

## ASX ANNOUNCEMENT

26 JUNE 2018

CODE: ALY

### BOARD OF DIRECTORS

**Mr Lindsay Dudfield**  
Non-Executive Chairman

**Mr Leigh Ryan**  
Managing Director

**Ms Liza Carpene**  
Non-Executive Director

**Mr Anthony Ho**  
Non-Executive Director

### ISSUED CAPITAL

SHARES 352,335,585

OPTIONS 29,500,000 (Unlisted)

### PROJECTS

WEST LYNN (earning up to 80%)

LACHLAN (earning up to 80%)

KARONIE (100%)

BRYAH BASIN (80-100%)

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## Junior Minerals Exploration Incentive

### SUMMARY

- Alchemy Resources has been successful in its application for participation in the Federal Government's Junior Minerals Exploration Incentive (JMEI) scheme.
- JMEI credits may be distributed to eligible shareholders as a tax offset or franking credit for the 2018/2019 tax year.
- To be eligible for the 2018/2019 tax offset, shareholders must have participated in Alchemy's current Rights Issue.
- Only new shares issued by Alchemy in FY 2019 are eligible for JMEI credits.

Alchemy Resources Limited (**ASX: ALY**) ("Alchemy") ("Company") is pleased to announce that it has been advised by the Australian Taxation Office ("ATO") that its application to participate in the JMEI scheme for the 2018/2019 tax year has been accepted and the Company has received an allocation of up to \$ 330,000 in tax credits which can be distributed to eligible shareholders.

The Federal Parliament recently passed legislation in March 2018 that introduced the JMEI scheme with effect from 1 July 2017. This replaces the previous Exploration Development Incentive ("EDI"). The JMEI scheme is voluntary and companies must apply each year to participate. The scheme runs over a 4 year period, with a total of \$100 million in exploration credits available for distribution progressively over the period.

The JMEI scheme encourages investment in small mineral exploration companies that carry out "greenfields" mineral exploration in Australia, by allowing these companies to generate a tax incentive by choosing to give up a portion of their losses from "greenfields" mineral exploration expenditure for distribution to investors.

Eligible investors must be Australian resident shareholders who apply for and are issued new shares in Alchemy's capital raising activities between 16 June 2018 ("Record date") and 30 June 2019. JMEI credits will be distributed to all eligible investors on a pro-rata basis.

Eligible Shareholders who participate in the Company's pro-rata non-renounceable Rights Issue (Offer) and Shortfall Offer announced to the ASX on 12 June 2018 may be entitled to a JMEI credit.

Australian resident shareholders that are issued with JMEI credits will generally be entitled to refundable tax offsets (for individual shareholders or superannuation funds) or franking credits (for companies). Receiving a JMEI credit could have tax consequences and shareholders should obtain independent tax advice specific to their personal circumstances.

These JMEI credits will apply to the 2018/2019 tax year and can be issued by the Company after lodgement of its 30 June 2019 tax return. Eligible shareholders are expected to be notified by the Company of their JMEI credit entitlement in the approved form by 30 September 2019, and the JMEI credits will apply to their income tax assessment for the year ended 30 June 2019.

For further information please contact:

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Managing Director

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#### **FORWARD LOOKING STATEMENT**

*The information in this announcement contains forward looking statements which involve a number of risks and uncertainties. These forward looking statements are expressed in good faith and ARE believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.*