Alchemy Resources Limited

ABN 17 124 444 122

ANNUAL REPORT

For the year ended 30 June 2015

Corporate Directory

Directors

Oscar Aamodt	Non-Executive Chairman
Sofia Bianchi	Non-Executive Director
Liza Carpene	Non-Executive Director
Lindsay Dudfield	Non-Executive Director
Anthony Ho	Non-Executive Director

Company Secretary

Bernard Crawford

Registered & Principal Office

Suite 8, 8 Clive Street
West Perth WA 6005
Telephone: (08) 9481 4400
Facsimile: (08) 9481 4404
Email: alchemy@alchemyresources.com.au
Website: www.alchemyresources.com.au

Auditors

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

Bankers

National Australia Bank
226 Main Street
Osborne Park WA 6017

Share Registry

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153
Telephone: (08) 9315 2333
Facsimile: (08) 9315 2233

Securities Exchange Listing

The Company is listed on the Australian Securities Exchange Ltd ("ASX")
Home Exchange: Perth, Western Australia

ASX Code: ALY

Contents

Chairman's Letter

Dear Shareholders

On behalf of the Board of Directors, I am pleased to present the Annual Report of Alchemy Resources Limited for the year ended 2015.

The past two years have been very challenging for the resources sector and for exploration companies such as Alchemy in particular. The combination of lower commodity prices and low levels of interest from investors has led to significant declines in the share prices of many companies and a corresponding decrease in exploration activity.

Against this background, I am pleased to report that despite these challenges Alchemy has been able to complete significant transactions with two of Australia's leading mining companies, enabling exploration of the Bryah Basin Project to be accelerated while retaining a strong equity position if a high-value gold or base metal discovery is made.

Early in 2015 Alchemy signed a series of agreements with Northern Star Resources Ltd whereby Northern Star purchased the tenement containing the Hermes gold resource and adjacent tenements, and commenced a farm-in and joint venture to earn an interest in the Company's landholding that covers the gold prospective part of the Bryah Basin Project. Northern Star is the owner of the nearby Plutonic gold processing plant and development of Hermes will increase the chances of other deposits in the Project area being mined.

This transaction with Northern Star complements the farm-in and joint venture agreement with Independence Group NL covering the base metal prospective areas in the Bryah Basin Project that commenced in 2014. Independence has undertaken initial geophysical surveys over and drill testing of the prospective Narracoota corridor and delineated high-order, multi-element anomalism over a 2.5km long zone in the Neptune area. Further work is required but early indications are encouraging that there may be chances for the discovery of a large base metal deposit.

As a result of these transactions Alchemy now has sufficient funds to focus on identification and exploration of additional high-value gold and base metal projects. Additionally, the Company continues to conserve cash through reduced overhead expenditure and ongoing attention to detailed budgeting.

A key element of the agreements with Northern Star is that Northern Star has expressed an intention to introduce Alchemy where possible to projects that do not fit the Northern Star business model. Furthermore Alchemy has engaged a leading corporate advisory group to assist in the identification of high-value projects with the potential to create significant value for Alchemy and its shareholders, with a short list of suitable opportunities currently being prepared for consideration.

Alchemy's future will depend largely on the results of our current joint ventures with Independence and Northern Star and success in the search for new opportunities.

The Board sincerely appreciates the commitment and focused efforts of the Alchemy team and we thank you, our shareholders, for your ongoing support during the period.

Oscar Aamodt
Chairman

Key Investment Highlights

- Leading Australian base metal and gold producer Independence Group NL (ASX: IGO) continues exploration to earn an interest in the base metal prospective part of the Project

- Multiple geochemical and geophysical base metal targets along +45km long prospective Narracoota-Karalundi corridor

- On-ground exploration includes electromagnetic surveys over and drill testing of base metal targets along prospective corridor

- Initial broad-spaced RC and diamond drilling commenced in the Neptune area where high-order, multi-element VMS pathfinder anomalism has been defined over a 2.5km strike-parallel zone

- In April 2015 leading Australian gold producer Northern Star Resources Limited (ASX: NST) commenced a farm-in and joint venture of gold prospective landholding at Bryah Basin

- Northern Star focusing on discovery of additional high-grade gold resources - pipeline of gold targets identified through advances in understanding of key controls on mineralisation

- Shallow geochemical drilling along Seaborg - Central Bore, Flamel, Henry and Troy corridors returns multiple areas with gold anomalism

- Strong cash position to focus on identification and exploration of additional high-value gold and base metal projects

- Experienced and proven Board and management team in place to enable judicious use of funds towards future exploration success

Alchemy Resources Limited's vision is to be a successful minerals explorer and subsequently a profitable producer of metals with a portfolio of quality assets with opportunity for further exploration growth.

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

- create value for shareholders through joint venture-funded exploration for gold and base metal deposits within the Bryah Basin Project;
- unlock the gold and base metal potential and grow resources of the Project region through systematic exploration and targeted drilling campaigns; and
- expand the Company's position through strategic acquisition and exploration of quality advanced project opportunities.

BRYAH BASIN PROJECT

(100% or 80% Alchemy Resources Ltd)

Alchemy's Bryah Basin Project comprises a 500km^2 ground package, located 130km NE of Meekatharra, Western Australia. The Project is located along strike and west of Sandfire Resources' DeGrussa copper-gold mine and its recent discovery of high-grade copper-gold mineralisation at the Monty prospect, and adjacent to Peak Hill where about 1Moz of gold has been mined from several deposits (*Figure 1*). Alchemy holds 100% interest in the project with the exception of several tenements held in joint-venture (Alchemy 80%) with Fe Ltd.

Alchemy retains its interests in the base metal and gold prospective Bryah Basin Project through farm-in and joint venture agreements with Independence Group NL ("Independence") and Northern Star Resources Ltd ("Northern Star"). Should a high-value base metal or gold discovery be made by Independence or Northern Star, Alchemy retains the right to participate as a 20% partner, an equity position that may in time deliver significant value to shareholders.

Alchemy's joint venture partners are employing innovative geochemical and geophysical methods in conjunction with drill testing of priority targets to unlock the base metal and gold potential across the under-explored Bryah Basin Project. Over the past 12 months, exploration focus has continued to advance through:

- comprehensive geological reviews resulting in delineation of multiple geochemical and geophysical gold and base metal targets;
- systematic regolith geochemical sampling of interpreted gold mineralised corridors; and
- initial aircore, reverse circulation (RC) and diamond drill testing of priority geophysical and multi-element volcanic massive sulphide (VMS) pathfinder anomalies.

Base Metals Exploration – Independence Group earning up to 80%

Leading Australian base metal and gold producer Independence Group NL is exploring and earning an interest ("Independence JV") in the whole and part tenements that cover the base metal prospective part of the Bryah Basin Project. Under the terms of the Independence JV, Independence can earn up to 80% in Alchemy's interests (excluding iron ore rights) through earn-in expenditure of $6M within five years, with Alchemy 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.

The Independence JV area contains more than 40km of strike extent of the Narracoota volcanic sequence, host to Sandfire Resources' DeGrussa copper-gold deposit and its recent copper-gold discovery at the Monty prospect (*Figure 1*), and is prospective for discovery of VMS-style copper-gold deposits.

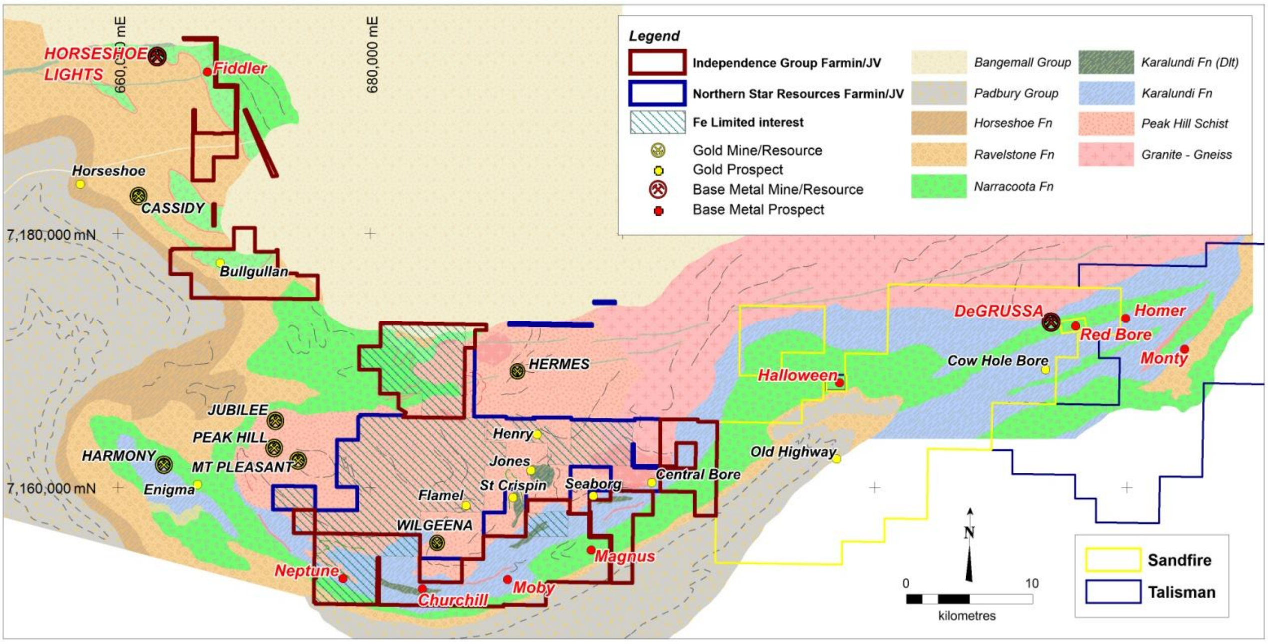

Figure 1. Bryah Basin Project – Independence JV and Northern Star JV areas and gold and base metal prospects.

Since commencement of funding base metal exploration in 2014, Independence has completed an extensive ground electromagnetic ("EM") survey as well as initial aircore drilling programs. The moving-loop EM survey covered the Neptune and Churchill prospect areas where previous limited exploration has returned broad base metal anomalism and targets defined from single lines of ground EM.

The aircore drilling programs targeted the Neptune and Moby South areas as well as reconnaissance drilling over the southern part of the Independence JV area to follow-up base metal and/or gold geochemical anomalies from previous drilling, as well as to better define the base metal prospective horizons to further the understanding of the project stratigraphy and identify additional zones of anomalism.

In the Neptune area, aircore drilling has defined a 2.5km zone of strike-parallel, high-order, multi-element VMS pathfinder anomalism. This anomalism is localised within the underlying Karalundi Formation and on the prospective basal contact of the Narracoota Formation (*Figure 2*), the interpreted ore horizon at DeGrussa.

The anomalism is also coincident with several linear moderate to strong EM conductors (*Figure 2*), along with several potential basin-forming growth faults. Additional linear zones of base metal anomalism are localised higher in the stratigraphy in the Narracoota Formation.

The size and amplitude of the geochemical and geophysical anomalism at Neptune suggests that there is good potential for the discovery of a high-grade/tonnage copper-gold VMS deposit.

At Moby South, aircore drilling tested a previously delineated zone of gold anomalism that had not been assayed for multi-element geochemistry, as well as the Narracoota – Karalundi contact. A key result was the intersection of strong gold anomalism of 18m at 483ppb gold to the end-of-hole in 14BRAC046 associated with quartz veining and up to 10% disseminated pyrite.

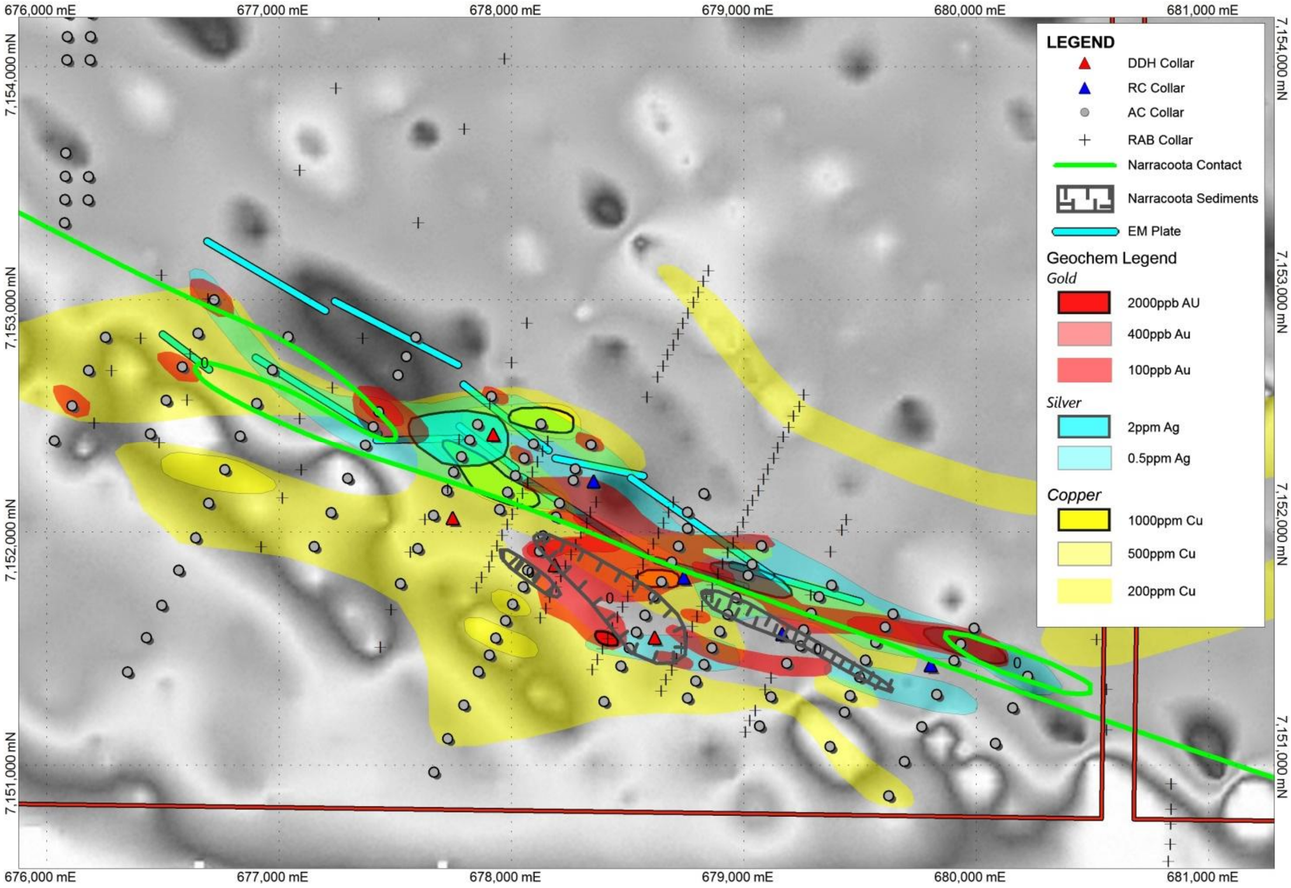

Figure 2: Bryah Basin Project – Neptune prospect – planned RC/diamond drilling over geochemical anomalies and EM conductors over gravity image.

The reconnaissance aircore drill traverses completed along the largely untested prospective Narracoota – Karalundi contact returned low order copper and VMS pathfinder anomalism. Gold anomalism was identified within strongly weathered sedimentary rocks close to the contact position. The drilling by Independence further defines the prospective contact position, which can now be tested for evidence of VMS mineralisation by systematic geochemistry, geophysics and drilling.

In June 2015, Independence commenced an initial, broad-spaced RC and diamond drilling program at the Neptune prospect (*Figure 2*). The drilling is targeting mineralisation at the lower Narracoota – Karalundi contact at vertical depths of between 220 and 400m and is co-funded by a WA Government EIS grant.

The diamond drilling component of the program is providing important stratigraphic and structural information in an area with no previous cored-drilling. Follow-up down-hole EM will also provide constraints on any off-hole EM conductors in the near vicinity.

Independence is integrating results from the drilling programs with existing data sets to identify priority exploration targets along the prospective Narracoota volcanic sequence. Further phases of drilling and/or follow-up EM surveys will be undertaken on identified targets in the following period.

Gold Exploration – Northern Star Resources earning up to 80%

In April 2015, leading Australian gold producer Northern Star Resources Ltd commenced a Farm-in and Joint Venture ("Northern Star JV") to explore Alchemy's tenements covering the gold prospective part of the Bryah Basin Project (*Figure 1*).

Under the terms of the Northern Star JV, Northern Star can earn up to 80% in Alchemy's interests through earn-in expenditure of $1.2M within three years on the gold prospective tenements. Upon Northern Star fulfilling its earn-in expenditure, Alchemy's interest is carried on an interest-free deferred basis to production, with Alchemy to repay Northern Star the deferred amount at the rate of 50% of its share of free cash flow from production following commencement of mining.

A pipeline of advanced to grass roots gold targets requiring further systematic exploration and targeted drilling has been identified over the gold prospective landholding in the Bryah Basin Project. The Northern Star JV will enable near-term exploration to drill test high-grade gold targets at the Wilgeena, Central Bore and Seaborg areas, and test historic gold intercepts and gold-in-soil anomalies along strike from these prospects and other high priority targets.

The Bryah Basin Project currently has Indicated Resources of 87,373 ounces of gold (1.36Mt @ 1.99g/t gold) at Wilgeena (*Table 1*), and the immediate area shows the potential of the district to host large gold deposits. The mineralisation at Wilgeena is open at depth and further drilling has excellent potential to add to the known resource and expand the area of gold mineralisation outside of the Indicated Resource.

Table 1. Indicated Mineral Resource Estimate (0.5g/t cut-off) – October 2012

Deposit	Indicated		
	Tonnes (Mt)	Au grade (g/t)	Au (oz)
Wilgeena	1.36	1.99	87,373

Regolith geochemical sampling at Seaborg, Flamel, Henry and Troy has previously delineated multiple drill targets in areas with thin transported cover. The Seaborg and Central Bore gold prospects are two high priority targets that have returned high-grade gold results. Based on drilling results to date, gold mineralisation at Seaborg and Central Bore remains open at depth and potentially along strike, and targeted deeper drilling is required.

Corporate Activities

In February 2015, Alchemy announced that it had purchased the Reserve Payment over the Three Rivers Gold Project ("Three Rivers") held by Troy Resources Limited (ASX: TRY) ("Troy") via the issue of 10 million fully paid ordinary Alchemy shares. Three Rivers is a part of Alchemy's Bryah Basin Project. In 2008 Alchemy and Troy entered into an Asset Sale Agreement whereby Alchemy acquired Troy's interest in Three Rivers for $2 million, with $1,310,000 paid at the time in cash and Alchemy shares, and the balance of $690,000 due when Alchemy makes an announcement that it has delineated gold reserves of not less than 50,000 ounces, or on the lodgement of a notice of intent to mine ("Reserve Payment").

In March 2015, the Hermes Sale and Purchase Agreement ("Hermes Agreement") with Northern Star was completed. Pursuant to the Hermes Agreement Northern Star purchased the tenement containing the Hermes gold resource and adjacent tenements for $1.45M cash and a royalty payable on refined gold recovered from the Hermes tenements. Northern Star also invested $500,000 in Alchemy in return for 33.33M fully paid ordinary shares in the Company, making Northern Star Alchemy's largest shareholder with 14.57% of issued capital. Alchemy appointed Ms Liza Carpene to the Board of the Company as Northern Star's nominee director.

Following completion of the Hermes Agreement, Alchemy has sufficient funds to focus on identification and exploration of additional high-value gold and base metal projects. A key element of the Hermes Agreement is that Northern Star has expressed an intention to introduce Alchemy, where possible, to projects which do not fit the Northern Star business model. In addition, Alchemy has engaged a leading corporate advisory group to assist in the identification of high-value projects with the potential to create significant value for Alchemy and its shareholders, with a short list of suitable opportunities currently being prepared for consideration.

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Dr Kevin Cassidy, who is an employee and security holder of Alchemy Resources Limited and fairly represents this information. Dr Cassidy is a Fellow 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 2012'). Dr Cassidy consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

The information in this report that relates to Mineral Resources at the Wilgeena Gold Deposit is based on information compiled by Simon Coxhell, who is an employee of CoxsRocks Pty Ltd, a consultant to Alchemy Resources Limited, and fairly represents this information. Mr Coxhell is a Member of the Australian Institute of Geoscientists and 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 2004 Edition of the Joint Ore Reserves Committee 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ('JORC 2004'). Mr Coxhell consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

Alchemy confirms that the Exploration Results and the Indicated Mineral Resource at the Wilgeena Gold Deposit were prepared and first disclosed under JORC 2004. These have not been updated since to comply with JORC 2012 on the basis that the information has not materially changed since last reported on 22 October 2012, and is not aware of any new information or data that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed.

Your directors present their report on the consolidated entity consisting of Alchemy Resources Limited and the entities it controlled at the end of, or during, the year ended 30 June 2015. Throughout the report, the consolidated entity is referred to as the Group.

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:

Oscar Aamodt
Sofia Bianchi
Liza Carpene (appointed 18 March 2015)
Lindsay Dudfield
Anthony Ho

Principal activities

During the year the principal continuing activity of the Group was exploration for copper and gold. 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 2015 was $4,776,086 (2014: $1,673,690).

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 in this Annual Report.

Exploration and evaluation costs totalling $494,947 (2014: $1,047,926) were expensed during the year in accordance with the Group's accounting policy. The expensed exploration and evaluation costs primarily comprise previously capitalised costs in relation to relinquished tenements. The Group also recognised an impairment expense during the year of $3,958,878 (2014: $Nil) being the write-down of the Hermes and adjacent tenements sold to Northern Star from their carrying amount to their sale value.

The Group has continued to reduce its corporate, employee and administration expenses to $541,084 (2014: $696,277) mainly due to a reduction in staff through natural attrition, a reduction in non-executive directors' fees and the re-negotiation of contract services.

As at 30 June 2015 the Group had net assets of $14,279,849 (2014: $18,380,744) including cash and cash equivalents of $1,821,765 (2014: $553,173).

Significant changes in the state of affairs

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

Contributed equity increased by $650,000 (from $28,635,022 to $29,285,022) as a result of an issue of shares to Troy Resources Limited and a placement to Northern Star Resources Limited. Details of the changes in equity are disclosed in note 15 to the financial statements.

Alchemy Resources Limited announced in February 2015 that it had purchased the contingent Reserve Payment of $690,000 due to Troy Resources Limited via the issue of 10 million fully paid Alchemy Resources Limited shares (see note 20).

In March 2015 Alchemy Resources Limited completed a Sale and Purchase Agreement whereby the tenement containing the Hermes gold resource and adjacent tenements were sold to Northern Star Resources Limited ("Northern Star") for a purchase price of $1,450,000, a placement of 33.33M ordinary fully paid Alchemy Resources Limited shares at a subscription price of $0.015 each to raise $500,000 and a 1% of Net Smelter Return Royalty payable on refined gold recovered from the Hermes tenements in excess of 70,000 ounces and up to 90,000 ounces (see note 20).

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

Events since the end of the financial year

There has not arisen in the interval between the end of the financial year and the date of this report any 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 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 and Petroleum.

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 both the *Energy Efficiency Opportunity Act 2006* and 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 2015, however reporting requirements may change in the future.

Information on directors

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

O Aamodt *Independent Chair – non-executive (appointed 25 November 2011)*		
Experience and expertise	Mr Aamodt is a member of the Governance Institute of Australia and has more than 30 years' experience in the administration and management of mining and exploration companies in Australia and overseas. Mr Aamodt was a Director of the highly successful ASX-listed mining house Independence Group NL from August 2005 until his resignation in July 2011. He had been Chairman since March 2009 until his resignation. Mr Aamodt also served as a Non-Executive Director and Chairman of Energy Metals Ltd from July 2005 until the completion of a friendly proportional cash takeover by China Guangdong Nuclear Power Corporation in December 2009.	
Other current directorships	None	
Former directorships in last 3 years	None	
Special responsibilities	Chair of the Board Chair of the Remuneration Committee Chair of the Nomination Committee Member of the Audit Committee	
Interests in shares and options	Ordinary Shares – Alchemy Resources Limited	4,420,201

S Bianchi BA, MBA *Non-executive director (appointed 1 March 2012)*		
Experience and expertise	Ms Bianchi is Portfolio Manager at BlueCrest Capital Management. Ms Bianchi served as Deputy Managing Director of the Emerging Africa Infrastructure Fund with Standard Bank London from 2002 to 2007. She has previously held a senior position with the European Bank for Reconstruction & Development. Ms Bianchi has extensive experience in banking, fund management and mergers & acquisitions. She holds a BA in Economics from George Washington University, Washington, DC and an MBA from Wharton School, University of Pennsylvania.	
Other current directorships	None	
Former directorships in last 3 years	None	
Special responsibilities	None	
Interests in shares and options	Ordinary Shares – Alchemy Resources Limited	Nil

L Carpene *Non-executive director (appointed 18 March 2015)*		
Experience and expertise	Ms Carpene has worked in the resources industry for more than 19 years and is currently Company Secretary and Head of Business Administration Services for Northern Star Resources Ltd. In this role, Ms Carpene is part of the executive team responsible for acquiring the Plutonic, Kanowna Belle, Kundana and Jundee operations in 2014, and has significant experience in corporate administration, HR, legal, IT and stakeholder relations. Prior to Northern Star Resources Ltd., Ms Carpene was Company Secretary/CFO for listed explorers Venturex Resources and Newland Resources, and previously held various site and Perth based management roles with Great Central Mines, Normandy Mining, Newmont Australia, Agincourt Resources and Oxiana.	
Other current directorships	None	
Former directorships in last 3 years	None	
Special responsibilities	None	
Interests in shares and options	Ordinary Shares – Alchemy Resources Limited	Nil

L Dudfield BSc. *Non-executive director (appointed 25 November 2011)*		
Experience and expertise	Mr Dudfield is a qualified geologist with over 32 years' experience exploring for gold and base metals in Australia and abroad, including close involvement with a number of greenfields discoveries. He was a founding director of Jindalee Resources, Alchemy's third largest shareholder, and is currently the Managing 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	Managing director of Jindalee Resources Limited (director since 1996) Non-executive director of Energy Metals Limited (director since 2004)	
Former directorships in last 3 years	Extract Resources Limited (appointed 16 March 2012, resigned 25 June 2012)	
Special responsibilities	Member of the Remuneration Committee Member of the Nomination Committee Member of the Audit Committee	
Interests in shares and options	Ordinary Shares – Alchemy Resources Limited	28,985,706

A Ho *Independent non-executive director (appointed 25 November 2011)*		
Experience and expertise	Mr Ho is a Chartered Accountant and a partner in a consulting practice focused principally on corporate and financial services to listed companies. He has significant experience in the resource industry, having served as director and secretary of companies listed on ASX.	
Other current directorships	Executive director of Newfield Resources Limited (director since 2011) Non-executive director of Australian Agricultural Projects Australia Limited (director since 2003) Non-executive director of Mustera Property Group Limited (director since 2014) Non-executive director of Glory Resources Limited (now de-listed) (director since 2014)	
Former directorships in last 3 years	Non-executive director of Siburan Resources Limited (appointed 12 November 2009, resigned 25 November 2014) Dragon Energy Limited (appointed 18 December 2008, resigned 13 June 2012) Audalia Resources Limited (appointed 27 August 2010, resigned 17 August 2011)	
Special responsibilities	Chair of the Audit Committee Member of the Remuneration Committee Member of the Nomination Committee	
Interests in shares and options	Ordinary Shares – Alchemy Resources Limited	Nil

Company secretary

Mr Bernard Crawford was appointed Company Secretary on 1 December 2010. Mr Crawford is a Chartered Accountant with over 20 years' experience in the resources industry in Australia and overseas. He has held various positions in finance and management with NYSE, TSX and ASX listed companies.

Meetings of directors

The number of meetings of the Company's board of directors and of each board committee held during the year ended 30 June 2015, and the numbers of meetings attended by each director were:

	Board of Directors		Audit Committee		Nomination Committee		Remuneration Committee	
	A	B	A	B	A	A	A	B
O Aamodt	8	8	2	2	1	1	1	1
S Bianchi	5	8	*	*	*	*	*	*
L Carpene (appointed 18 March 2015)	2	2	*	*	*	*	*	*
L Dudfield	8	8	2	2	1	1	1	1
A Ho	5	8	1	2	1	1	1	1

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

Retirement, election and continuation in office of directors

Ms Carpene was appointed to the Board on 18 March 2015 and by virtue of clause 11.12 of the Company's Constitution will stand for re-election at the Annual General Meeting.

Ms Bianchi and Mr Dudfield, being directors retiring by rotation who, being eligible, may offer themselves for re-election at the Annual General Meeting.

REMUNERATION REPORT (Audited)

The directors present the Alchemy Resources Limited 2015 remuneration report, outlining key aspects of our 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 2014 Annual General Meeting
(g) Details of remuneration
(h) Service agreements
(i) Details of share-based compensation and bonuses
(j) Equity instruments held by key management personnel
(k) Loans to key management personnel
(l) Other transactions with key management personnel

(a) Key management personnel covered in this report

Non-executive and executive directors (see pages 11 to 13 for details about each director)	
O Aamodt	Chair – Non-executive
S Bianchi	Non-executive director
L Carpene	Non-executive director
L Dudfield	Non-executive director
A Ho	Non-executive director

Other key management personnel

Name	Position
K Cassidy	Chief Executive Officer
B Crawford	Company Secretary and Chief Financial Officer

(b) Remuneration governance and the use of remuneration consultants

The Remuneration Committee is a committee of the Board. It is primarily responsible for making recommendations to the Board on:

- the over-arching executive remuneration framework;
- 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.

Their objective 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 will continue to be in accordance with the Corporations Act 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 has been sought during the period ended 30 June 2015.

The Corporate Governance Statement provides further information on the role of the Remuneration Committee.

(c) Executive remuneration policy and framework

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

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

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

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

(d) Relationship between remuneration and the Group's performance

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

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

(e) Non-executive director remuneration policy

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

The Board policy is to remunerate non-executive directors at commercial market rates for comparable companies for their time, commitment and responsibilities. Non-executive directors receive a Board fee but do not receive fees for chairing or participating on Board committees. Board members are allocated superannuation guarantee contributions as required by law, and do 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 directors' fee pool limit is $250,000 and was approved by shareholders at the Annual General Meeting held on 22 July 2008.

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

(f) Voting and comments made at the Company's 2014 Annual General Meeting

Alchemy Resources Limited received more than 87% of "yes" votes on its remuneration report for the 2014 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

(g) Details of remuneration

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

2015	Short-term benefits			Post-employment benefits	Share-based payment		% of Remuneration to total from	
Name	Salary and Fees	Cash Bonus	Non-Monetary Benefit	Super-annuation	Options	Total	Options	Bonus
	$	$	$	$	$	$	%	%
Directors								
O Aamodt	25,000	-	-	-	-	25,000	-	-
S Bianchi	-	-	-	-	-	-	-	-
L Carpene	-	-	-	-	-	-	-	-
L Dudfield	-	-	-	-	-	-	-	-
A Ho	19,998	-	-	-	-	19,998	-	-
Executives								
K Cassidy	147,807	-	-	12,160	16,794	176,761	11%	-
B Crawford	112,800	-	-	-	2,519	115,319	2%	-
Totals	305,605	-	-	12,160	19,313	337,078		

2014	Short-term benefits			Post-employment benefits	Share-based payment		% of Remuneration to total from	
Name	Salary and Fees	Cash Bonus	Non-Monetary Benefit	Super-annuation	Options	Total	Options	Bonus
	$	$	$	$	$	$	%	%
Directors								
O Aamodt	25,000	-	-	-	-	25,000	-	-
S Bianchi	-	-	-	-	-	-	-	-
L Dudfield	-	-	-	-	-	-	-	-
A Ho	19,998	-	-	-	-	19,998	-	-
Executives								
K Cassidy	192,000	-	-	17,760	-	209,760	-	-
B Crawford	100,800	-	-	-	-	100,800	-	-
Totals	337,798	-	-	17,760	-	355,558		

(h) Service agreements

On appointment to the Board, all non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms of appointment, including compensation 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.

K Cassidy, *Chief Executive Officer*

Dr Cassidy is remunerated pursuant to an ongoing Executive Employment Agreement. Due to reduced hours during the financial year Dr Cassidy was paid a salary and superannuation of $140,160 for the year ended 30 June 2015.The notice period (other than for gross misconduct) is three months.

B Crawford, *Chief Financial Officer and Company Secretary*

Mr Crawford is remunerated pursuant to the terms of a Consultancy Agreement to fulfil the duties of the Company Secretarial and Chief Financial Officer. Fees paid during the year totalled $112,800 and were charged at usual commercial rates on a daily basis. The agreement may be terminated by either party on three months' written notice.

(i) Details of share-based compensation and bonuses

Options

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

Details of options over ordinary shares in the Company provided as remuneration to senior management are set out below. All options are fully vested on grant date.

Option series	Grant date	Vesting and exercise date	Expiry date	Exercise price	Value per option at grant date	% Vested
10	23 Sep 2014	23 Sep 2014	31 Oct 2017	$0.10	$0.009458	100%
11	23 Sep 2014	23 Sep 2014	31 Oct 2017	$0.20	$0.007336	100%

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

Further information on the fair value of share options and assumptions is set out in note 24 to the financial statements.

(j) Equity instruments held by key management personnel

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

Options

	Opening Balance 1 July	Granted as remuneration	Options exercised	Net change other	Balance at 30 June	Vested but not exercisable	Vested and exercisable	Vested during the year
2015								
Executives								
K Cassidy	400,000	2,000,000	-	(400,000)	2,000,000	-	2,000,000	2,000,000
B Crawford	200,000	300,000	-	(200,000)	300,000	-	300,000	300,000
	600,000	2,300,000	-	(600,000)	2,300,000	-	2,300,000	2,300,000
2014								
Executives								
K Cassidy	400,000	-	-	-	400,000	-	400,000	-
B Crawford	200,000	-	-	-	200,000	-	200,000	-
	600,000	-	-	-	600,000	-	600,000	-

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

Shareholdings

	Opening Balance 1 July	Granted as remuneration	Options exercised	Net change other	Balance at 30 June
2015					
Directors					
O Aamodt	4,420,201	-	-	-	4,420,201
L Dudfield	28,687,482	-	-	298,224	28,985,706
Executives					
K Cassidy	500,000	-	-	-	500,000
B Crawford	900,000	-	-	-	900,000
	34,507,683	-	-	298,224	34,805,907
2014					
Directors					
O Aamodt	280,134	-	-	4,140,067	4,420,201
L Dudfield	18,114,907	-	-	10,572,575	28,687,482
Executives					
K Cassidy	100,000	-	-	400,000	500,000
B Crawford	600,000	-	-	300,000	900,000
	19,095,041	-	-	15,412,642	34,507,683

As at the date of this report the shareholdings of key management personnel were the same as at 30 June 2015.

(k) Loans to key management personnel

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

(l) 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	Issue price of shares	Number under option
23 September 2014	31 October 2017	$0.10	1,500,000
23 September 2014	31 October 2017	$0.20	1,500,000
			3,000,000

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

Shares issued on the exercise of options

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

Corporate Governance Statement

The Company's 2015 Corporate Governance Statement has been released as a separate document and is located on the Company's website at http://www.alchemyresources.com.au/index.php/corporate-list?id=25

Proceedings on Behalf of the Consolidated Entity

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

Indemnification and Insurance of Directors and Officers

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

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

Non-Audit Services

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

Details of the amounts paid or payable to the auditor (BDO Audit (WA) Pty Ltd) for audit and non-audit services provided during the year are set out in note 19. During the year ended 30 June 2015 no fees were paid or were payable for non-audit services provided by the auditor of the consolidated entity (2014: $Nil).

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

Auditor's Independence Declaration

The copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 22.

Signed in accordance with a resolution of the Directors

Oscar Aamodt
Chairman
Perth, 16 September 2015

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF ALCHEMY RESOURCES LIMITED

As lead auditor of Alchemy Resources Limited for the year ended 30 June 2015, 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.

Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth, 16 September 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2015

	Notes	Consolidated 2015 $	Consolidated 2014 $
Continuing operations			
Other income	3	74,273	40,289
Corporate expense	3	(232,913)	(195,519)
Employee expense	3	(110,096)	(163,525)
Administration expense	3	(198,075)	(337,233)
Impairment expense	9	(3,958,878)	-
Exploration expense		(494,947)	(1,047,926)
Finance costs		(3,172)	(5,886)
Loss from continuing operations before income tax		(4,923,808)	(1,709,800)
Income tax benefit	5	147,722	36,110
Loss after income tax for the period attributable to the owners of Alchemy Resources Limited		(4,776,086)	(1,673,690)
Other comprehensive income		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period attributable to the owners of Alchemy Resources Limited		(4,776,086)	(1,673,690)
		Cents per share	Cents per share
Loss per share attributable to the owners of Alchemy Resources Limited			
- basic loss per share	18	2.41	1.00
- diluted loss per share	18	n/a	n/a

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

Consolidated Statement of Financial Position
At 30 June 2015

	Notes	Consolidated 2015 $	Consolidated 2014 $
ASSETS			
Current Assets			
Cash and cash equivalents	6	1,821,765	553,173
Trade and other receivables	7	42,620	61,270
Other current assets	8	5,744	5,757
Total Current Assets		1,870,129	620,200
Non-Current Assets			
Exploration and evaluation	9	12,453,879	17,809,030
Property, plant and equipment	10	52,590	150,906
Total Non-Current Assets		12,506,469	17,959,936
TOTAL ASSETS		14,376,598	18,580,136
LIABILITIES			
Current Liabilities			
Trade and other payables	12	71,434	117,877
Provisions	13	25,315	32,800
Interest bearing liabilities	14	-	38,077
Total Current Liabilities		96,749	188,754
Non-Current Liabilities			
Interest bearing liabilities	14	-	10,638
Total Non-Current Liabilities		-	10,638
TOTAL LIABILITIES		96,749	199,392
NET ASSETS		14,279,849	18,380,744
EQUITY			
Contributed equity	15	29,285,022	28,635,022
Reserves	16	444,647	419,456
Accumulated losses	17	(15,449,820)	(10,673,734)
TOTAL EQUITY		14,279,849	18,380,744

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 2015

	Attributable to equity holders of the entity			
	Issued Capital $	Option Reserves $	Accumulated Losses $	Total Equity $
At 1 July 2013	27,932,586	419,456	(9,000,044)	19,351,998
Loss for the period	-	-	(1,673,690)	(1,673,690)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period net of tax	-	-	(1,673,690)	(1,673,690)
Transactions with owners in their capacity as owners				
Issue of shares	715,044	-	-	715,044
Transaction costs of issuing shares	(12,608)	-	-	(12,608)
At 30 June 2014	28,635,022	419,456	(10,673,734)	18,380,744

	Attributable to equity holders of the entity			
	Issued Capital $	Option Reserves $	Accumulated Losses $	Total Equity $
At 1 July 2014	28,635,022	419,456	(10,673,734)	18,380,744
Loss for the period	-	-	(4,776,086)	(4,776,086)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period net of tax	-	-	(4,776,086)	(4,776,086)
Transactions with owners in their capacity as owners				
Issue of shares	650,000	-	-	650,000
Share based payments	-	25,191	-	25,191
At 30 June 2015	29,285,022	444,647	(15,449,820)	14,279,849

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2015

	Notes	Consolidated 2015 $	Consolidated 2014 $
Cash flows from operating activities			
Payments to suppliers and employees		(449,560)	(544,613)
Interest income		12,267	45,144
Interest expense		(3,172)	(5,886)
Research and development tax rebate received		183,832	-
Net cash flows from/(used in) operating activities	25	(256,633)	(505,355)
Cash flows from investing activities			
Proceeds from sale of prospects		1,450,000	-
Proceeds from sale of plant & equipment		60,000	908
Payment for exploration assets		(436,060)	(1,238,960)
Net cash flows from/(used in) investing activities		1,073,940	(1,238,052)
Cash flows from financing activities			
Proceeds from issue of shares		500,000	715,044
Payments for capital raising		-	(12,608)
Payment of finance lease		(48,715)	(47,434)
Net cash flows from/(used in) financing activities		451,285	655,002
Net increase / (decrease) in cash and cash equivalents		1,268,592	(1,088,405)
Cash and cash equivalents at beginning of period		553,173	1,641,578
Cash and cash equivalents at end of period	6	1,821,765	553,173

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

1. Corporate Information

The consolidated financial report of Alchemy Resources Limited for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the directors on 16 September 2015.

Alchemy Resources Limited is a for profit company incorporated in Australia and limited by shares which are publicly traded 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.

2. Statement of Compliance

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

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

New and amended accounting standards and interpretations adopted by the Group

The following standards and interpretations relevant to the operations of the Group and effective from 1 July 2014 have been adopted. The adoption of these standards did not have any impact on the current period or any prior period and is not likely to affect future periods.

- *AASB 2013-3: Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets*
- *AASB 2013-4: Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting*
- *AASB 2014-1: Amendments to Australian Accounting Standards*

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

New or revised requirement	Application date of standard	Application date for Group
AASB 9: *Financial Instruments* AASB 9 replaces AASB 139: *Financial Instruments: Recognition and Measurement*. The objective of this Standard is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.	1 Jan 2018	1 Jul 2018
AASB 15: *Revenue from Contracts with Customers* AASB 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. AASB 15 will supersede the current revenue recognition guidance including AASB 118: *Revenue*, AASB 111: *Construction Contracts* and the related Interpretations when it becomes effective.	1 Jan 2018	1 Jul 2018

(a) Basis of measurement

Historical Cost Convention

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

Critical Accounting Estimates

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

(b) Going Concern

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

(c) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2015 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.

Joint arrangements

Under AASB 11: *Joint Arrangements* investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Those parties are called joint operators. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers.

(d) Critical accounting judgements and key sources of estimation uncertainty

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

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

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes option pricing model.

Exploration and evaluation costs carried forward

The recoverability of the carrying amount of exploration and evaluation costs carried forward has been reviewed by the directors. In conducting the review, after impairment indicators are identified, the recoverable amount has been assessed by reference to the higher of "fair value less costs to sell" and, if applicable, "value in use".

In determining value in use, future cash flows are based on estimates of ore reserves and mineral resources for which there is a high degree of confidence of economic extraction, production and sales levels, future commodity prices, future capital and production costs and future exchange rates.

Variations to any of these estimates, and timing thereof, could result in significant changes to the expected future cash flows which in turn could result in significant changes to the impairment test results, which in turn could impact future financial results.

(e) Segment reporting

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.

(f) Functional and presentation of currency

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

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss and other comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss and other comprehensive income on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(g) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. Interest income is recognised as it accrues.

(h) Income tax

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 for each jurisdiction 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 regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Alchemy Resources Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases (note 14). Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables.

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

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

(j) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(k) Cash and cash equivalents

Cash and cash equivalents includes 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(l) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are 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.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the profit or loss.

(m) Exploration and evaluation expenditure

Exploration and evaluation expenditure, including the costs of acquiring licences and permits, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the statement of profit or loss and other comprehensive income.

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

(i) the expenditures are expected to be recouped through successful development and exploitation or from sale of the area of interest; or

(ii) activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) 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.

(n) Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, or in the case of certain leased plant and equipment, the shorter lease term as follows:

- Motor vehicles 5 – 7 years
- Office and computer equipment 3 – 5 years
- Furniture, fittings and equipment 3 – 5 years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in profit or loss. When re-valued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

(p) Employee benefits

Short–term Obligations

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

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Other Long-term Obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-Based Payments

The Group provides benefits to employees of the Company in the form of share options. The fair value of options granted is recognised as an employee benefits expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using a Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted.
The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, on a straight line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number that vest.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value. No termination benefits, other than accrued benefits and entitlements, were paid during the period.

(q) Equity

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.

(r) Earnings per share

Basic earnings per share

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

Diluted earnings per share

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

(s) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(t) Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end. All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

	Consolidated 2015 $	Consolidated 2014 $
3. Revenue and Expenses		
Other income		
Finance income – banks	20,944	28,016
Other	53,329	12,273
Total other income	74,273	40,289
Expenses		
Corporate expense		
Company secretary fees	112,800	101,209
Other corporate expenses	120,113	94,310
Total corporate expense	232,913	195,519
Employee expense		
Employee benefit and director compensation expense	79,164	136,695
Expense of share based payments	25,191	-
Training & development costs	-	989
Other employee expenses	5,741	25,841
Total employee expense	110,096	163,525
Administration expense		
Depreciation	57,866	91,782
Occupancy	61,455	125,140
Loss / (gain) on sale of assets	(19,550)	2,911
Other administration expenses	98,304	117,400
Total administration expense	198,075	337,233

4. Segment information

The Group operates in one geographical segment, being Western 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 Western Australia.

	Mineral Exploration	Unallocated	Consolidation
2015	$	$	$
Segment income			
Other income	53,398	20,875	74,273
Total income	53,398	20,875	74,273
Segment expense			
Exploration expense	(4,453,825)	-	(4,453,825)
Net other costs	(2,041)	(484,349)	(486,390)
Profit / (loss) before amortisation and depreciation	(4,402,468)	(463,474)	(4,865,942)
Amortisation and depreciation	-	(57,866)	(57,866)
Profit / (loss) before income tax benefits	(4,402,468)	(521,340)	(4,923,808)
R&D concession	147,722	-	147,722
Total comprehensive income / (loss) for the period	(4,254,746)	(521,340)	(4,776,086)
Segment assets and liabilities			
Assets	12,459,958	1,916,640	14,376,598
Liabilities	2,883	93,866	96,749
Net assets	12,457,075	1,822,774	14,279,849
2014			
Segment income			
Other income	14,282	26,007	40,289
Total income	14,282	26,007	40,289
Segment expense			
Exploration expense	(1,047,926)	-	(1,047,926)
Net other costs	(5,017)	(605,364)	(610,381)
Profit / (loss) before amortisation and depreciation	(1,038,661)	(579,357)	(1,618,018)
Amortisation and depreciation	-	(91,782)	(91,782)
Profit / (loss) before income tax benefits	(1,038,661)	(671,139)	(1,709,800)
R&D concession	36,110	-	36,110
Total comprehensive income / (loss) for the period	(1,002,551)	(671,139)	(1,673,690)
Segment assets and liabilities			
Assets	17,860,348	719,788	18,580,136
Liabilities	16,718	182,674	199,392
Net assets	17,843,630	537,114	18,380,744

	Consolidated 2015 $	Consolidated 2014 $
5. Income Tax		
Major components of income tax expense are as follows:		
Consolidated Statement of Profit or Loss and Other Comprehensive Income		
Current income tax		
- Current income tax charge	115,289	-
- R&D tax concession	(147,722)	(36,110)
Deferred income tax		
- Utilisation of prior year tax losses	(115,289)	-
Income tax expense / (benefit) reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	(147,722)	(36,110)
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:		
Accounting loss from continuing operations before income tax	(4,923,808)	(1,709,800)
At the statutory income tax rate of 30% (2014: 30%)	(1,477,142)	(512,940)
Add		
- Non-deductible expenses	-	61
- Share based payment	7,557	-
- Tax loss not brought to account as a deferred tax asset	1,488,138	576,099
- Capital raising costs	(18,553)	(63,220)
- R&D tax concession	(147,722)	(36,110)
Income tax expense / (benefit) reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	(147,722)	(36,110)

Tax Consolidation

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

	Consolidated 2015 $	Consolidated 2014 $
5. Income Tax (continued)		
Deferred income tax		
Recognised on the statement of financial position		
Deferred income tax at the end of the reporting period relates to the following:		
Deferred income tax liabilities		
- Capitalised expenditure deductible for tax purposes	3,736,163	5,342,709
- Trade and other receivables	5,085	2,562
	3,741,248	5,345,271
Deferred income tax assets		
- Trade and other payables	(7,761)	(5,778)
- Employee benefits	(7,595)	(9,840)
- Capitalised expenditure non-deductible for tax purposes	(3,280)	(1,335)
- Tax losses	(3,722,612)	(5,328,318)
Net deferred tax asset / (liability)	-	-
Deferred tax assets have not been recognised in respect of the following items:		
- Capital raising costs	17,793	38,627
- Tax losses	4,580,389	3,092,251
Potential unrecognised tax benefit at 30% (2014: 30%)	4,598,182	3,130,878

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise benefits.

The utilisation of tax losses is dependent on the Group satisfying the continuity of ownership test or the same business test at the time the tax losses are applied against taxable income.

	Consolidated 2015 $	Consolidated 2014 $
6. Cash and cash equivalents		
Cash at bank and on hand	306,965	405,273
Deposits at call	1,514,800	147,900
	1,821,765	553,173

The weighted average interest rate for the year was 2.07% (2014: 2.97%).

The Group's exposure to interest rate risk is set out in note 23. 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.

7. Trade and other receivables

	2015 $	2014 $
Current		
GST receivable	9,002	17,623
Other	33,618	43,647
	42,260	61,270

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 these amounts will be received when due. The Group's financial risk management objectives and policies are set out in note 23.

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

8. Other current assets

	2015 $	2014 $
Prepayments	5,744	5,757
	5,744	5,757

9. Exploration and evaluation

	2015 $	2014 $
Opening balance	17,809,030	17,650,082
Carrying value of tenements sold	(1,450,000)	-
Impairment expense	(3,958,878)	-
Exploration expenditure incurred during the year	548,674	1,206,874
Exploration expenditure written off	(494,947)	(1,047,926)
Closing balance	12,453,879	17,809,030

9. Exploration and evaluation (continued)

The recoverability of the carrying amount of deferred exploration and evaluation expenditure is dependent on the successful development and commercial exploitation, or alternatively the sale, of the respective areas of interest.

The carrying value of tenements sold represents the value previously recognised as exploration assets in the Group's Consolidated Statement of Financial Position for the Hermes and adjacent tenements sold in March 2015. The impairment expense represents the write-down of the Hermes and adjacent tenements from their carrying amount to their sale value.

	Consolidated	
	2015	2014
	$	$
10. Property, plant and equipment		
Motor vehicle		
- At cost	70,096	192,559
- Accumulated depreciation	(57,593)	(119,837)
Total motor vehicle	12,503	72,722
Mobile accommodation		
- At cost	164,296	164,296
- Accumulated depreciation	(124,685)	(101,214)
Total mobile accommodation	39,611	63,082
Office equipment		
- At cost	6,968	6,968
- Accumulated depreciation	(6,968)	(6,045)
Total office equipment	-	923
Computer equipment		
- At cost	83,581	83,581
- Accumulated depreciation	(83,105)	(80,627)
Total computer equipment	476	2,954
Field equipment		
- At cost	82,138	82,138
- Accumulated depreciation	(82,138)	(70,913)
Total field equipment	-	11,225
Total property, plant and equipment	52,590	150,906

10. Property, plant and equipment (continued)

Movement in carrying amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the year:

2015	Motor Vehicles $	Mobile Accomm. $	Office Equipment $	Computer Equipment $	Field Equipment $	Total $
Consolidated:						
Balance at the beginning of the year	72,722	63,082	923	2,954	11,225	150,906
Depreciation expense	(19,769)	(23,471)	(923)	(2,478)	(11,225)	(57,866)
Disposals	(40,450)	-	-	-	-	(40,450)
Carrying amount at the end of the year	12,503	39,611	-	476	-	52,590

2014	Motor Vehicles $	Mobile Accomm. $	Office Equipment $	Computer Equipment $	Field Equipment $	Total $
Consolidated:						
Balance at the beginning of the year	106,675	86,553	9,181	13,758	30,340	246,507
Depreciation expense	(33,953)	(23,471)	(4,439)	(10,804)	(19,115)	(91,782)
Disposals	-	-	(3,819)	-	-	(3,819)
Carrying amount at the end of the year	72,722	63,082	923	2,954	11,225	150,906

11. Subsidiaries

Details of the Company's subsidiaries are as follows:

Subsidiary	Principal Activity	Country of Incorporation	Proportion of Ownership 2015	Proportion of Ownership 2014
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%

	Consolidated 2015 $	Consolidated 2014 $
12. Trade and other payables		
Trade creditors and accruals	71,434	117,877

Trade creditors are non-interest bearing and are normally settled on 30 day terms. The Group's financial risk management objectives and policies are set out in note 23. Due to the short term nature of these payables their carrying value is assumed to approximate their fair value.

	2015 $	2014 $
13. Provisions		
Current		
Employee benefits	25,315	32,800
14. Interest bearing liabilities		
Current		
Secured		
Lease liabilities	-	38,077
Non-current		
Secured		
Lease liabilities	-	10,638

Details of the Group's exposure to risk arising from current and non-current borrowings are set out in note 23.

a) Assets pledged as security
Lease liabilities are effectively secured as the rights to hire purchase assets, recognised in the financial statements and revert to the lessor in the event of default.

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	2015 $	2014 $
Hire purchase		
Motor vehicle	-	28,239
Term deposit	-	61,000
Total assets pledged as security	-	89,239

b) Fair value

The carrying amounts and fair values of borrowings at reporting date
On statement of financial position
Non-traded financial liabilities

	2015 $	2014 $
Lease liabilities	-	48,715

None of the classes are readily traded on an organised market in standardised form. Fair value is inclusive of costs which would be incurred on settlement of a liability.

14. Interest bearing liabilities (continued)

c) Interest rate risk exposure

The following table sets out the Group's exposure to interest rate risk, including the contractual repricing dates and the effective weighted average interest rate by maturity periods.

2015	Fixed Interest rates			
Lease	1 Year or Less	Over 1 Yr to 2 Yrs	Over 2Yrs to 3 Yrs	Over 3 Yrs to 4 Yrs
Lease liabilities	-	-	-	-
	-	-	-	-

2014	Fixed Interest rates			
Lease	1 Year or Less	Over 1 Yr to 2 Yrs	Over 2Yrs to 3 Yrs	Over 3 Yrs to 4 Yrs
Lease liabilities	1,859	333	-	-
	7.96%	7.12%	-	-

The Group has provided a bank guarantee amounting to $14,800, secured by a term deposit to the landlord for the rental of the Company's office premises.

	Consolidated 2015 $	Consolidated 2014 $
15. Contributed equity		
a) Share capital		
Ordinary shares fully paid	29,285,022	28,635,022

b) Movements in ordinary shares on issue	Consolidated Number	Consolidated $
Balance at 1 July 2013	156,852,955	27,932,586
Non-renounceable issue to shareholders	28,601,746	715,044
Share issue costs	-	(12,608)
Balance at 30 June 2014	185,454,701	28,635,022
Issue of shares to Troy Resources Limited	10,000,000	150,000
Placement to Northern Star Resources Limited	33,333,334	500,000
Balance at 30 June 2015	228,788,035	29,285,022

Ordinary shares have the right to receive dividends as declared, and in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid upon on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

c) Movements in options on issue	Consolidated 2015 Number	Consolidated 2014 Number
Balance at beginning of the financial year	975,000	975,000
Options granted	3,000,000	-
Options expired	(975,000)	-
Balance at end of the financial year	3,000,000	975,000

	Consolidated 2015 $	Consolidated 2014 $
16. Reserves		
Options Reserve		
Opening balance	419,456	419,456
Options issued	25,191	-
Balance at the end of the financial year	444,647	419,456

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

17. Accumulated losses

	2015 $	2014 $
Balance at the beginning of the financial year	(10,673,734)	(9,000,044)
Net loss attributable to members	(4,776,086)	(1,673,690)
Balance at the end of the financial year	(15,449,820)	(10,673,734)

18. Earnings per share

	2015	2014
- basic loss per share (cents per share)	2.41	1.00
- 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:

	$	$
Profits / (losses) used in calculating basic and diluted earnings per share	(4,776,086)	(1,673,690)

	2015 Number	2014 Number
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	198,212,692	166,726,434

	Consolidated 2015 $	Consolidated 2014 $
19. Auditor's remuneration		
Audit services		
BDO Audit (WA) Pty Ltd		
- Audit and review of the financial reports	23,292	22,215
Total remuneration	23,292	22,215

20. Contingent assets and liabilities

The Group had contingent liabilities at 30 June 2015 in respect of :

Guarantees
For information about guarantees given by the Group and the parent entity, refer to note 14.

Future success and royalty payments
In 2008 Alchemy Resources Limited ("Alchemy") and Troy Resources Limited ("Troy") entered into an Asset Sale Agreement whereby Alchemy acquired Troy's interest in the Three Rivers Gold Project ("Three Rivers") for $2 million, with $1,310,000 paid at the time in cash and Alchemy shares and the balance of $690,000 due when Alchemy makes an announcement that it has delineated gold reserves of not less than 50,000 ounces, or on the lodgement of a notice of intent to mine ("Reserve Payment").

In March 2015, Alchemy completed the purchase of the Reserve Payment from Troy via the issue of 10 million fully paid Alchemy shares.

Troy retains a 1% Net Smelter Return Royalty on gold production from 50,000 ounces to 70,000 ounces from Three Rivers and a $0.75 per tonne royalty on iron ore produced from the landholding.

The Group had contingent assets at 30 June 2015 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 for a purchase price of $1,450,000 and a placement of 33.33M ordinary fully paid Alchemy shares to Northern Star at a subscription price of $0.015 each to raise $500,000.

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

There are no other material contingent assets or liabilities as at 30 June 2015.

21. Events occurring after the reporting period

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

22. Commitments

In order to maintain an interest in the exploration tenements in which the Group is involved, the Group is committed to meet the conditions under which the tenements were granted. The timing and amount of exploration expenditure commitments and obligations of the Group are subject to the minimum expenditure commitments required as per the *Mining Act 1978*, as amended, and may vary significantly from the forecast based upon the results of the work performed which will determine the prospectivity of the relevant area of interest. Currently, the minimum expenditure commitments for the granted tenements are $1,206,620 (2014: $1,184,740) per annum.

22. Commitments (continued)

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

	Consolidated	
	2015	2014
	$	$
Within 1 year	13,449	12,137
Later than one year but not later than five years	-	-
Later than five years	-	-
	13,449	12,137

Commitments in relation to lease liabilities are payable as follows:

Within 1 Year	-	40,004
Later than one year but not later than five years	-	10,971
Later than five years	-	-
Less: Unexpired hire purchase charges	-	2,260
Recognised as a liability	-	48,715
Representing hire purchase liabilities:		
Current	-	38,077
Non-current	-	10,638
	-	48,715

23. 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
- Commodity 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.

23. Financial risk management objectives and policies (continued)

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 cash, short-term deposits, receivables and payables.

Interest rate risk
Interest rate risk is the risk that the value of a financial instrument of 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.

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

		Fixed interest rate maturing in				
Consolidated – 2015	Floating interest rate	1 Year or less	Over 1 to 5 years	More than 5 years	Non interest bearing	Total
	$	$	$	$	$	$
Financial assets						
Cash and cash equivalents	301,309	1,514,800	-	-	5,656	1,821,765
Trade and other receivables	-	-	-	-	42,620	42,620
	301,309	1,514,800	-	-	48,276	1,864,385
Weighted average interest rate	1.95%	2.24%	-	-	-	-
Financial liabilities						
Trade and other payables	-	-	-	-	71,434	71,434
	-	-	-	-	71,434	71,434
Weighted average interest rate	-	-	-	-	-	-

23. Financial risk management objectives and policies (continued)

Consolidated – 2014	Floating interest rate	Fixed interest rate maturing in 1 Year or less	Over 1 to 5 years	More than 5 years	Non interest bearing	Total
	$	$	$	$	$	$
Financial assets						
Cash and cash equivalents	400,318	147,900	-	-	4,955	553,173
Trade and other receivables	-	-	-	-	61,270	61,270
	400,318	147,900	-	-	66,225	614,443
Weighted average interest rate	2.37%	3.53%	-	-	-	-
Financial liabilities						
Trade and other payables	-	-	-	-	117,877	117,877
Interest bearing liabilities	-	38,077	10,638	-	-	48,715
	-	38,077	10,638	-	117,877	166,592
Weighted average interest rate	-	8.75%	7.12%	-	-	-

Fair value sensitivity analysis for fixed rate instruments
The Group does not account for any fixed rate financial assets or liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments
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:

Consolidated - 2015	Carrying value at period end	Profit or loss 100 bp increase	Profit or loss 100 bp decrease	Equity 100 bp increase	Equity 100 bp decrease
	$	$	$	$	$
Financial assets Cash and cash equivalents	1,821,765	10,117	(10,117)	10,117	(10,117)
Cash flow sensitivity (net)		10,117	(10,117)	10,117	(10,117)

Consolidated – 2014	Carrying value at period end	Profit or loss 100 bp increase	Profit or loss 100 bp decrease	Equity 100 bp increase	Equity 100 bp decrease
	$	$	$	$	$
Financial assets					
Cash and cash equivalents	553,173	9,437	(9,437)	9,437	(9,437)
Cash flow sensitivity (net)		9,437	(9,437)	9,437	(9,437)

23. Financial risk management objectives and policies (continued)

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

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

Exposure to credit risk
The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Consolidated	
	2015	2014
	$	$
Cash and cash equivalents	1,821,765	553,173
Trade & other receivables	42,620	61,270
	1,864,385	614,443

Foreign currency risk
The Group's exposure to foreign currency risk is minimal at this stage of its operations.

Commodity price risk
The Group's exposure to commodity price risk is minimal at this stage of its operations.

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.

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

23. Financial risk management objectives and policies (continued)

Consolidated - 2015	Carrying amount $	Contractual cash flows $	6 months or less $
Trade and other payables	71,434	-	71,434
	71,434	-	71,434
Receivables	42,620	-	42,620
	42,620	-	42,620

Consolidated - 2014	Carrying amount $	Contractual cash flows $	6 months or less $
Trade and other payables	117,877	-	117,877
Interest bearing liabilities	48,715	50,975	19,038
	166,592	50,975	136,915
Receivables	61,270	61,270	61,270
	61,270	61,270	61,270

Fair value of financial assets and liabilities
The fair value of cash and cash equivalents and non-interest bearing financial assets and financial liabilities of the Group is equal to their carrying value.

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 payables and provisions detailed in notes 12, 13, & 14 offset by cash and bank balances) and equity of the Group (comprising issued capital, reserves, offset by accumulated losses detailed in notes 15, 16 & 17).

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

24. Share based payments

Share option plan

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

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

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

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

Option series	Number	Grant date	Expiry date	Vesting date	Exercise price	Fair value at grant date
9 (1)	975,000	29 Mar 2012	30 Apr 2015	Immediate	$0.40	$0.048980
10	1,500,000	23 Sep 2014	31 Oct 2017	Immediate	$0.10	$0.009458
11	1,500,000	23 Sep 2014	31 Oct 2017	Immediate	$0.20	$0.007336

(1) These options expired during the financial year

Fair value of share options granted during the year

The fair value of share options at grant date are determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share and the risk free rate for the term of the option. The fair value of share options issued during the year was $25,191 (2014:$Nil)

The model inputs for options granted during the year ended 30 June 2015 are as follows:

Inputs	Issue 10	Issue 11
Exercise Price	$0.10	$0.20
Grant date	23 Sep 2014	23 Sep 2014
Expiry date	31 Oct 2017	31 Oct 2017
Share price at grant date	$0.023	$0.023
Expected price volatility	124.9%	124.9%
Expected dividend yield	0%	0%
Risk-free interest rate	2.67%	2.67%

24. Share based payments (continued)

Movements in share options during the year

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

	2015 No. of options	2015 Weighted average exercise price $	2014 No. of options	2014 Weighted average exercise price $
Outstanding at the beginning of the year	975,000	0.40	975,000	0.40
Granted and vested during the year	3,000,000	0.15	-	-
Expired during the year	(975,000)	0.40	-	-
Outstanding at the end of the year	3,000,000	0.15	975,000	0.40
Exercisable at the end of the year	3,000,000	0.15	975,000	0.40

The weighted average remaining contractual life of share options outstanding at the end of the year was 2.34 years (2014: 0.83 years).

Share options outstanding at the end of the year

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

Expiry Date	Exercise price $	2015 No.	2014 No.
30 April 2015	0.40	-	975,000
31 October 2017	0.10	1,500,000	-
31 October 2017	0.20	1,500,000	-
		3,000,000	975,000

Share based payments

During the year Alchemy Resources Limited purchased the contingent Reserve Payment of $690,000 due to Troy Resources Limited via the issue of 10 million fully paid Alchemy Resources Limited shares (see notes 15 and 20).

		Consolidated	
		2015	2014
		$	$
25.	Reconciliation of cash flows from operating activities		
	Cash flows from operating activities		
	Loss for the period	(4,776,086)	(1,673,690)
	Non-cash flows in profit/(loss):		
	- Depreciation	57,866	91,782
	- Loss / (gain) on sale of assets	(19,550)	2,911
	- Share based remuneration	25,191	-
	- Exploration expenditure write-off	4,453,825	1,047,926
	Changes in assets and liabilities		
	- Decrease/(increase) in trade receivables	31,305	18,291
	- Decrease/(increase) in prepayments	14	3,992
	- Increase/(decrease) in trade creditors and accruals	(27,326)	5,958
	- Increase/(decrease) in provisions	(1,872)	(2,525)
	Net cash used in operating activities	(256,633)	(505,355)

Non-cash investing and financing activities

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

26. Related party disclosure

	Class	Country of incorporation	Investment at cost 2015 $	Investment at cost 2014 $
a) Parent entity				
Alchemy Resources Limited	Ord	Australia	-	-
b) Subsidiaries				
Alchemy Resources (Murchison) Pty Ltd	Ord	Australia	100	100
Alchemy Resources (Three Rivers) Pty Ltd	Ord	Australia	100	100
Goldtribe Corporation Pty Ltd	Ord	Australia	1	1

	2015 $	2014 $
c) Key management personnel compensation		
Short-term employee benefits	305,605	337,798
Post-employment benefits	12,160	17,760
Share-based payments	19,313	-
	337,078	355,558

Detailed remuneration disclosures are provided in the remuneration report on pages 14 to 20.

27. Parent entity disclosure

Financial Performance	2015 $	2014 $
Profit / (loss) for the year	610,470	(1,701,927)
Other comprehensive income	-	-
Total comprehensive profit / (loss)	610,470	(1,701,927)

27. Parent entity disclosure (continued)

Financial Position	2015 $	2014 $
ASSETS		
Current assets	1,842,355	547,186
Non-current assets	54,877	153,193
TOTAL ASSETS	1,897,232	700,379
LIABILITIES		
Current liabilities	93,866	172,036
Non-current liabilities	-	10,638
TOTAL LIABILITIES	93,866	182,674
NET ASSETS	1,803,366	517,705
EQUITY		
Issued capital	29,285,022	28,635,022
Reserves	444,647	419,456
Accumulated losses	(27,926,303)	(28,536,773)
TOTAL EQUITY	1,803,366	517,705

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 2015 other than the commitment in relation to the lease of office premises as disclosed in note 22.

Directors' Declaration

The directors of Alchemy Resources Limited declare that:

(a) in the directors' opinion the financial statements and notes set out on pages 23 to 58 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 2015 and of 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 2015.

Signed in accordance with a resolution of the directors.

Oscar Aamodt
Chairman

Perth, Western Australia
16 September 2015

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Alchemy Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Alchemy Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2015, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility 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 Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Alchemy Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Alchemy Resources Limited is 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 2015 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. 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.

Opinion

In our opinion, the Remuneration Report of Alchemy Resources Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

Dean Just

Director

Perth, 16 September 2015

Additional Shareholders Information
As at 1 September 2015

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

1. Distribution of Holders of Equity Securities
   Analysis of number of equity security holders by size of holding:

Shares Held	Shareholders
1 - 1,000	131
1,001 - 5,000	209
5,001 - 10,000	191
10,001 - 100,000	581
100,001 and over	206
Total	1,318

The number of holders of less than a marketable parcel of ordinary fully paid shares is 739.

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

	Number of shares	Percentage held
Northern Star Resources Limited	33,333,334	14.57
Citicorp Nominees Pty Limited	26,944,077	11.78
Jindalee Resources Limited	17,469,759	7.64

3. 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

4. Quoted Securities on Issue

   The Company has 228,788,035 quoted shares on issue. No options on issue by the Company are quoted.

5. On-Market Buy Back
   There is no current on-market buy back.

6. Unquoted Equity Securities

	Number on issue	Number of holders
Options exercisable at $0.10 on or before 31 October 2017	1,500,000	4
Options exercisable at $0.20 on or before 31 October 2017	1,500,000	4

7. Twenty Largest Holders of Quoted Ordinary Shares

Shareholder	Number of shares	Percentage held
Northern Star Resources Limited	33,333,334	14.57
Citicorp Nominees Pty Ltd	26,944,077	11.78
Jindalee Resources Limited	17,469,759	7.64
LG Dudfield Pension Fund	10,259,721	4.48
Troy Resources Limited	10,000,000	4.37
Grandor Pty Ltd	7,394,213	3.23
Cardinal Management Services Pty Ltd	4,420,201	1.93
Mrs Stella Emily Downey	3,467,750	1.52
Dr Colin Rose	3,440,399	1.50
Rossdale Superannuation Pty Ltd	3,246,000	1.42
Mr Richard Barry	3,000,000	1.31
Canaccord Capital (Australia) Pty Ltd	2,785,500	1.22
Wythenshawe Pty Ltd	2,700,000	1.18
Kale Capital Corporation Ltd	2,512,650	1.10
Bouta Pty Ltd	2,480,360	1.08
Wavet Fund No 2 Pty Ltd	2,265,000	0.99
KE & PW Holdings Pty Ltd	2,000,000	0.87
Warramboo Holdings Pty Ltd	2,000,000	0.87
Prodigy Management Pty Ltd	1,900,000	0.83
Novus Capital Limited	1,218,750	0.53
	142,837,714	62.43

Tenement Schedule

Project / Tenement	Location	Interest	Co-Holder	Notes
Bryah Basin Project	Western Australia			
E52/1668		80%	Jackson Minerals Pty Ltd	1, 2, 3
E52/1678		80%	Jackson Minerals Pty Ltd	1, 2, 3
E52/1722		80%	Jackson Minerals Pty Ltd	1, 2
E52/1723-I		100%	PepinNini Robinson Range Pty Ltd	2, 4, 5
E52/1730		80%	Jackson Minerals Pty Ltd	1, 2, 3
E52/1731		100%		2, 4
E52/1810		100%		2
E52/1852		100%		4
E52/2360		100%		2, 4, 6
E52/2362		100%		2, 4, 6
M52/722		100%		2, 4, 6
M52/723		100%		2, 4, 6
M52/737		100%		4, 6
M52/795		100%		2, 4, 6
M52/844-I		100%		2, 6
M52/1049		100%		4, 6
P52/1195		80%	Jackson Minerals Pty Ltd	1, 3
P52/1196		80%	Jackson Minerals Pty Ltd	1, 3
P52/1199		100%		2
P52/1200		100%		2
P52/1314		100%		4, 6
P52/1315		100%		4, 6
P52/1316		100%		4, 6
P52/1317		100%		2, 6
P52/1318		100%		2, 6
P52/1320		100%		2, 6
P52/1321		100%		4, 6
P52/1322		100%		4, 6
P52/1323		100%		2, 6
P52/1327		100%		4, 6
P52/1365		100%		4, 6
P52/1425		100%		2
P52/1427		100%		2
P52/1428		100%		2
P52/1429		100%		4
P52/1467		100%		2
P52/1468		100%		2
P52/1469		100%		2
P52/1470		100%		2
SE Yilgarn Project	Western Australia			
E28/2475		100%		
E28/2476		100%		

Notes:

1) Jackson Minerals Pty Ltd, a subsidiary of Fe Ltd (ASX: FEL), retains a 20% interest free-carried to a decision to mine.
2) Independence Group NL (ASX: IGO) has a right to explore and earn a 70-80% interest (excludes iron ore) in whole or part tenement free-carried to a pre-feasibility study.
3) Northern Star Resources Ltd (ASX: NST) has a right to explore and earn a 70% interest in whole or part tenement by sole funding a total $1,200,000 on exploration expenditure over tenements or parts of tenements marked (3) & (4).
4) Northern Star Resources Ltd (ASX: NST) has a right to explore and earn a 80% interest in whole or part tenement by sole funding a total $1,200,000 on exploration expenditure over tenements or parts of tenements marked (3) & (4).
5) 100% "Other" mineral rights (excludes iron ore); Robinson Range Iron Ore JV - 100% iron ore.
6) 100% minerals rights for all minerals, excluding iron ore; Carey Mining Iron Ore JV - Alchemy Resources 50%, Carey Mining 50% iron ore.