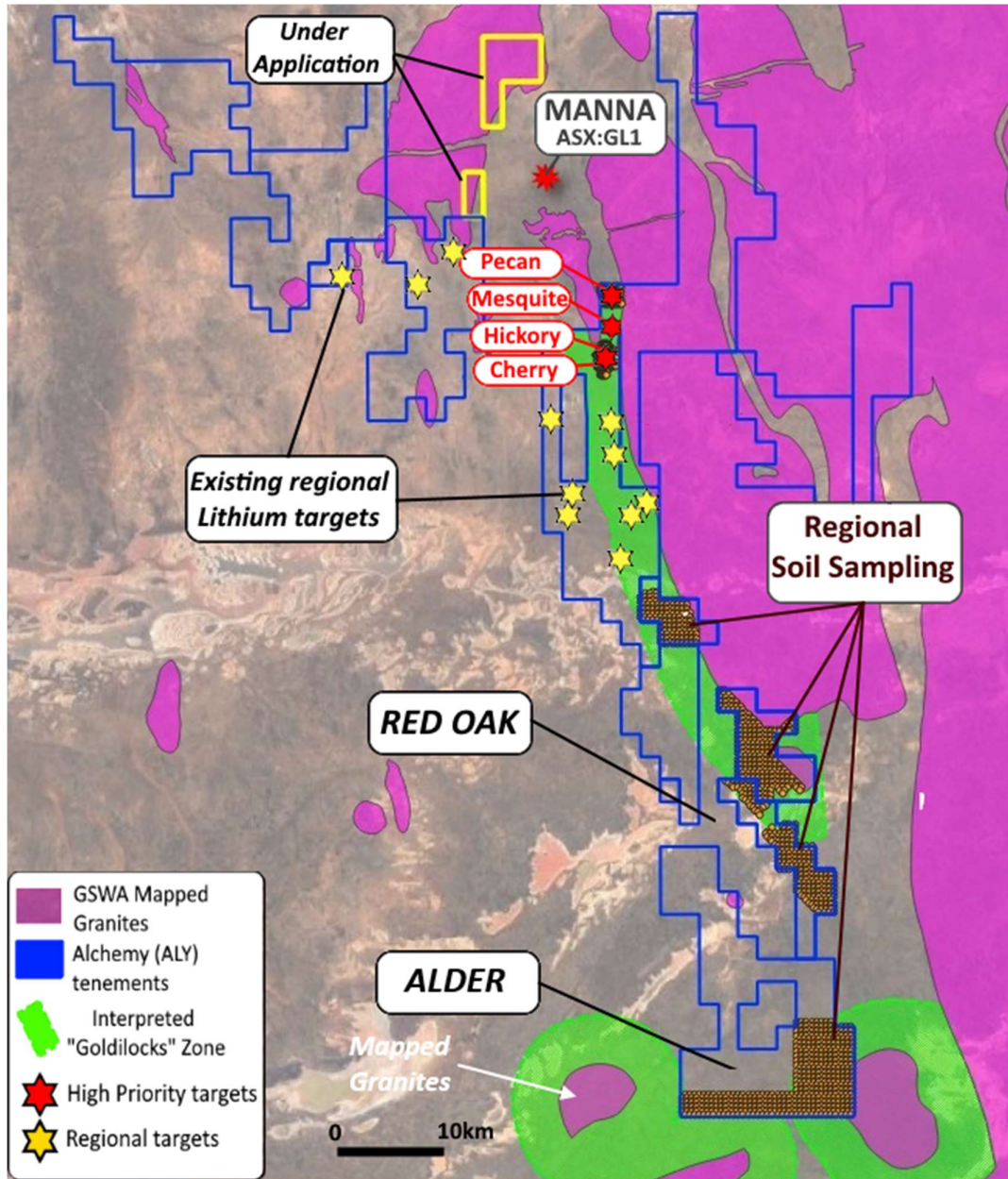


Figure 10: ALY regional lithium prospects with GSWA mapped granite bodies

Assays of the soil sampling show broad, but coherent and coincident beryllium, rubidium and tin anomalies as well as associated lower-level lithium and tantalum values over two large new prospect areas which sit in proximity to the larger regional granites as well as adjacent to numerous smaller granite bodies. The new prospects have been designated "Red Oak" and "Alder". No ground truthing has been conducted at this stage to determine the source of these anomalies. Ongoing assessment of these prospects will be added into future exploration planning.

REVIEW OF ACTIVITIES

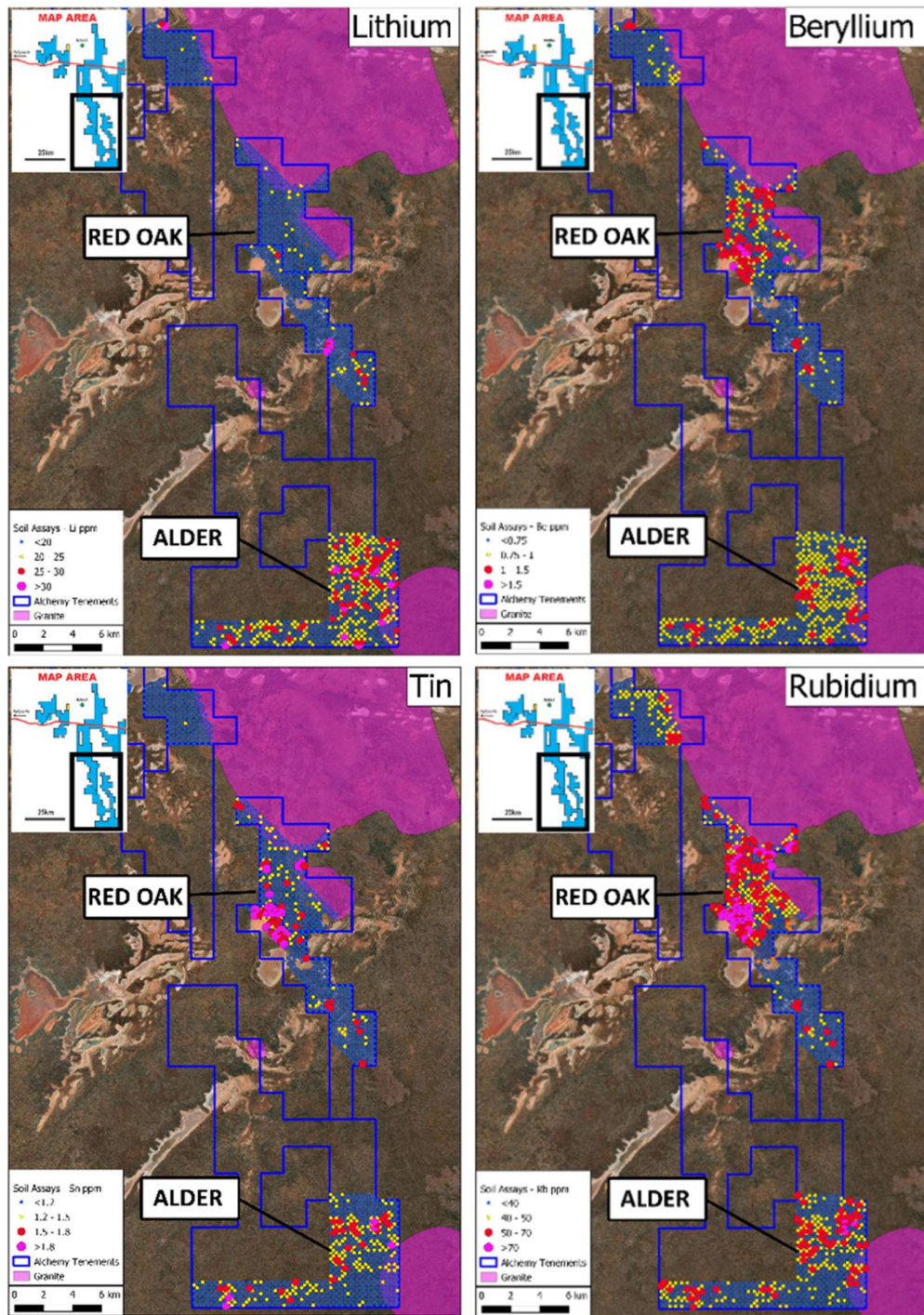


Figure 11: Regional Soil Sampling Li, Rb, Sn, Be pathfinders plotted with new prospects Red Oak and Alder

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REVIEW OF ACTIVITIES

LAKE REBECCA PROJECT (WA) (Alchemy 100%)

The Lake Rebecca Project includes seven granted exploration licences and three applications covering 570km² 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 12). It is located just 10km southeast of Northern Star Resources (ASX: NST) Carosue Dam deposit, and 6km west of Ramelius Resources (ASX: RMS) Rebecca deposit.

During the year, two Heritage Protection Agreements (“HPA”) were signed between the Company’s wholly owned subsidiary Goldtribe Corporation Pty Ltd (“Goldtribe”), and representatives of the Nyalpa Pirniku People and the Kakarra People. The agreements cover the majority of the tenements in the Lake Rebecca area. The HPAs pave the way for a productive and collaborative relationship with the Kakarra and Nyalpa Pirniku People, ensures that all exploration on the tenement will be undertaken with the Traditional Owners’ knowledge and fully informed consent, and enables Alchemy to comply with its heritage protection obligations now and in the future.

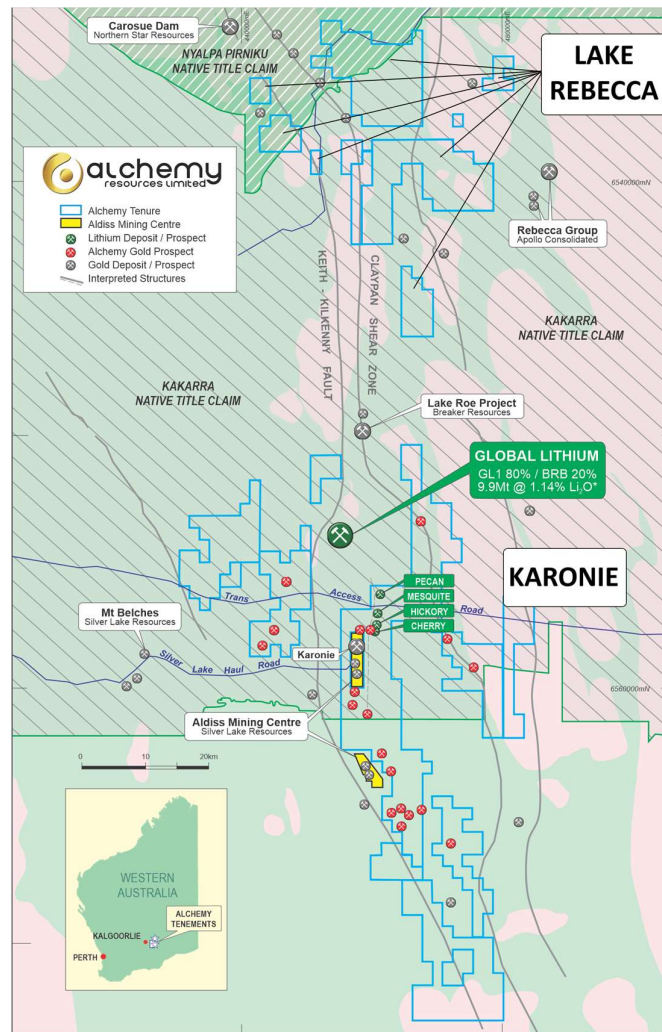


Figure 12: Lake Rebecca Project showing native title boundaries, major deposits and regional structures

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REVIEW OF ACTIVITIES

During the year, Alchemy won three ballots for three key exploration licence applications (E28/3048, E28/3053 and E28/3058). The new licences cover an area of 51km², are located 140km to the east of Kalgoorlie and are contiguous with both BRB to the south and St Barbara (ASX: SBM) to the north (Figure 13) in a highly strategic geological position along the Claypan Shear.

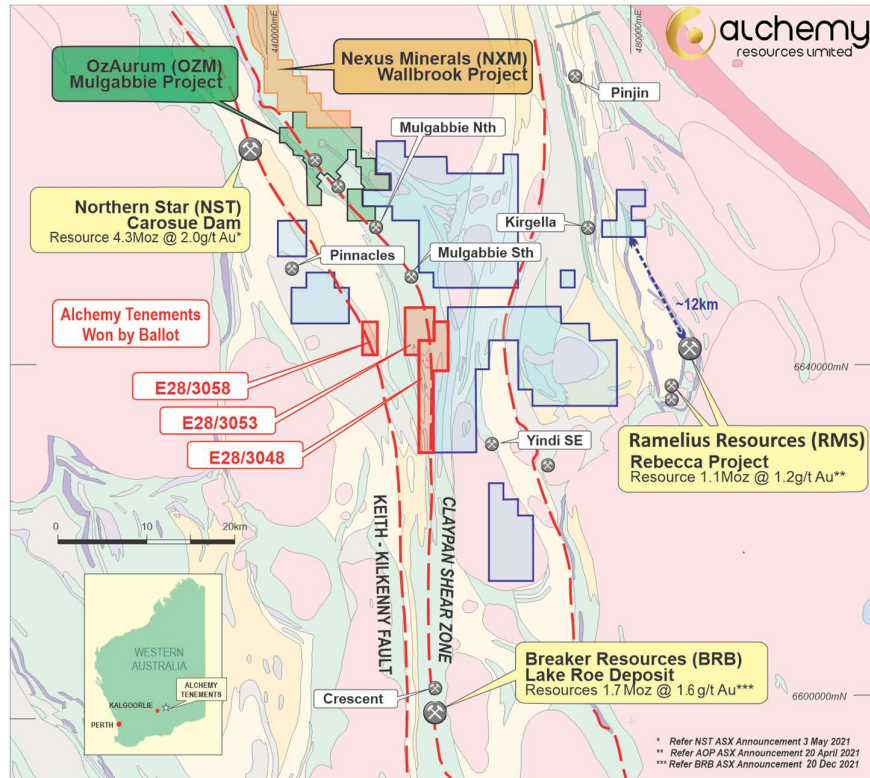


Figure 13: Alchemy tenements at Lake Rebecca won by ballot

LACHLAN/COBAR BASIN PROJECTS (NSW) (ALCHEMY 80%)

The Lachlan Projects cover an area of 674km² of the Central Lachlan Orogen in New South Wales and comprise three project areas prospective for Cobar-style epithermal gold and base metals and copper-gold porphyry mineralisation. The Lachlan / Cobar Basin Projects consist of the Overflow Gold-Base Metal Project, the Yellow Mountain Copper-Gold Project, the West Lynn Nickel-Cobalt-Alumina Project and the Eurow Copper-Gold Project, each containing multiple drill ready gold and/or base metal and/or nickel cobalt targets. The projects form part of a farm-in and JV with Develop Global Limited (ASX: DVP).

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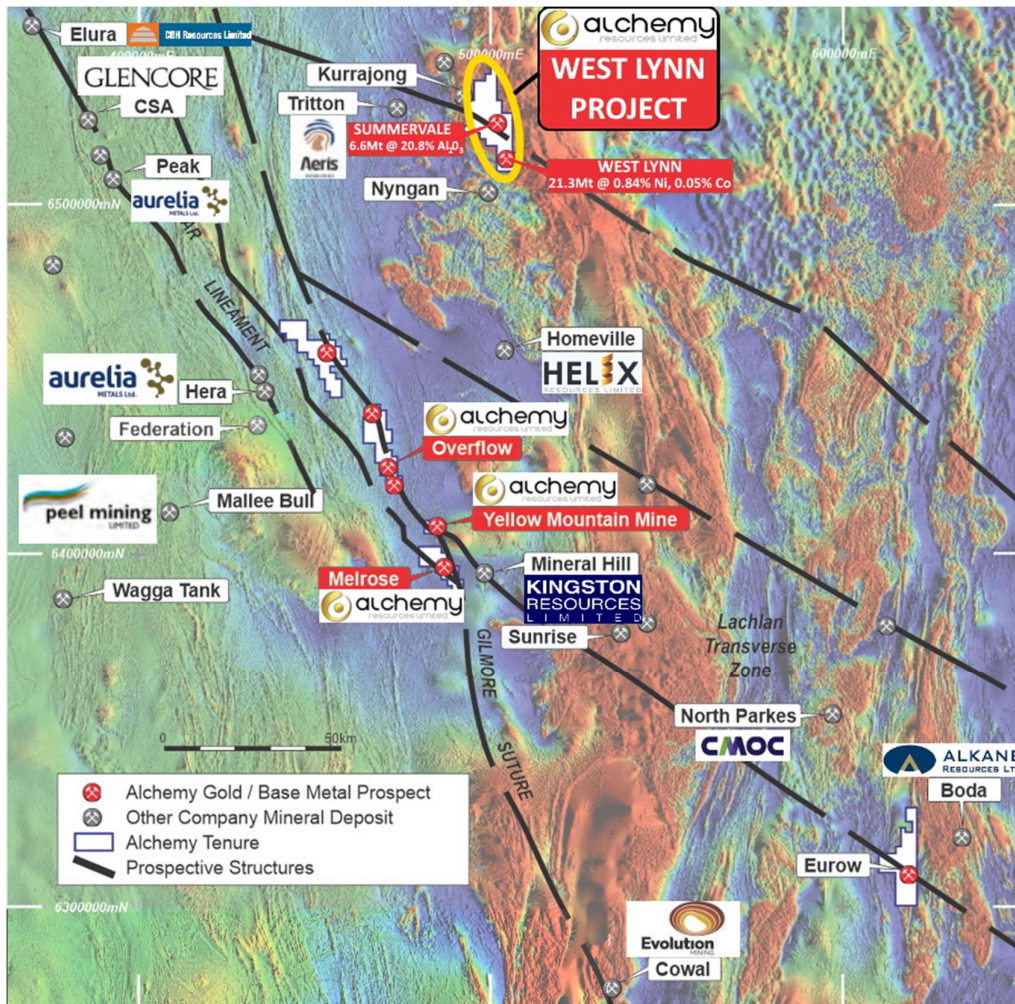


Figure 14: Alchemy prospects and other mineral deposits in the region

Overflow Gold-Base Metal Project

The Overflow Project consists of three exploration licences covering 285km² located over a 34km long section of the Gilmore Suture, ~20km east of the high-grade Hera/Nymagee deposits (Figure 15). 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 in OFDD001⁶ and show in long section on Figure 15. Mineralisation at Overflow is shear hosted, shows a vertical polymetallic zonation, and displays chlorite-silica alteration typical of Hera / Cobar-style mineralisation.

⁶ Refer to Alchemy Resources ASX Announcement dated 29 March 2017

REVIEW OF ACTIVITIES

A review of the geological database for the Overflow deposit as well as regional exploration targeting at Overflow North was undertaken during the year. No ground work was completed by Alchemy during the year.

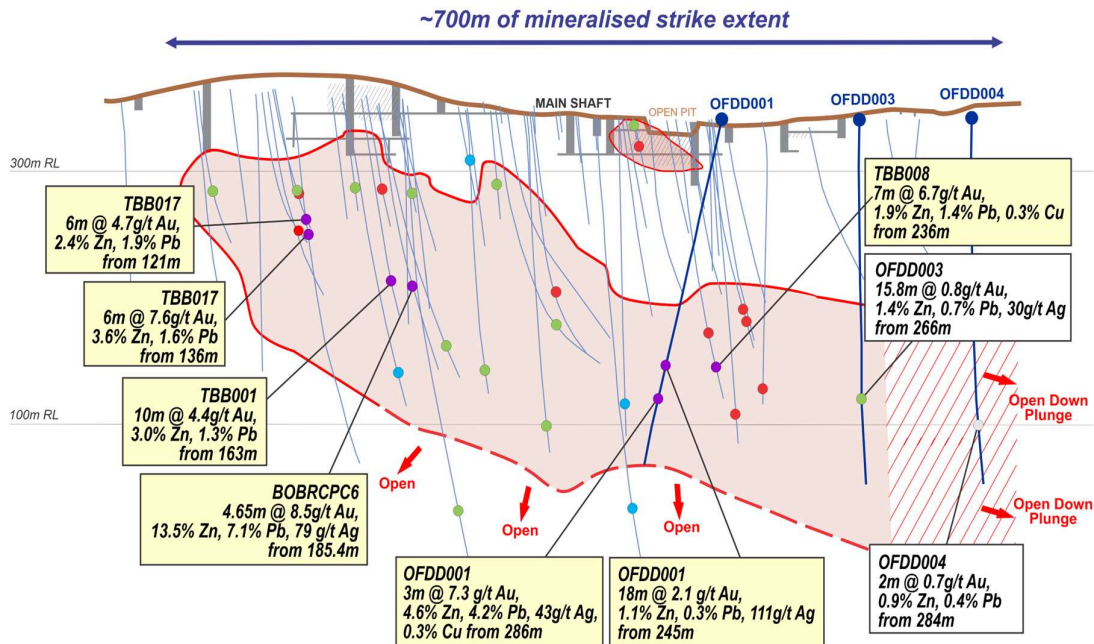


Figure 15: Overflow long section looking east

Yellow Mountain Gold-Base Metal Project

The Yellow Mountain Project consists of one 93km² 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 owned by Evolution Mining Limited (ASX: EVN) (Figure 14). The Project is located on Ordovician-Silurian granites, Ordovician metasediments, and Devonian volcanics which are prospective for VMS, porphyry copper-gold and Cobalt-style gold and base-metal mineralisation.

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

Melrose IRGS Prospect

During the year the Company conducted an extensive review of previous exploration at the Yellow Mountain and Melrose Projects which has resulted in the discovery of historic samples and assay results from rock chip and drill programs, which the Company believes highlights significant exploration potential at the Project around the Melrose Magnetic Anomaly ("MMA")⁷.

⁷ Refer to Alchemy Resources Limited's ASX announcement dated 2 August 2021

REVIEW OF ACTIVITIES

Approximately 242 samples from bottom of hole drill samples have been recovered from drill programs conducted by Triako Limited in 2002 at the MMA. The strategy was to re-sample historic holes using 4-acid digest multi-element geochemistry. Alchemy believes that a modern assaying technique would give a much clearer picture of the potential of the system at Melrose, in particular the area focussed around the MMA.

The samples were assayed for 48 elements and the data was interpreted by well-regarded geochemist, Dr Scott Halley. The data returned significant bismuth, molybdenum, tellurium, and tin anomalism over the southern part of the MMA shown in Figure 16; these elements are pathfinder elements which are typical in reduced magma gold bearing intrusion style (IRGS) deposits (such as Kidston 5Moz or Mungana 1.2Moz).

In addition, the dispersion of the arsenic anomalism at the MMA is offset to the north-east which suggests the intrusion may have been over-turned during deformation. In this model, the gold preferentially accumulates on the top contact zone, which Alchemy believes to be the north-eastern edge of the MMA in an area of approximately 1km x 1km. This area has seen only sparse and shallow historic AC drilling with a total of 12 shallow holes over this zone.

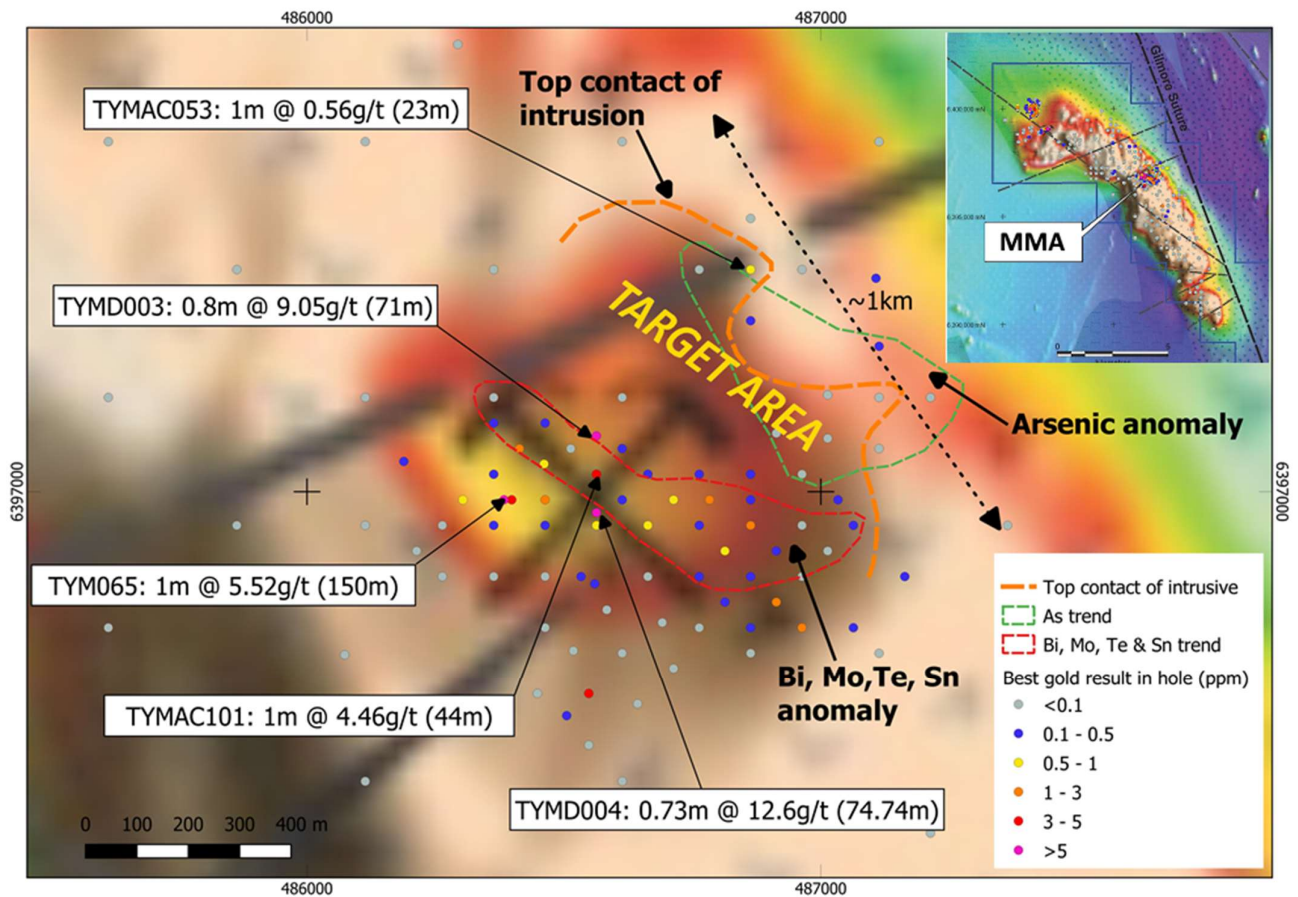


Figure 16: MMA with historic assays, multi-element contours and target areas

REVIEW OF ACTIVITIES

Yellow Mountain Mine Prospect

The Yellow Mountain Mine was worked from the mid-1800s. Accurate production records do not exist for the mine; however, the mine reportedly produced 2.74t of lead, 360kg of copper and 6.2kg of silver from an open pit⁸. The Yellow Mountain Mine Prospect was last drilled in 1986; most of the historic drilling was shallow and many of the drill holes were not assayed for gold.

In early 2012, Triako Resources collected 22 rock chip samples from the Yellow Mountain Mine area to evaluate what had previously been considered to be a base metals target. Five samples returned gold assays of more than 1g/t Au with maximum values of 5.5g/t Au, 267g/t Ag, 24% Pb and 11% Zn. Four of those had silver assays of over 100g/t Ag, similar to the mineralisation at Alchemy's Overflow Project, located 20km to the north.⁸

Historic drilling at the Yellow Mountain Mine Prospect (Figure 17) returned broad zones of copper and gold mineralisation including⁹:

- 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)
- 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)
- 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)

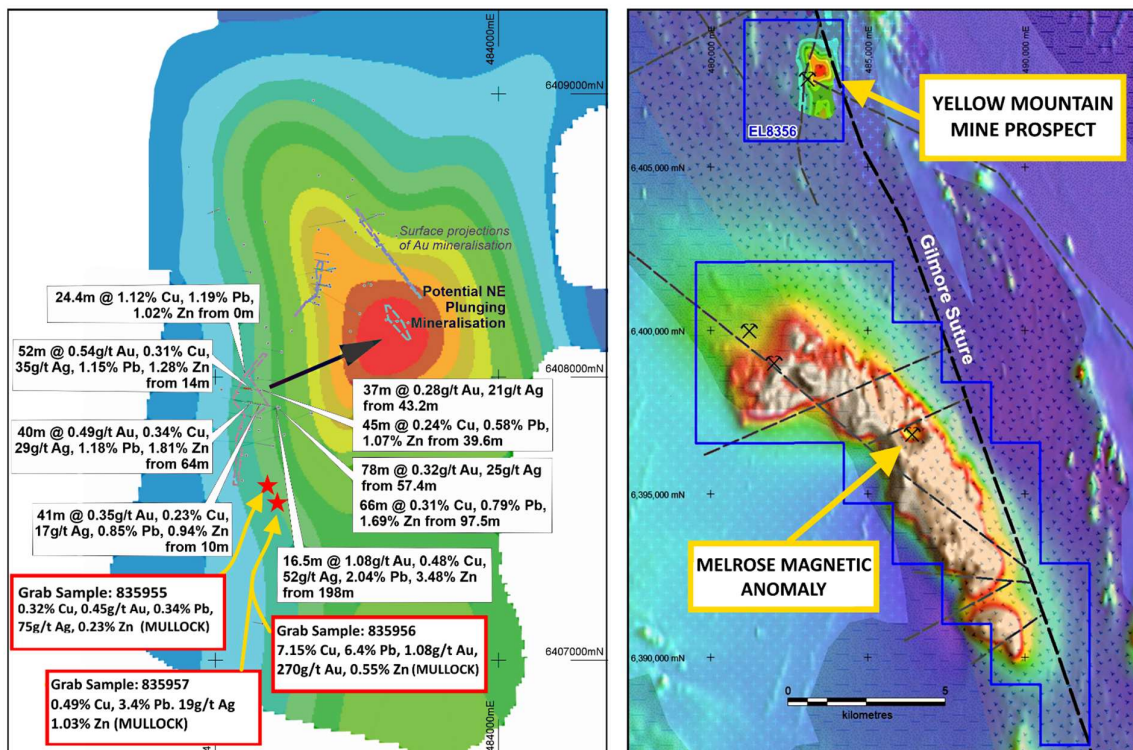


Figure 17: MMA and Yellow Mountain Mine Prospect with historic drilling and recently discovered grab sample assays

⁸ Refer to NSW DIGS Open File Report (RE0003757) - Annual Report EL6325 Report dated 19th October 2012 – Table 3

⁹ Refer ALY ASX announcement 9 June 2020: Significant Copper-Gold Targets identified at Yellow Mountain

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REVIEW OF ACTIVITIES



Figure 18: Yellow Mountain Mine Prospect – Main Shaft area

Recent work by Alchemy

Work completed during the year included a historic desktop data review and a heritage survey to progress land access agreements. The data review discovered results from sampling of mullock dumps undertaken in 2001 by Golden Cross Resources Ltd has revealed peak assays of 7.15% Cu, 6.4% Pb & 1.08g/t Au¹⁰. These samples are located in the area around the historic Yellow Mountain Mine shaft which was operated in the early-mid 1930s. Alchemy sees this as significant, showing the potential for high grade mineralisation within the mine. This sample site sits adjacent to previously reported results including 24.4m @ 1.12% Cu, 1.19% Pb, 1.02% Zn from surface in historic drilling¹¹.

SAMPLE ID	Company	Sample Type	Easting (mN)	Northing (mN)	Sample Date	Geology	Depth (m)	Submission #	Lab Job #	Lab Location
835955	Golden Cross Resources	GRAB - MULLOCK DUMP	483213	6407551	10/05/2000	Sheared Tuff	0m	128	17927	ALS Orange NSW
835956	Golden Cross Resources	GRAB - MULLOCK DUMP	483169	6407626	10/05/2000	Quartz Vein	0m	128	17927	ALS Orange NSW
835957	Golden Cross Resources	GRAB - MULLOCK DUMP	483169	6407625	10/05/2000	Silicified tuff	0m	128	17927	ALS Orange NSW

Table 2: Yellow Mountain Mine Prospect Historic Grab Sample Locations

SAMPLE ID	Sample Location Type	Cu (%)	Pb (%)	Zn (%)	Ag (ppm)	Bi (ppm)
835955	MULLOCK DUMP	0.45	0.34	0.23	75	309
835956	MULLOCK DUMP	7.15	6.40	0.55	270	450
835957	MULLOCK DUMP	0.49	3.40	0.10	53	11

Table 3: Yellow Mountain Mine Prospect Historic Grab Sample Assays

¹⁰ Refer ALY ASX announcement 2 August 2021: Melrose and Yellow Mountain Exploration Update

REVIEW OF ACTIVITIES

In late 2021, Alchemy hosted representatives of the Condobolin Local Aboriginal Lands Council to the Yellow Mountain Mine Prospect. The survey was completed in early 2022 with no sites of significance found. Alchemy has progressed this survey onto the current claimants to progress the land access agreement on this tenement with a view to gaining access for future exploration.

West Lynn Nickel-Cobalt-Alumina Project

EL8631 (West Lynn) is centred 17km northwest of Nyngan, NSW. The Project, which covers an area of 100km², is contiguous with EL8318 (Girilambone) and forms part of the Alchemy/Heron NSW Farm-In and JV 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 hosts 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 19).

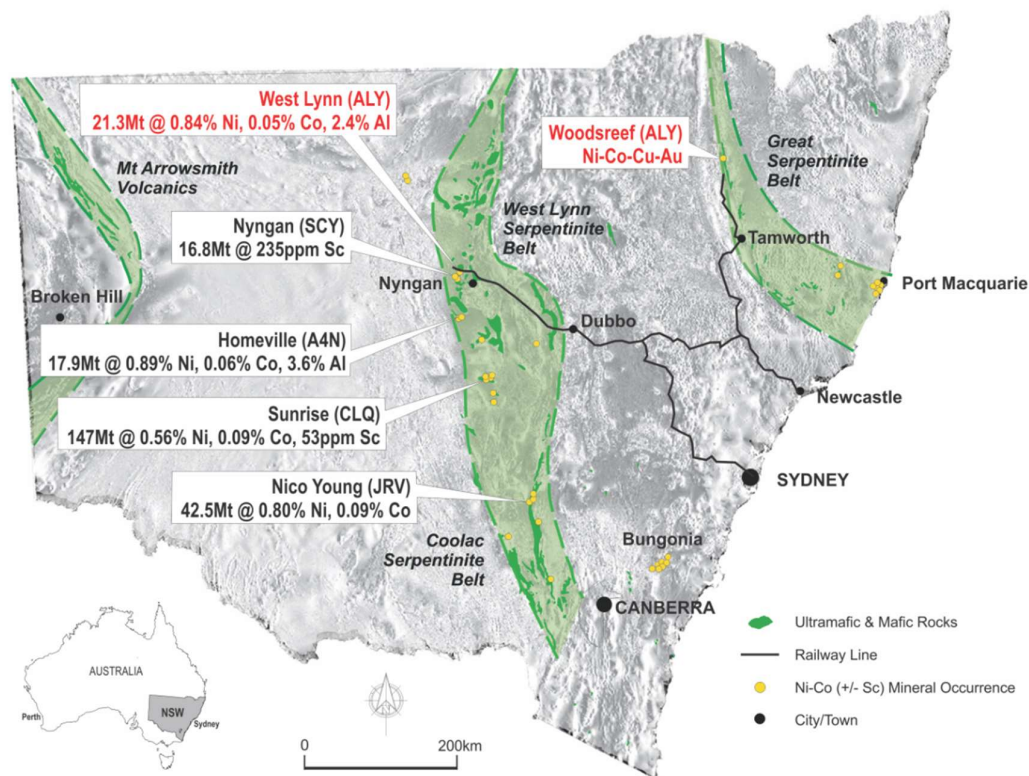


Figure 19: West Lynn Ni-Co Project, Ni-Co+Sc occurrences, and NSW Serpentinite Belts over magnetics

No ground work was completed by Alchemy during the year.

Eurow Copper-Gold Project

The Eurow Copper-Gold Project (“Eurow”), located 30km southeast of Parkes (Figure 14), covers 167km² of Ordovician and Devonian-aged meta-sediments intruded by Silurian and Devonian granites, and proximal to the intersection of the Narromine-Coolac Fault Zone and the Lachlan Transverse Zone. The Project area contains the historic Eurow-Vychan copper-gold workings where historic drilling returned high-grade intercepts of 8m @ 2.94% Cu and 0.85g/t Au from 47m, 3m @ 4.0% Cu and 1.25g/t Au from 73m, and 4.4m @ 1.57% Cu and 0.63g/t Au from 212m below the old workings.

REVIEW OF ACTIVITIES

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 AC 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 129km², located about 20km east of Aeris Resources Ltd's (ASX: AIS) Tritton copper operation on the eastern edge of the Girilambone Basin (Figure 14). 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 Kurradjong copper workings, where mineralisation dips east beneath the Girilambone tenement. Recent drilling beneath the Kurradjong 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 403m¹¹.

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 281km² within the New England Fold Belt. The licence encompasses a 34km long section of the Peel Fault, which is recognised as a regional thrust system that hosts intrusive serpentinites and separates the Woolomin Beds and Permian granites to the east from the Tamworth Belt to the west. The principal targets in the region are vein hosted orogenic 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.

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

Alchemy's base metal and gold prospective Bryah Basin Project comprises a 584km² tenement package, located 130km northeast of Meekatharra, Western Australia. The Project is located along strike and south-west of Sandfire's 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 20). Alchemy retains its interests in the Bryah Basin Project through farm-in and JV agreements over the base metal prospective part of the project with Sandfire, and over the gold prospective part of the project with Plutonic gold mine operator Billabong, a wholly-owned subsidiary of Superior. 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.

¹¹ Refer to Aeris Resources Ltd ASX Announcements dated 12 June 2018 and 21 August 2018

REVIEW OF ACTIVITIES

Alchemy also retains a 1% net smelter royalty over future production from 70,000oz to 90,000oz gold from the Hermes gold deposit (Figure 20). Hermes has produced ~53,500oz since mining commenced in 2017¹² and Superior 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 Hermes¹³.

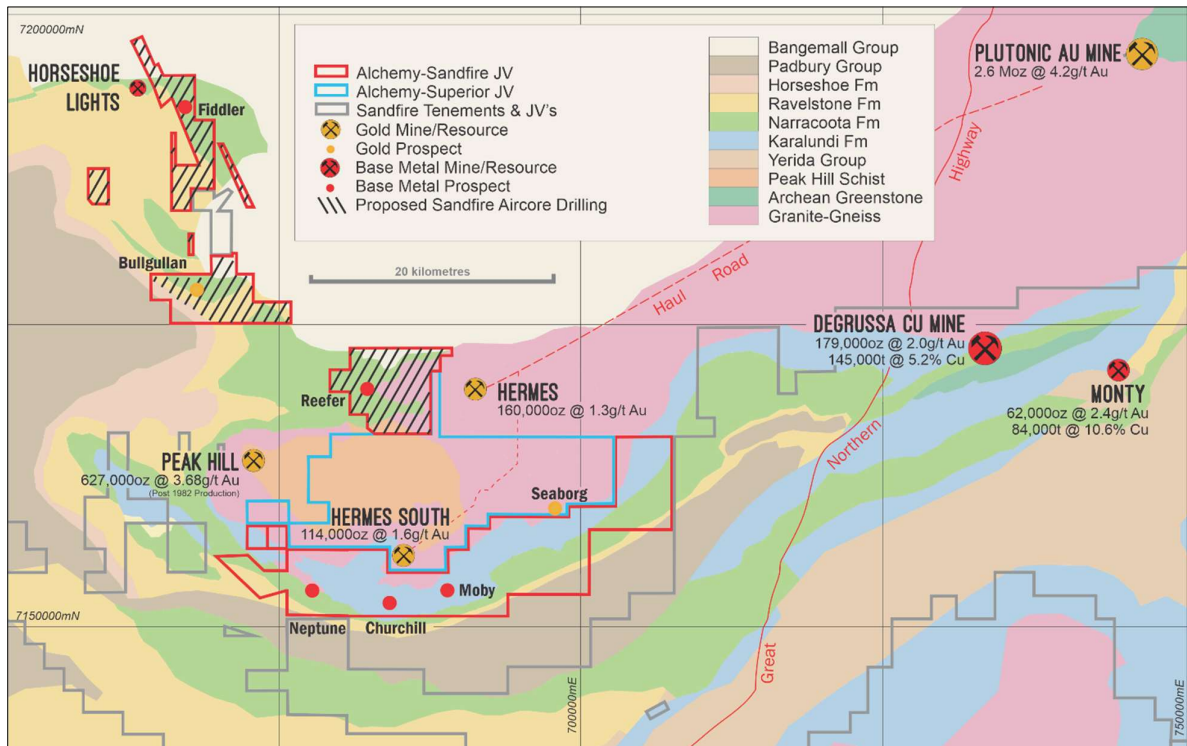


Figure 20: Bryah Basin Project – Sandfire JV and Billabong JV areas and gold and base metal prospects

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 20)¹⁴. 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.

¹² Refer to Superior Gold Inc. Interactive Analyst Centre (company website) accessed 26 August 2020

¹³ Refer to Superior Gold Inc. TSX-V Announcement dated 7 August 2020

¹⁴ Refer to Alchemy Resources ASX Announcement dated 6 August 2018

REVIEW OF ACTIVITIES

During the period, 795 AC holes were drilled for a total of 57,954m at the Peak Hill North, Horseshoe Lights and Windalah Bore Prospect. These holes were designed as an initial 800m x 100m pattern to provide high quality litho-geochemical data, as well as key geological information to delineate the stratigraphy.

Drilling intersected the chemogenic sediments, quartz arenites and carbonaceous shales of the Bangemall Formation in the North, and quartzite, psammite, quartz-muscovite schist, biotite schist of the Peak Hill Metamorphic Suite followed by strongly foliated basalt of the Narracoota Formation in the South. Geological interpretation is currently ongoing to define the Bangemall, Peak Hill and Narracoota Formation contacts.

A 3-line IP survey was completed at Peak Hill over an area of geological interest, with results pending. Three moving loop EM surveys were conducted at West Orient, Bulgullan Bore and at Beatty Pool.

Hole ID	Prospect	From	To	Width (m)	Cu (ppm)	Au (ppb)	Zn (ppm)	Pb (ppm)
HSAC0644	Windalah Bore	60	65	5	9.0	-1.0	93.0	260.0
PHAC1784	Peak Hill North	30	35	5	227.0	612.0	72.0	-0.5
PHAC1792	Peak Hill North	15	20	5	1230.0	6.0	60.0	2.5
PHAC1792	Peak Hill North	20	25	5	1160.0	10.0	78.0	2.0
PHAC1831	Peak Hill North	35	40	5	320.0	-1.0	560.0	62.0
PHAC1831	Peak Hill North	40	45	5	257.0	-1.0	658.0	4.0
PHAC1832	Peak Hill North	60	65	5	232.0	-1.0	664.0	9.0
PHAC1832	Peak Hill North	65	70	5	173.0	-1.0	1040.0	5.0
PHAC1887	Peak Hill North	45	50	5	114.0	-1.0	286.0	318.0
PHAC1938	Peak Hill North	0	5	5	121.0	-1.0	677.0	232.0
PHAC1938	Peak Hill North	5	10	5	108.0	-1.0	560.0	377.0
PHAC1975	Peak Hill North	25	26	1	103.0	-1.0	531.0	9.5

Table 4: AC Drilling completed in the Windalah Bore and Peak Hill Prospects (Alchemy /Sandfire JV)

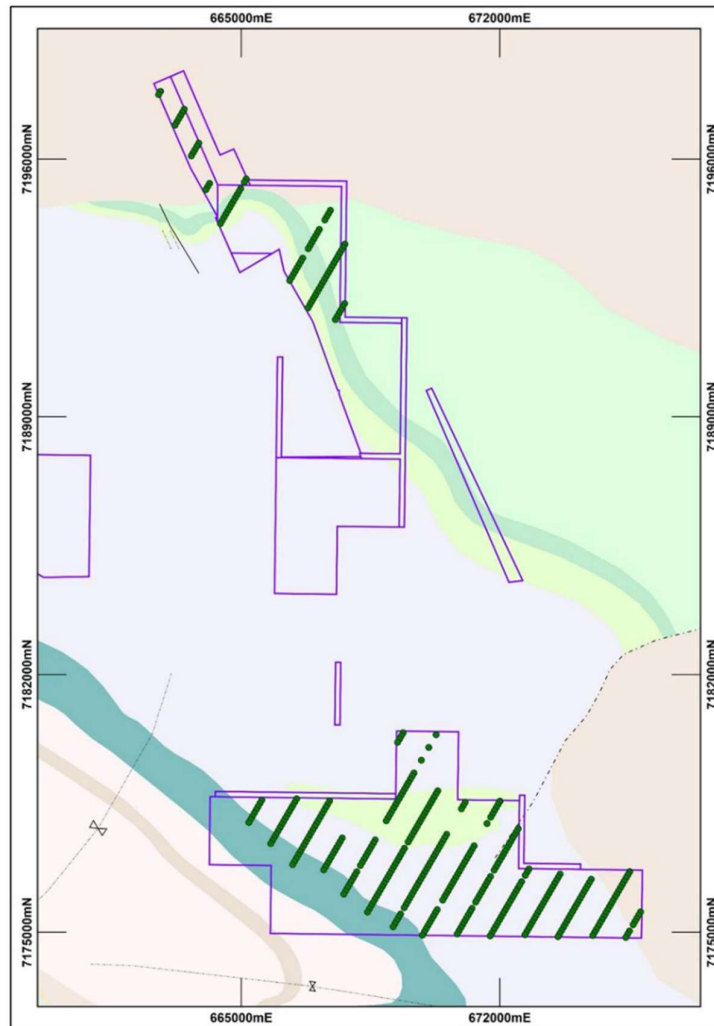


Figure 21: Sandfire AC drilling on Bulgullan Bore Prospect

Gold Exploration (Billabong Gold 70-80%)

Exploration of Alchemy's tenements that cover the gold prospective part of the Bryah Basin Project continued under a farm-in and JV arrangement with Billabong ("Billabong Gold JV"), with Billabong now having earned a 70-80% interest.

Under the terms of the Billabong Gold JV, Alchemy's interest is carried on an interest-free deferred basis to production, with Alchemy to repay the deferred amount from 50% of its share of free cash flow from production following commencement of mining.

Work completed during the year included:

- Demarcation and signage of Heritage Sites identified during the survey of the Wilgeena to Hermes proposed haul road and Wilgeena mining footprint to ensure there is no disturbance to the sites.

REVIEW OF ACTIVITIES

- Flora and fauna surveys of the Wilgeena mining footprint and proposed Hermes to Wilgeena haul road.
- Drilling of RC holes at Wilgeena with a view to extending the resource to the southeast.
- Establishment of four water monitoring bores at Wilgeena.
- RC drilling at Wilgeena to sterilise ground for mining infrastructure (2,532m).
- Heritage surveys for drilling at Central Bore, Pelorus and Seaborg.
- Analysis of soil and waste characterisation samples for Wilgeena.
- Hydrogeological and pit lake assessments for the Wilgeena Project.

Each of the announcements including exploration results referred to above included a Competent Person's Statement as required by Listing Rule 5.22. The Company was not, as at 27 September 2022 when the Annual Report was released, aware of any new information or data that materially affects this information regarding the exploration results.

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr James Wilson, who is the Chief Executive Officer of Alchemy Resources Limited and holds shares and options in the Company. Mr Wilson is a Member of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ('JORC Code 2012'). Mr Wilson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this 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 information in this report that relates to Karonie Mineral Resources is based on information compiled by Richard Maddocks, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy. Richard Maddocks is an employee of Auranmore Consulting. Richard Maddocks has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Richard Maddocks consents to the inclusion in the 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.

REVIEW OF ACTIVITIES

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.

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DIRECTOR'S 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 2022.

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

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, lithium, 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 2022 was \$806,117 (2021: \$524,830).

DIVIDENDS

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

OPERATIONS AND FINANCIAL REVIEW

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

FINANCIAL

Exploration and evaluation costs totalling \$249,238 (2021: \$15,040) were written off during the year in accordance with the Group's accounting policy.

As at 30 June 2022, the Group had net assets of \$9,944,794 (2021: \$7,653,849) including cash and cash equivalents of \$2,008,082 (2021: \$924,376).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

EVENTS SINCE THE END OF THE FINANCIAL YEAR

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the Group up to 30 June 2022, 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 2022, however reporting requirements may change in the future.

INFORMATION ON DIRECTORS & MANAGEMENT

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 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 Unlisted Options – Alchemy Resources Limited	60,880,611 1,185,983

L Carpine, Non-Executive Director (appointed 18 March 2015)		
Experience and expertise	Ms Carpine 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 Carpine 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 Carpine was Company Secretary/CFO for listed explorers Venturix 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) Non-Executive Director of RLF Agtech Limited (appointed 15 December 2021)	
Former directorships in last 3 years	None	
Special responsibilities	Member of the Audit Committee	
Interests in shares and options	Ordinary Shares – Alchemy Resources Limited Unlisted Options – Alchemy Resources Limited	2,916,666 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	Non-Executive Director of Australian Agricultural Projects Limited (director since 2003) Non-Executive Director of Mustera Property Group Limited (director since 2014)	
Former directorships in last 3 years	Executive Director of Newfield Resources Limited (from 2011 to 16 April 2021)	
Special responsibilities	Chair of the Audit Committee	
Interests in shares and options	Ordinary Shares and Unlisted Options – Alchemy Resources Limited	Nil

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DIRECTOR'S REPORT

CHIEF EXECUTIVE OFFICER

Mr James Wilson was appointed Chief Executive Officer on 1 January 2021. Mr Wilson is a geologist with more than 15 years hands on experience in exploration and operational roles, both in Australia and overseas, covering a wide range of resources including gold, copper, nickel and uranium. Mr Wilson spent the previous fourteen years working as a metals and mining analyst, with the last five of those years as Senior Research Analyst - Resources for Argonaut Securities.

Mr Wilson has a Bachelor of Applied Science – Geology and a Graduate Diploma in Financial Analysis and Valuation and is a Graduate of the Australian Institute of Company Directors.

COMPANY SECRETARY

Ms Terzanidis is a Chartered Secretary, an Associate of the Governance Institute of Australia and holds a Bachelor of Commerce from Curtin University with majors in Accounting and Corporate & Resources Administration.

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 2022, and the numbers of meetings attended by each Director were:

Director	Board of Directors		Audit Committee	
	A	B	A	B
L Dudfield	6	6	2	2
L Carpena	6	6	2	2
A Ho	6	6	2	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

REMUNERATION REPORT (AUDITED)

The Directors present the Alchemy Resources Limited 2022 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 2021 Annual General Meeting
- g) Statutory Performance Indicators
- h) Details of remuneration
- i) Service agreements
- j) Details of share-based compensation and bonuses
- k) Equity instruments held by key management personnel
- l) Loans to key management personnel
- m) Other transactions with key management personnel

DIRECTOR'S REPORT

a) Key management personnel covered in this report

Alchemy's key management personnel is defined as:

Name	Position
L Dudfield	Non-Executive Chairman
L Carpene	Non-Executive Director
A Ho	Non-Executive Director
J Wilson	Chief Executive Officer

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 2022.

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 a salary or consulting fees, which is inclusive of superannuation, and from time to time, equity incentives. 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 and Performance Rights are valued using a Black-Scholes option pricing model and Monte Carlo simulations 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 (eg. changes in share price).

The Board has set performance indicators, such as movements in the Company's share price, for the determination of the Chief Executive Officer emolument as the Board believes this may encourage performance which is 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 and that it is fit for purpose at this time. The Board believes participation in the Company's Employee Incentive Scheme motivates key management and executives with the long-term interests of shareholders. Refer note 22 for more details.

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 the 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 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) Statutory performance indicators

The Board aims to align executive remuneration to Alchemy's strategic and business objectives and the creation of shareholder wealth. The table below shows measures of the Group's financial performance over the last five years as required by the Corporations Act 2001. However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to key management personnel. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

DIRECTOR'S REPORT

f) Statutory performance indicators (continued)

	2022	2021	2020	2019	2018
Total comprehensive loss for the year	\$806,117	\$524,830	\$390,897	\$10,282,67	\$528,830
Loss per share (cents)	0.09	0.08	0.07	2.36	0.15
Share price at year end	\$0.013	\$0.014	\$0.019	\$0.010	\$0.014

g) Voting and comments made at the Company's 2021 Annual General Meeting

Alchemy Resources Limited received 99.39% of "yes" votes on its remuneration report for the 2021 financial year. The Company did not receive any specific feedback at the Annual General Meeting or throughout the year on its remuneration practices.

h) 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 and Performance Rights		
	\$	\$	\$	\$	\$		
2022							
Directors and CEO							
L Dudfield	20,000	-	-	-	-	20,000	-
J Wilson	200,000	-	-	20,000	64,509	284,509	24.5%
L Carpene	20,000	-	-	-	-	20,000	-
A Ho	19,998	-	-	-	-	19,998	-
Totals	259,998	-	-	20,000	64,509	344,507	

Name	Short-term benefits			Post-employment benefits	Share-based payment	Total \$	Performance related %
	Salary and fees \$	Cash bonus \$	Non-monetary benefit \$	Super-annuation \$	Options and Performance Rights \$		
2021							
Directors and CEO							
L Dudfield	20,000	-	-	-	-	20,000	-
J Wilson ¹	100,000	-	-	9,500	50,485	159,985	31.6
L Ryan ²	124,309	-	-	9,446	-	133,755	-
L Carpene	20,000	-	-	-	-	20,000	-
A Ho	19,998	-	-	-	-	19,998	-
Totals	284,307	-	-	18,946	50,485	353,738	

¹ Appointed on 1 January 2021 ² Resigned on 31 December 2020

i) Service agreements

On appointment to the Board, all 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.

Mr J Wilson, Chief Executive Officer

Mr Wilson is remunerated pursuant his Executive Services Agreement (CEO Agreement).

The key terms of the CEO Agreement are:

- Remuneration package of \$200,000 per annum plus statutory superannuation (capped at \$25,000 per annum) on a full-time basis.
- Either party may terminate the CEO Agreement by providing the other party with three months written notice or payment in lieu of notice.
- 7,000,000 unlisted sign-on options, issued with an exercise price that is 150% of the volume weighted average price of the Company's shares for the five trading days prior to the commencement date with an expiry date of 31 December 2023 – exercise price is \$0.0252. The sign-on options will become exercisable (vest) twelve months after the commencement date and will otherwise be issued on terms and conditions in accordance with the Incentive Plan Rules (including that the sign-on options will lapse if the Executive ceases to be an 'Eligible Participant' under the Incentive Plan Rules).
- 10,000,000 unlisted Performance Rights, issued in three tranches (20%, 40%, 40%) with vesting dependent upon the satisfaction of specific performance hurdles, including increasing the Company's share price and market capitalisation and outperforming peer companies, with a three-year measurement period ending 31 December 2023. The Performance Rights will

i) Service agreements (continued)

otherwise be issued on terms and conditions in accordance with the Incentive Plan Rules (including that the Performance Rights will lapse if the Executive ceases to be an 'Eligible Participant' under the Incentive Plan Rules).

j) Details of share-based compensation and bonuses

Options

Options over ordinary shares in Alchemy Resources Limited are granted under the Employee Incentive 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.

Grant date	Vesting date	Expiry date	Number of options	Exercise price	Value per option at grant date	Total value	% Vested
1 Jan 2021 ¹	31 Dec 2021	31 Dec 2023	7,000,000	\$0.0252	\$0.009	\$63,712	100%

¹ On 1 January 2021, 7,000,000 unlisted options exercisable at \$0.0252 were granted to CEO, James Wilson as a sign-on bonus. The sign-on options became exercisable and vested twelve months after the commencement date, being 31 December 2021.

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 (\$0.0252), the term of the option (3 years), the share price at grant date (\$0.018) and expected price volatility of the underlying share (102.6%), the expected dividend yield (0%) and the risk-free interest rate (0.1%) for the term of the option.

Performance Rights

Performance rights in Alchemy Resources Limited are granted under the Employee Incentive 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 performance rights issued to Directors of the Company are subject to shareholder approval.

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

On 19 January 2021, the Company granted 10,000,000 performance rights to Mr Wilson under the Incentive Option Plan ("the Plan"). The performance rights have a nil exercise price and are subject to the following vesting conditions:

- Tranche 1: Up to 4,000,000 of the performance rights may vest related to the Company's Market Capitalisation ("Capitalisation") on 31 December 2023 ("Measurement Date") as follows:

Where the Capitalisation is:

- greater than or equal to \$50 million then 4,000,000 of the Tranche 1 Performance Rights will vest on the Measurement Date; or

j) Details of share-based compensation and bonuses (continued)

Performance Rights (continued)

- greater than or equal to \$25 million but less than \$50 million then 2,000,000 of the Tranche 1 Performance Rights will vest on the Measurement Date; or
 - less than \$25 million then no Tranche 1 Performance Rights will vest on the Measurement Date.
- Tranche 2: Up to 4,000,000 of the performance rights may vest based on the relative performance of the Company's share price compared to that of the S&P/ASX Small Ordinaries Resources Index (AXSRD) over the period 1 January 2021 to 31 December 2023 ("Measurement Period"). The base measure for AXSRD and the Company's share price being closing prices as at 31 December 2020 (being AXSRD 2,995.33 and ALY \$0.018 respectively). Where the relative performance of the Company's share price to the AXSRD is:
- greater than or equal to 100% outperformance then 4,000,000 of the Tranche 2 Performance Rights will vest on the Measurement Date; or
 - greater than or equal to 50% outperformance but less than 100% outperformance then 2,000,000 of the Tranche 2 Performance Rights will vest on the Measurement Date; or
 - less than 50% outperformance then no Tranche 2 Performance Rights will vest on the Measurement Date.
- Tranche 3: Up to 2,000,000 of the performance rights will vest if the Company's share price is greater than or equal to \$0.10 at the Measurement Date.

The above performance rights continue to be expensed over the vesting period.

Rights series	Grant date	Number of rights	Measurement Date for Vesting	Expiry and vesting date	Exercise price	Value per right at grant date	Total value	% Vested
1	1 Jan 2021	4,000,000	31 Dec 2023	31 Dec 2023	Nil	\$0.0089	\$35,620	0%
2	1 Jan 2021	4,000,000	31 Dec 2023	31 Dec 2023	Nil	\$0.0161	\$64,509	0%
3	1 Jan 2021	2,000,000	31 Dec 2023	31 Dec 2023	Nil	\$0.0066	\$13,196	0%

The fair value of performance rights at grant date were independently determined using a Monte Carlo stimulation pricing model that takes into account the vesting conditions, the term of the performance rights, 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 performance right.

k) Equity instruments held by key management personnel

The following tables detail the number of fully paid ordinary shares, options over ordinary shares and performance rights 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.

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DIRECTOR'S REPORT

k) Equity instruments held by key management personnel (continued)

Options

2022	Opening balance (1 July)	Granted as remuneration	Participation in entitlement issue	On resignation	Balance at 30 June	Vested but not exercisable	Vested and exercisable	Unvested	Max value yet to vest
Directors									
L Dudfield	1,185,983	-	-	-	1,185,983	-	1,185,983	-	-
L Carpene	25,000	-	-	-	25,000	-	25,000	-	-
A Ho	-	-	-	-	-	-	-	-	-
CEO									
J Wilson	7,000,000	-	-	-	7,000,000	-	7,000,000	-	-
	8,210,983	-	-	-	8,210,983	-	8,210,983	-	-

Performance Rights

2022	Opening balance (1 July)	Granted as remuneration	Performance Rights exercised	Net change other	Balance at 30 June	Vested but not exercisable	Vested and exercisable	Unvested	Max value yet to vest
Directors									
L Dudfield	-	-	-	-	-	-	-	-	-
L Carpene	-	-	-	-	-	-	-	-	-
A Ho	-	-	-	-	-	-	-	-	-
CEO									
J Wilson	10,000,000	-	-	-	10,000,000	-	-	10,000,000	\$113,325
	10,000,000	-	-	-	10,000,000	-	-	10,000,000	\$113,325

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

Shareholdings

2022	Opening balance (1 July)	On appointment	Participation in placement or entitlement issue	On market acquisition or disposal	On resignation	Balance at 30 June
Directors						
L Dudfield	69,653,142	-	8,697,228	(17,469,759) ¹	-	60,880,611
L Carpene	2,500,000	-	416,666	-	-	2,916,666
A Ho	-	-	-	-	-	-
CEO						
J Wilson	1,200,853	-	5,454,546	-	-	6,655,399
	73,353,995	-	14,568,440	(17,469,759)	-	70,452,676

¹ Sale of shares held by Jindalee Resources Ltd (ASX: JRL), being an indirect interest of Lindsay Dudfield due to his role as director of JRL.

l) 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.

m) Other transactions with key management personnel

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
19 August 2020	30 September 2022	\$0.03	19,666,667
11 September 2020	30 September 2022	\$0.03	13,032,044
11 December 2019	31 December 2023	\$0.025	250,000
1 January 2021	31 December 2023	\$0.0252	7,000,000
8 November 2021	8 November 2024	\$0.025	1,000,000
8 November 2021	8 November 2024	\$0.035	1,000,000
20 December 2021	22 November 2022	\$0.02	5,000,000
20 December 2021	22 November 2023	\$0.022	5,000,000
20 June 2022	22 June 2025	\$0.034	2,000,000
21 June 2022	22 June 2025	\$0.034	1,300,000
			55,248,711

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

The Company issued 729,167 shares in May 2022 and 1,898 shares in September 2022, which were exercised by shareholders at \$0.03 per share.

CORPORATE GOVERNANCE STATEMENT

The Company's 2022 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 Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group 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.

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DIRECTOR'S REPORT

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 2022 no fees were paid or were payable for non-audit services provided by the auditor of the consolidated entity (2021: \$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, 27 September 2022

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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 2022, 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

27 September 2022

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

		CONSOLIDATED	
		2022	2021
		\$	\$
	Notes		
Continuing operations			
Other income		16,851	21,889
Corporate expense		(238,669)	(196,604)
Employee expense	3	(238,705)	(224,098)
Administration expense	3	(96,356)	(110,977)
Exploration expenditure written off	9	(249,238)	(15,040)
Loss from continuing operations before income tax		(806,117)	(524,830)
Income tax benefit	5	-	-
Loss after income tax for the year attributable to the owners of Alchemy Resources Limited		(806,117)	(524,830)
Other comprehensive income		-	-
Other comprehensive income for the year (net of tax)		-	-
Total comprehensive loss for the year attributable to the owners of Alchemy Resources Limited		(806,117)	(524,830)
		Cents per share	Cents per share
Loss per share attributable to the owners of Alchemy Resources Limited			
Basic loss per share	16	0.09	0.08
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.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

		CONSOLIDATED	
		2022	2021
		\$	\$
	Notes		
ASSETS			
Current Assets			
Cash and cash equivalents	6	2,008,082	924,376
Trade and other receivables	7	46,431	47,113
Other current assets	8	41,800	14,861
Total Current Assets		2,096,313	986,350
Non-Current Assets			
Exploration and evaluation	9	8,095,770	6,822,841
Total Non-Current Assets		8,095,770	6,822,841
TOTAL ASSETS		10,192,083	7,809,191
LIABILITIES			
Current Liabilities			
Trade and other payables	11	206,836	129,794
Provisions	12	40,453	25,548
Total Current Liabilities		247,289	155,342
TOTAL LIABILITIES		247,289	155,342
NET ASSETS		9,944,794	7,653,849
EQUITY			
Contributed equity	13	38,375,003	35,394,645
Reserves	14	193,539	76,835
Accumulated losses	15	(28,623,748)	(27,817,631)
TOTAL EQUITY		9,944,794	7,653,849

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 2022

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE ENTITY			
	Contributed Equity \$	Option reserves \$	Accumulated losses \$	Total equity \$
At 1 July 2020	33,690,859	171,600	(27,462,651)	6,399,808
Loss for the year	-	-	(524,830)	(524,830)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year, net of tax	-	-	(524,830)	(524,830)
Transactions with owners in their capacity as owners				
Issue of shares	1,825,787	-	-	1,825,787
Share issue costs	(97,401)	-	-	(97,401)
Issue of broker options	(24,600)	24,600	-	-
Performance rights expense	-	50,485	-	50,485
Expiry of options	-	(169,850)	169,850	-
At 30 June 2021	35,394,645	76,835	(27,817,631)	7,653,849
At 1 July 2021	35,394,645	76,835	(27,817,631)	7,653,849
Loss for the year	-	-	(806,117)	(806,117)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year, net of tax	-	-	(806,117)	(806,117)
Transactions with owners in their capacity as owners				
Issue of shares	3,081,117	-	-	3,081,117
Issue of options	21,875	-	-	21,875
Share issue costs	(122,634)	-	-	(122,634)
Options expense	-	78,929	-	78,929
Performance rights expense	-	37,775	-	37,775
At 30 June 2022	38,375,003	193,539	(28,623,748)	9,944,794

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

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

		CONSOLIDATED	
		2022	2021
		\$	\$
	Notes		
CASH FLOWS FROM OPERATING ACTIVITIES			
		(461,541)	(471,356)
		8,108	6,778
		-	36,062
		(453,433)	(428,516)
NET CASH FLOWS USED IN OPERATING ACTIVITIES			
	23		
CASH FLOWS FROM INVESTING ACTIVITIES			
		-	(4,527)
		(1,443,219)	(1,244,364)
		(1,443,219)	(1,248,891)
NET CASH FLOWS USED IN INVESTING ACTIVITIES			
CASH FLOWS FROM FINANCING ACTIVITIES			
	13	3,081,117	1,825,787
	13	21,875	-
	13	(122,634)	(97,401)
		2,980,358	1,728,386
NET CASH FLOWS FROM FINANCING ACTIVITIES			
		1,083,706	50,979
		924,376	873,397
		2,008,082	924,376
CASH AND CASH EQUIVALENTS AT END OF THE YEAR			
	6		

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 2022

NOTE 1: CORPORATE INFORMATION

The consolidated financial report of Alchemy Resources Limited for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the Directors on 27 September 2022.

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 2021. The below did not have any impact on the current period or any prior period but may impact future periods.

New or revised requirement	Application date of standard	Application date for Group
<p><i>AASB 2021-3: Amendments to Australian Accounting Standards – COVID-19 Related Rent Concessions beyond 30 June 2021</i></p> <p>The amendment amends <i>AASB 16</i> to extend by one year, the application of the practical expedient added to <i>AASB 16</i> by <i>AASB 2020-4: Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions</i>. The practical expedient permits lessees not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and instead, to account for those rent concessions as if they were not lease modifications.</p>	1 April 2021	1 Jul 2021

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NOTE 2: STATEMENT OF COMPLIANCE (continued)

New or revised requirement	Application date of standard	Application date for Group
<p><i>AASB 2020-8: Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2</i></p> <p>The Group has applied <i>AASB 2020-8</i> which amends various standards to help listed entities to provide financial statement users with useful information about the effects of the interest rate benchmark reform on those entities’ financial statements. As a result of these amendments, an entity:</p> <ul style="list-style-type: none"> • will not have to derecognise or adjust the carrying amount of financial statements for changes required by the reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate; • will not have to discontinue its hedge accounting solely because it makes changes required by the reform, if the hedge meets other hedge accounting criteria; and • will be required to disclose information about new risks arising from the reform and how it manages the transition to alternative benchmark rates. 	1 Jan 2021	1 Jul 2021

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 following amendments are effective for the period beginning 1 January 2023:

- Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current (AASB 2020-1);
- Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments (AASB 2020-3);
- Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates (AASB 2021-2); and
- Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (AASB 2021-5).

The Group is currently assessing the impact of these new accounting standards and amendments.

a) Basis of measurement

Historical Cost Convention

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

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NOTE 2: STATEMENT OF COMPLIANCE (continued)**a) Basis of measurement (continued)****Critical Accounting Estimates**

The preparation of consolidated 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 consolidated 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.

At 30 June 2022, the Group had a cash position of \$2,008,082 (2021: \$924,376) and a working capital balance of \$1,849,024 (2021: \$831,008). For the year ended 30 June 2022, the Group recorded a loss of \$806,117 (2021: \$524,830) and had net cash outflows from operating and investing activities of \$1,896,652 (2021: \$1,677,407).

The Group's cash flow forecast to 30 September 2023 indicates that the Group will need to raise additional funds to meet expenditure commitments, its business plan and its current level of corporate overheads to continue as a going concern. As a result, there exists a material uncertainty as to whether the Group will be able to continue as a going concern.

To address the future funding requirements of the Group, the Directors have:

- developed a business plan that provides encouragement for investors to invest; and
- continued their focus on maintaining an appropriate level of corporate overheads in line with the Group's available cash resources.

The Directors are confident that the Company will be able to complete a fund raising to meet the Group's funding requirements for the forecast period ending 30 September 2023. The Directors therefore believe that it is appropriate to prepare the 30 June 2022 financial statements on a going concern basis.

In the event that the Company is not able to successfully complete the fund raising referred to above, it may need to realise their assets and extinguish their liabilities other than in the normal course of business and at the amounts different to those stated in the financial statements. The financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts and classification of liabilities that might be necessary should the Company and the Group not continue as a going concern.

c) COVID-19

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has impacted the exploration activities in New South Wales up to 30 June 2022, 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

NOTE 2: STATEMENT OF COMPLIANCE (continued)**c) COVID-19 (continued)**

as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

d) Principles of consolidation**Subsidiaries**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2022 and the results of all subsidiaries for the year then ended. The Company and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

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

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

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

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the consolidated statement of changes in equity respectively.

e) 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.

f) Functional and presentation currency

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2: STATEMENT OF COMPLIANCE (continued)

g) 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	
	2022 \$	2021 \$
Expenses		
<i>Employee expense</i>		
Employee benefit and director compensation expense	110,707	161,756
Expense of share-based payments (note 22)	116,704	50,485
Other employee expenses	11,294	11,857
Total employee expense	238,705	224,098
<i>Administration expense</i>		
Depreciation	-	8,048
Occupancy and occupancy outgoings	41,237	46,140
Insurance	25,908	23,113
Other administration expenses	29,211	33,676
Total administration expense	96,356	110,977

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4: SEGMENT INFORMATION

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

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

NOTE 5: INCOME TAX

Major components of income tax expense are as follows:

	CONSOLIDATED	
	2022 \$	2021 \$
Consolidated Statement of Profit or Loss and Other Comprehensive Income		
<i>Current income tax</i>		
At the rate of 30% (2021: 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:

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5: INCOME TAX (Continued)

	CONSOLIDATED	
	2022 \$	2021 \$
Accounting loss from continuing operations before income tax	(806,117)	(524,830)
At the statutory income tax rate of 30% (2021: 30%)	(241,835)	(157,449)
<i>Add:</i>		
- Non-assessable income	30	-
- Non-deductible expenses	579	1,645
- Capital raising costs	(11,964)	(9,646)
- Other deductible expenses	(6,758)	(8,147)
- Share-based payment	35,011	15,146
- Tax loss not brought to account as a deferred tax asset	224,937	158,451
Income tax expense/(benefit) reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	-	-

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6: CASH AND CASH EQUIVALENTS

	CONSOLIDATED	
	2022 \$	2021 \$
Cash at bank and on hand	1,991,582	907,876
Deposits at call	16,500	16,500
	2,008,082	924,376

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 0.86% (2021: 0.51%).

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	
	2022 \$	2021 \$
Current		
GST receivable	45,705	45,033
Other	726	2,080
	46,431	47,113

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8: OTHER CURRENT ASSETS

	CONSOLIDATED	
	2022	2021
	\$	\$
Prepayments	41,800	14,861
	41,800	14,861

NOTE 9: EXPLORATION AND EVALUATION

	CONSOLIDATED	
	2022	2021
	\$	\$
Opening balance	6,822,841	5,678,452
Exploration expenditure incurred during the year	1,522,168	1,159,429
Exploration expenditure written off	(249,239)	(15,040)
Closing balance	8,095,770	6,822,841

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 Consolidated 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9: EXPLORATION AND EVALUATION (Continued)

Significant estimate and judgement

There is some subjectivity involved in the carry forward of capitalised exploration and evaluation expenditure or, where appropriate, the write off to the Consolidated 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	
			2022	2021
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

	CONSOLIDATED	
	2022 \$	2021 \$
Trade creditors	152,804	73,493
Other creditors and accruals	54,032	56,301
	206,836	129,794

NOTE 12: PROVISIONS

	CONSOLIDATED	
	2022 \$	2021 \$
Current		
Employee benefits	40,453	25,548

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 Consolidated Statement of Financial Position of the Group.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13: CONTRIBUTED EQUITY

a) Share capital

	CONSOLIDATED	
	2022	2021
	\$	\$
Ordinary shares fully paid	38,375,003	35,394,645

b) Movements in ordinary shares on issue

	CONSOLIDATED	
	Number	\$
Balance at 1 July 2020	550,524,351	33,690,859
Placement ⁽¹⁾	66,666,667	1,000,000
Non-renounceable issue to shareholders ⁽²⁾	55,052,435	825,787
Share issue costs	-	(122,001)
Balance at 30 June 2021	672,243,453	35,394,645
Placement ⁽³⁾	168,060,862	1,848,669
Non-renounceable issue to shareholders ⁽⁴⁾	112,040,575	1,232,448
Exercise of options ⁽⁵⁾	729,167	21,875
Share issue costs	-	(122,634)
Balance at 30 June 2022	953,074,057	38,375,003

- (1) In August 2020 the Company completed a Placement with the issue of 66,666,667 new Shares at an issue price of \$0.015 per share; the issue of 16,666,667 free attaching options (on the basis of one option for every four shares subscribed) exercisable at \$0.03 and expiring on 30 September 2022 (Placement Options) and the issue of 3,000,000 Broker Options on the same terms and conditions as the Placement Options.
- (2) In September 2020 the Company completed the issue of 55,052,435 new Shares pursuant to a pro-rata non-renounceable entitlement and shortfall offer of 1 new Share for every 10 existing Shares held at an issue price of \$0.015 per share together with the issue of 13,763,109 free attaching options (on the basis of one option for every four shares subscribed) exercisable at \$0.03 and expiring on 30 September 2022.
- (3) In October 2021 the Company completed a Placement via the issue of 168,060,862 new Shares at an issue price of \$0.011 per share.
- (4) In November 2021 the Company completed the issue of 112,040,575 new Shares pursuant to a pro-rata non-renounceable entitlement and shortfall offer of 1 new Share for every 6 existing Shares held at an issue price of \$0.011 per share.
- (5) In May 2022 the Company issued 729,167 shares as a result of the exercise of unquoted options at \$0.03 per option.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13: CONTRIBUTED EQUITY (continued)

b) Movements in ordinary shares on issue (continued)

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	
	2022 Number	2021 Number
Balance at beginning of the financial year	40,679,776	27,000,000
Options issued ⁽¹⁾	10,000,000	33,429,776
Options granted ⁽²⁾	5,300,000	7,000,000
Options expired or exercised ⁽³⁾	(729,167)	(26,750,000)
Balance at end of the financial year	55,250,609	40,679,776

⁽¹⁾ On 18 November 2021, the shareholders approved the issue of a total of 10,000,000 unlisted options to the lead manager of a Placement with 5,000,000 exercisable at \$0.02 and expiring on that date that is 1 year after completion of the Entitlement Offer (Tranche 1) and with 5,000,000 exercisable at \$0.022 and expiring on that date that is 2 years after completion of the Entitlement Offer (Tranche 2).

⁽²⁾ Options granted to an employee with 1,000,000 exercisable at \$0.025 vesting on 14 September 2022 and 1,000,000 exercisable at \$0.035 vesting on 14 September 2023, with all expiring on 8 November 2024. A further, 3,300,000 granted to employees and consultants exercisable at \$0.034 vesting on 22 June 2023 and expiring on 22 June 2025.

⁽³⁾ In May 2022, the Company issued 729,167 shares as a result of the exercise of unquoted options at \$0.03 per option.

d) Movements in performance rights on issue

	CONSOLIDATED	
	2022 Number	2021 Number
Balance at beginning of the financial year	10,000,000	-
Performance rights granted	-	10,000,000
Balance at end of the financial year	10,000,000	10,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 14: RESERVES

	CONSOLIDATED	
	2022 \$	2021 \$
Options reserve		
Opening balance	76,835	171,600
Option expense	66,116	56,456
Performance rights expense	50,588	18,629
Expiry of options (note 15)	-	(169,850)
Balance at the end of the financial year	193,539	76,835

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

NOTE 15: ACCUMULATED LOSSES

	CONSOLIDATED	
	2022 \$	2021 \$
Balance at the beginning of the financial year	(27,817,631)	(27,462,651)
Net loss attributable to members	(806,117)	(524,830)
Lapsed options transferred from option reserve (note 14)	-	169,850
Balance at the end of the financial year	(28,623,748)	(27,817,631)

NOTE 16: LOSS PER SHARE

	CONSOLIDATED	
	2022 Cents	2021 Cents
Basic loss per share	0.09	0.10
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	
	2022 \$	2021 \$
Losses used in calculating basic and diluted loss per share	(806,117)	(524,830)

	CONSOLIDATED	
	2022 Number	2021 Number
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	870,041,869	652,100,546

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 16: LOSS PER SHARE (Continued)

Basic loss per share

Basic loss per share is calculated by dividing the loss 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	
	2022 \$	2021 \$
	50,665	32,900
	50,665	32,900

NOTE 18: CONTINGENT ASSETS AND LIABILITIES

The Group had contingent assets at 30 June 2022 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 2022.

NOTE 19: EVENTS OCCURRING AFTER THE REPORTING PERIOD

As announced on 7 September 2022, Alchemy has signed two native title Heritage Protection Agreements over 17 exploration licences at the Karonie and Lake Rebecca Projects in Western Australia.

The Company issued 1,898 shares on the exercise of unquoted options at \$0.03 per share on 7 September 2022.

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NOTE 19: EVENTS OCCURRING AFTER THE REPORTING PERIOD (Continued)

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 30 June 2022, 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 prospectively of the relevant area of interest. Currently, the minimum expenditure commitments for the granted tenements are \$2,542,742 (2021: \$728,670) per annum.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

	CONSOLIDATED	
	2022 \$	2021 \$
Financial assets		
<i>Current</i>		
Cash and cash equivalents	2,008,082	924,376
Trade and other receivables	46,431	47,113
	2,054,513	971,489
Financial liabilities		
<i>Current</i>		
Trade and other payables	206,836	129,794
	206,836	129,794

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

	Floating interest rate \$	Fixed interest rate maturing in			Non-interest bearing \$	Total \$
		1 year or less \$	Over 1 to 5 years \$	More than 5 years \$		
Consolidated 2022						
Financial assets						
Cash and cash equivalents	1,990,289	16,500	-	-	1,293	2,008,082
Trade and other receivables	-	-	-	-	46,431	46,431
	1,990,289	16,500	-	-	47,724	2,054,513
Weighted average interest rate	0.87%	0.4%	-	-	-	-
Financial liabilities						
Trade and other payables	-	-	-	-	206,836	206,836
	-	-	-	-	206,836	206,836
Weighted average interest rate	-	-	-	-	-	-
Consolidated 2021						
Financial assets						
Cash and cash equivalents	907,876	16,500	-	-	-	924,376
Trade and other receivables	-	-	-	-	47,113	47,113
	907,876	16,500	-	-	47,113	971,489
Weighted average interest rate	0.51%	0.6%	-	-	-	-
Financial liabilities						
Trade and other payables	-	-	-	-	129,794	129,794
	-	-	-	-	129,794	129,794
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:

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

	2022 \$	2021 \$
Impact on profit/(loss) and equity		
Increase of 100 basis points	6,522	17,486
Decrease of 100 basis points	(6,522)	(17,486)

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 expected credit losses.

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	
	2021 \$	2021 \$
Cash and cash equivalents	2,008,082	924,376
	2,008,082	924,376

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

	Less than 6 months \$	Contractual cash flows \$	Carrying amount \$
Consolidated - 2022			
Trade and other payables	206,836	206,836	206,836
	206,836	206,836	206,836
Consolidated – 2021			
Trade and other payables	129,794	129,794	129,794
	129,794	129,794	129,794

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 22: SHARE-BASED PAYMENTS

a) Share option and performance right plan

The Group has an Employee Incentive 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 and performance rights at the discretion of the Directors.

Each share option and performance right 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 and performance rights issued to Directors are not issued under the Scheme but are subject to approval by shareholders.

The following share-based payment arrangements under share option and performance right plan were in existence during the reporting period:

Number of Options	Grant date	Expiry date	Vesting date	Exercise price	Fair value at grant date
250,000 ¹	11 Dec 2019	31 Dec 2023	11 Dec 2019	\$0.025	\$0.0070
7,000,000 ²	1 Jan 2021	31 Dec 2023	31 Dec 2021	\$0.025	\$0.0090
1,000,000 ¹	8 Nov 2021	8 Nov 2024	14 Sep 2022	\$0.025	\$0.0066
1,000,000 ¹	8 Nov 2021	8 Nov 2024	14 Sep 2023	\$0.035	\$0.0057
2,000,000 ¹	20 Jun 2022	22 Jun 2025	22 Jun 2023	\$0.034	\$0.0150
1,300,000 ¹	21 Jun 2022	22 Jun 2025	22 Jun 2023	\$0.034	\$0.0200

¹The Company notes that the options were issued to employees and consultants under the share option plan.

²On 1 January 2021, 7,000,000 unlisted options were granted to CEO, James Wilson as a sign-on bonus. The sign-on options vested on 31 December 2021.

Number of Rights ³	Grant date	Vesting date and conditions	Expiry date	Exercise price	Value per right at grant date	% Vested
4,000,000	1 Jan 2021	Various	31 Dec 2023	Nil	\$0.0089	0%
4,000,000	1 Jan 2021	Various	31 Dec 2023	Nil	\$0.0161	0%
2,000,000	1 Jan 2021	Various	31 Dec 2023	Nil	\$0.0066	0%

³ 10,000,000 performance rights were granted to CEO, James Wilson as a long-term incentive.

Fair value of share options and performance rights 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 22: SHARE-BASED PAYMENTS (Continued)

a) Share option and performance right plan (continued)

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.

Share-based payment expense of \$31,856 was recognised in the current year in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

On 8 November 2021, the Company granted 2,000,000 unlisted options to an employee with 1,000,000 exercisable at \$0.025 vesting on 14 September 2022 and 1,000,000 exercisable at \$0.035 vesting on 14 September 2023, with all expiring on 8 November 2024. On 20 June 2022, the Company granted 2,000,000 unlisted options to employees and consultants exercisable at \$0.034 vesting on 22 June 2023 and expiring on 22 June 2025. On 21 June 2022, the Company granted 1,300,000 unlisted options to employees and consultants exercisable at \$0.034 vesting on 22 June 2023 and expiring on 22 June 2025.

Share-based payment expense of \$3,035 was recognised in the current year in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The options are valued based on the following assumptions:

Employee Options				
Model used	Black Scholes Model	Black Scholes Model	Binomial Model	Binomial Model
Valuation date	8 November 2021	8 November 2021	20 June 2022	21 June 2022
Market price of shares	\$0.013	\$0.013	\$0.015	\$0.015
Exercise price	\$0.025	\$0.035	\$0.034	\$0.034
Expiry date	8 Nov 2024	8 Nov 2024	22 Jun 2025	22 Jun 2025
Risk free interest rate	0.89%	0.89%	3.63	3.58
Expected future volatility	103%	103%	109.06%	109.06%
Value per Unlisted Option	\$0.0066	\$0.0057	\$0.0150	\$0.0200
Number of options	1,000,000	1,000,000	2,000,000	1,300,000
Total Value of Unlisted Options	\$6,576	\$5,701	\$30,000	\$26,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 22: SHARE-BASED PAYMENTS (Continued)

a) Share option and performance right plan (continued)

On 18 November 2021, the Company issued 10,000,000 unlisted options to the Lead Manager of a Placement with 5,000,000 exercisable at \$0.02 and expiring on 22 November 2022 and with 5,000,000 exercisable at \$0.022 and expiring on 22 November 2023.

Share-based payment expense of \$38,670 was recognised for the year ended 30 June 2022 as share issue costs.

The options are valued based on the Black & Scholes pricing model based on the following assumptions:

Advisor Options		
Valuation date	18 November 2021	18 November 2021
Market price of shares	\$0.013	\$0.013
Exercise price	\$0.020	\$0.022
Expiry date	22 Nov 2022	22 Nov 2023
Risk free interest rate	0.58%	0.58%
Expected future volatility	93%	103%
Value per Unlisted Option	\$0.0030	\$0.0047
Number of options	5,000,000	5,000,000
Total Value of Unlisted Options	\$15,070	\$23,600

c) Movements in options and performance rights during the year

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

	2022		2021	
	No. of options	Weighted average exercise price (\$)	No. of options	Weighted average exercise price (\$)
Outstanding at the beginning of the year	17,250,000	0.0315	27,000,000	0.06
Granted during the year	15,300,000	0.0120	17,000,000	0.0102
Expired/exercised during the year	729,167	-	(26,750,000)	0.0098
Outstanding at the end of the year	31,820,833	0.1675	17,250,000	0.0315
Exercisable at the end of the year	250,000	0.0004	3,250,000	0.03

The weighted average remaining contractual life of share options outstanding at the end of the year was 1.54 years (2021: 2.14 years).

The weighted average remaining contractual life of performance rights outstanding at the end of the year was 1.5 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 22: SHARE-BASED PAYMENTS (Continued)

d) 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 (\$)	2022 (number)	2021 (number)
30 September 2022	0.03	32,700,609	33,429,776
31 December 2023	0.025	250,000	250,000
31 December 2023	0.0252	7,000,000	7,000,000
8 November 2024	0.025	1,000,000	-
8 November 2024	0.035	1,000,000	-
22 November 2022	0.02	5,000,000	-
22 November 2023	0.022	5,000,000	-
22 June 2025	0.034	3,300,000	-
		55,250,609	40,679,776

NOTE 23: RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	CONSOLIDATED	
	2022 \$	2021 \$
Cash flows from operating activities		
Loss for the period	(806,117)	(524,830)
<i>Non-cash flows in profit/(loss):</i>		
- Depreciation	-	8,048
- Share-based remuneration	116,704	50,485
- Exploration expenditure write-off	249,239	15,040
<i>Change in assets and liabilities:</i>		
- Decrease/(increase) in trade receivables	(1,930)	19,996
- Decrease/(increase) in prepayments	(26,939)	(2,773)
- Increase/(decrease) in trade creditors and accruals	705	6,175
- Increase/(decrease) in provisions	14,905	(657)
Net cash used in operating activities	(453,433)	(428,516)

Non-cash investing and financing activities

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 24: RELATED PARTY DISCLOSURE

a) Parent entity

	Class	Country of incorporation	Investment at cost	
			2022 (\$)	2021 (\$)
Alchemy Resources Limited	Ordinary	Australia	-	-

b) Subsidiaries

	Class	Country of incorporation	Investment at cost	
			2022 (\$)	2021 (\$)
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	
	2022 \$	2021 \$
Short-term employee benefits	259,998	284,307
Post-employment benefits	20,000	18,946
Share-based payments	69,631	50,485
	349,629	353,738

There were no new related party transactions during the year ended 30 June 2022 and 30 June 2021.

Detailed remuneration disclosures are provided in the remuneration report on pages 34 to 42.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 25: PARENT ENTITY DISCLOSURE

	CONSOLIDATED	
	2022 \$	2021 \$
Financial Performance		
Loss for the year	1,998,424	1,754,089
Other comprehensive income	-	-
Total comprehensive loss	1,998,424	1,754,089
Financial Position		
ASSETS		
Current assets	2,058,745	946,281
Non-current assets	2,288	2,288
TOTAL ASSETS	2,061,033	948,569
LIABILITIES		
Current liabilities	117,429	103,334
TOTAL LIABILITIES	117,429	103,334
NET ASSETS	1,943,604	845,235
EQUITY		
Issued equity	38,375,002	35,394,645
Reserves	193,539	76,835
Accumulated losses	(36,624,937)	(34,626,245)
TOTAL EQUITY	1,943,604	845,235

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 2022.

DIRECTORS' DECLARATION

The Directors of Alchemy Resources Limited declare that:

- a) in the Directors' opinion, the financial statements and notes set out on pages 45 to 74 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 2022 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 Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2022.

Signed in accordance with a resolution of the Directors.



Lindsay Dudfield
Chairman

Perth, Western Australia

27 September 2022

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 2022, 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 2022 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.

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Material uncertainty related to going concern

We draw attention to Note 2(b) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

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

Recoverability of exploration and evaluation expenditure

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<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 <i>Exploration for and Evaluation of Mineral Resources</i> (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"> • 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; • 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; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Note 9 to the Financial Report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2022, 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

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 34 to 42 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Alchemy Resources Limited, for the year ended 30 June 2022, 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

BDO


Glyn O'Brien

Director

Perth

27 September 2022

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ADDITIONAL SHAREHOLDER INFORMATION AS AT 21 SEPTEMBER 2022

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	163
1,001 to 5,000	157
5,001 to 10,000	122
10,001 to 100,000	923
100,001 and over	738
Total	2,103

The number of holders of less than a marketable parcel of ordinary fully paid shares is 622.

Substantial Shareholders

Substantial shareholders (i.e. shareholders who hold 5% or more of the issued capital as disclosed in the most recent substantial shareholder notices given to the Company):

	Number of shares	Percentage held (%)
Northern Star Resources Limited	78,125,000	11.62
Mr Lindsay George Dudfield	60,880,611	6.39

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 953,075,955 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.

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ADDITIONAL SHAREHOLDERS INFORMATION

Unquoted Equity Securities

	Number on issue	Number of holders
Options exercisable at \$0.025 on or before 31 December 2023	250,000	1
Options exercisable at \$0.0252 on or before 31 December 2023	7,000,000	1
Options exercisable at \$0.03 on or before 30 September 2022	32,698,711	273
Options exercisable at \$0.025 on or before 8 November 2024	1,000,000	1
Options exercisable at \$0.035 on or before 8 November 2024	1,000,000	1
Options exercisable at \$0.02 on or before 22 November 2022	5,000,000	1
Options exercisable at \$0.022 on or before 22 November 2023	5,000,000	1
Options exercisable at \$0.034 on or before 22 June 2025	3,300,000	6

Twenty Largest Holders of Quoted Ordinary Shares

Shareholder	Number of shares	Percentage held (%)
Northern Star Resources Limited	78,125,000	8.20%
Mr Lindsay George Dudfield & Mrs Yvonne Sheila Doling Dudfield <LG Dudfield Pension Fund A/C>	57,539,647	6.04%
Moryton Pty Ltd	43,000,000	4.51%
Equity Trustees Limited <Lowell Resources Fund A/C>	41,818,182	4.39%
Rossdale Superannuation Pty Ltd <Rossdale SF A/C>	30,431,819	3.19%
TBB NSW Pty Ltd <The Watson No 1 A/C>	28,876,514	3.03%
Netwealth Investments Limited <Wrap Services A/C>	26,462,853	2.78%
Alexander Angelopoulos	17,802,159	1.87%
Heron Resources Limited	12,000,000	1.26%
BNP Paribas Nominees Pty Ltd ACF Clearstream	11,598,180	1.22%
Mr Christopher Paul Lewis	10,018,529	1.05%
Kslcorp Pty Ltd	9,000,000	0.94%
Eric Anthony Frederick Bennik	8,293,303	0.87%
Ms Zhen Chen	7,451,110	0.78%
Bluestar Management Pty Ltd	7,000,000	0.73%
Mr Jiumin Yan	7,000,000	0.73%
Citicorp Nominees Pty Limited	6,896,147	0.72%
Mr James Michael Wilson	6,655,399	0.70%
Potski Pty Ltd <Potski Super Fund A/C>	6,222,220	0.65%
BNP Paribas Nominees Pty Ltd <IB Au Noms Retailclient DRP>	6,053,217	0.64%
	422,244,279	44.31%

TENEMENT SCHEDULE

Project/Tenement	State	Status	Interest	Co-holder	Notes
Bryah Basin Project	Western Australia				
E52/1668	WA	Granted	10%	Jackson / Billabong / Sandfire	1, 2, 3
E52/1678	WA	Granted	10%	Jackson / Billabong / Sandfire	1, 2, 3
E52/1722	WA	Granted	10%	Jackson / Sandfire	1, 2
E52/1723-I	WA	Granted	20%	Billabong / Sandfire	2, 4, 5
E52/1730	WA	Granted	10%	Jackson / Billabong / Sandfire	1, 2, 3
E52/1731	WA	Granted	20%	Billabong / Sandfire	2, 4
E52/1810	WA	Granted	20%	Sandfire	2
E52/1852	WA	Granted	20%	Billabong	4
E52/2360	WA	Granted	20%	Sandfire	2, 6
E52/2362	WA	Granted	20%	Billabong / Sandfire	2, 4, 6
E52/3292	WA	Granted	20%	Sandfire	2
E52/3358	WA	Granted	20%	Sandfire	2
E52/3359	WA	Granted	20%	Sandfire	2
E52/3405	WA	Granted	20%	Billabong / Sandfire	2, 4
E52/3406	WA	Granted	20%	Billabong / Sandfire	2, 4
E52/3407	WA	Granted	20%	Sandfire	2
E52/3408	WA	Granted	20%	Billabong / Sandfire	2, 4
E52/3409	WA	Granted	20%	Sandfire	2
E52/3472	WA	Granted	20%	Sandfire	2
E52/3475	WA	Granted	20%	Sandfire	2
M52/722	WA	Granted	20%	Billabong / Sandfire	2, 4, 6
M52/723	WA	Granted	20%	Billabong / Sandfire	2, 4, 6
M52/737	WA	Granted	20%	Billabong	4, 6
M52/795	WA	Granted	20%	Billabong / Sandfire	2, 4, 6
M52/844-I	WA	Granted	20%	Sandfire	2, 6
M52/1049	WA	Granted	20%	Billabong	4, 6
P52/1425	WA	Granted	20%	Sandfire	2
P52/1427	WA	Granted	20%	Sandfire	2
P52/1428	WA	Granted	20%	Sandfire	2
P52/1429	WA	Granted	20%	Billabong	4
P52/1467	WA	Granted	20%	Sandfire	2
P52/1468	WA	Granted	20%	Sandfire	2
P52/1469	WA	Granted	20%	Sandfire	2
P52/1470	WA	Granted	20%	Sandfire	2
P52/1531	WA	Granted	20%	Sandfire	2
P52/1532	WA	Granted	20%	Sandfire	2
P52/1533	WA	Granted	20%	Sandfire	2
P52/1534	WA	Granted	20%	Sandfire	2
P52/1535	WA	Granted	20%	Sandfire	2
P52/1538	WA	Granted	10%	Jackson / Billabong	1, 4
P52/1539	WA	Granted	10%	Jackson / Billabong	1, 4
P52/1540	WA	Granted	20%	Sandfire	2
P52/1541	WA	Granted	20%	Sandfire	2
P52/1565	WA	Granted	20%	Sandfire	2
P52/1566	WA	Granted	20%	Sandfire	2
P52/1567	WA	Granted	20%	Sandfire	2
P52/1568	WA	Granted	20%	Sandfire	2
P52/1572	WA	Granted	20%	Sandfire	2, 6
P52/1577	WA	Granted	20%	Billabong	4, 6

TENEMENT SCHEDULE

Project/Tenement	State	Status	Interest	Co-holder	Notes
Karonie Project	Western Australia				
	WA	Granted	100%		7
	WA	Granted	100%		7
	WA	Granted	100%		7
	WA	Granted	100%		7
	WA	Granted	100%		7
	WA	Granted	100%		7
	WA	Granted	100%		7
	WA	Granted	100%		7
	WA	Granted	100%		7
	WA	Granted	100%		7
	WA	Granted	100%		7
	WA	Granted	100%		7
	WA	Appl.	-		7
	WA	Appl. (contest)	-		7
	WA	Appl.	-		7
	WA	Appl. (contest)	-		7
Lake Rebecca Project	Western Australia				
E28/3006	WA	Appl.	-		7
E28/3008	WA	Appl.	-		7
E28/3010	WA	Appl.	-		7
E28/3012	WA	Appl.	-		7
E28/3035	WA	Appl. (contest)	-		7
E28/3039	WA	Appl. (contest)	-		7
E28/3048	WA	Appl. (contest)	-		7
E28/3053	WA	Appl.	-		7
E28/3058	WA	Appl.	-		7
E28/3059	WA	Appl.	-		7
E28/3063	WA	Appl.	-		7
E28/3064	WA	Appl.	-		7
Lachlan Projects	New South Wales				
EL5878 - Overflow	NSW	Granted	80%	Heron Resources	8
EL7941 - Overflow	NSW	Granted	80%	Heron Resources	8
EL8267 - Overflow Nth	NSW	Granted	80%	Heron Resources	8
EL8356 - Yellow Mtn	NSW	Granted	80%	Heron Resources	8
EL8192 - Eurow	NSW	Granted	80%	Heron Resources	8
EL8318 - Girilambone	NSW	Granted	80%	Heron Resources	8
EL8631 - West Lynn	NSW	Granted	80%	Heron Resources	8
EL8711 - Woodsreef	NSW	Granted	80%	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 holds a 70% interest in whole or part of tenement.
- Billabong Gold Pty Ltd 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 80% interest with Heron Resources owning the remaining 20%.