



ABN 17 124 444 122

**Half-Year Financial Report
31 December 2017**

Corporate Directory

Directors

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

Company Secretary

Bernard Crawford

Registered Office

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West Perth WA 6005
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Facsimile: (08) 9481 4404
Email: admin@alchemyresources.com.au
Web: www.alchemyresources.com.au

Auditors

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

Bankers

National Australia Bank
226 Main Street
Osborne Park WA 6017

Share Registry

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153
Telephone: (08) 9315 2333
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Stock Exchange Listing

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

ASX Code: **ALY**

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Directors' Report

Your directors submit their report for the half-year ended 31 December 2017.

DIRECTORS

The names of Alchemy Resources Limited's ("Alchemy" or "Company") directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Lindsay Dudfield
Leigh Ryan
Liza Carpene
Anthony Ho

REVIEW AND RESULTS OF OPERATIONS

Alchemy's activities are reported in announcements to the ASX, with highlights of the half-year to 31 December 2017 summarised below (further details can be found at the Company's website (www.alchemyresources.com.au)).

KARONIE PROJECT (WA)

(100% Alchemy Resources Ltd)

The Karonie Project, located 100km east of Kalgoorlie, is comprised of nine exploration licences (1 application and 8 granted) covering over 782km² of highly prospective Archaean greenstones in the Eastern Goldfields in Western Australia. The Karonie Project is strategically located close to existing processing plants, and hosts the strike extensions of over 600,000 oz of gold (*refer to Silver Lake Resources (ASX: SLR) website – June 2017 Resources and Reserves Statement*).

The Project also includes a 35km long section of the Claypan Shear Zone directly along strike from Breaker Resources' (ASX: BRB) Bombora gold deposit. Alchemy is focusing its near-term exploration efforts towards the discovery of additional high-grade gold mineralisation associated with this structure, and other mineralised structures in the district.

During the half-year ending 31 December 2017, Alchemy completed a 3,383m first-pass aircore drilling program designed to test two high priority Karonie/Bombora style targets (Gilmore and Aldiss prospects), with drill traverses spaced 2km to 4km apart. Foliated Archaean basalt and dolerite units with quartz-pyrite veining, disseminated pyrite, calc-silicate and sericite alteration were encountered in numerous holes on several lines, with gold mineralisation identified over 5km of strike with extensions to the north and south highly possible. One intercept (12m @ 0.70g/t Au from 28m in GMAC039) was located within saprolitic clay containing up to 15% oxidised sulphide and quartz vein drill chips. The interpreted footwall of this mineralisation is comprised of strongly foliated (sheared), calc-silicate-biotite and sericite altered pyritic dolerite, very similar to what is seen at the Karonie mine 16km to the north. Follow-up drilling targeting primary gold mineralisation at depth and along strike is planned. An additional 5,000m of RAB drilling is planned to test two high priority targets located on the Claypan Shear Zone along strike to the south of the Bombora deposit. A coincident gravity-magnetic high at the Warrior Prospect ~7km along strike to the north of Gilmore will also be drill tested.

Soil sampling across the KZ5, KZ5 north and Gilmore prospects (178 samples) returned several highly anomalous values, including maximum values of 141ppb Au from the Gilmore Prospect and 61ppb Au from

Directors' Report

KZ5. The results from KZ5 confirmed and further defined a significant gold in soil anomaly approximately 500m SE of the main body of drilling at KZ5 and Reverse Circulation drilling is warranted.

LACHLAN FOLD BELT / COBAR BASIN PROJECTS (NSW)

(Alchemy Resources Ltd earning 80%)

In May 2016 Alchemy entered into a farm-in and joint venture agreement with Heron Resources Ltd (ASX: HRR) to earn up to an 80% interest in gold and base metal projects covering 674km² in the highly prospective, under-explored, central Lachlan Fold Belt (LFB) in NSW. The LFB projects consist of the Overflow Gold-Base Metal Project (within the Cobar Basin), the Eurow Copper-Gold Project and the Girilambone Copper Project, each containing multiple gold and/or base metal targets, including drill-ready targets at the historic Overflow mine.

The Overflow Prospect includes structurally-controlled high-grade Au-Ag mineralisation with base metal credits, and extensive down-plunge potential, typical of Cobar-style deposits. A review of the historic drilling and 3D modelling of mineralisation at Overflow suggests the mineralisation dips steeply to the WSW, plunges to the south, is associated with distal chlorite-sericite and proximal silica alteration, and displays a significant metal zonation. An initial targeted drilling program has been planned to confirm the continuity of high grade gold-silver-lead-zinc mineralisation, and subject to a surface EM survey and further modelling, test a VTEM conductivity anomaly at depth (350m below surface), down plunge of the high grade mineralisation.

A six month Native Title advertising and negotiation period commenced on the 6th September 2017 in order to access Crown Land in order to complete the EM survey and conduct the follow-up drilling. This work will commence as soon as a Native Title Land Access Agreement has been signed and ground clearance work conducted. RC drilling at the Black Range Tank Gossan VTEM / surface EM anomaly and coincident Au-Cu-Pb-Zn-Ag-in-soil anomaly is not impacted by Native Title and will be conducted as soon as approvals and drilling preparations have been completed.

Wide spaced soil sampling (500m x 500m) was completed at the Eurow Copper-Gold Project, returning a maximum of 15ppb Au and 66ppm Cu from a sample collected 2.9km NE of the Cookamidgera manganese mine. Anomalous Cu and Au values striking NNE-SSW parallel with regional lithological trends were also identified immediately north of Cookamidgera. Infill soil sampling will be required around the anomalous samples.

Assays from wide spaced auger drilling (200m x 2km) completed across the Girilambone Copper Project returned only weakly anomalous Cu, Pb, Zn, Au, As, and Sb at the NE and SW ends of the drill lines. The Cu:Sc ratio image derived from the results used to distinguish Cu mineralisation from rock types naturally elevated in copper, shows Cu anomalism possibly related to mineralisation at the western end of the central line. Infill geochemistry around this area may be warranted.

Historical soil data (1,000 samples) from the Quarry Hill and Rosedale prospects were compiled during the quarter. The data included 16 gold values >100ppb Au to a maximum of 0.29g/t Au, and 16 copper values >100ppm Cu to a maximum of 1,850ppm Cu. Results show strong gold-in-soil anomalism over Quarry Hill, however copper anomalism is strongest at Rosedale where significant historic drill intercepts at Rosedale, including 24m @ 2.51g/t Au from 4m, and 6m @ 3.1g/t Au from 5m (*refer to Alchemy investor presentation dated 14 February 2017*) are open down plunge to the south-west and warrant follow-up RC drilling. This drilling is due to commence in the first quarter of 2018.

Directors' Report

BRYAH BASIN PROJECT (WA)

(100% or 80% Alchemy Resources Ltd)

Alchemy's Bryah Basin Project comprises a 527km² ground package, located 130km NE of Meekatharra, in the highly prospective Bryah Basin region, Western Australia. The Project is located along strike and west of Sandfire Resources NL's (ASX: SFR) high-grade DeGrussa and Monty copper-gold deposits, and adjacent to Peak Hill where about 1Moz of gold has been mined from several deposits. Alchemy holds 100% interest in the project with the exception of several tenements held in joint venture (Alchemy 80%) with Fe Ltd (ASX: FEL). 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 (ASX: IGO) ("IGO") and Billabong Gold Pty Ltd ("Billabong Gold").

Alchemy also retains a 1% Net Smelter Royalty over 20,000oz of gold recovered from the Hermes Deposit (3.3Mt @ 2.0g/t for 212,000oz Au) once production reaches 70,000oz (see *Alchemy ASX announcement dated 24 February 2015*).

Base Metals Exploration – IGO earning up to 80%

Leading Australian base metal and gold producer IGO is exploring and earning a Joint Venture interest in the whole and part tenements that cover the base metal prospective area of the Bryah Basin Project ("IGO JV"). Under the terms of the IGO JV, IGO 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. Total expenditure by IGO to the end of December 2017 was approximately \$3.8M.

During the half-year ending 31 December 2017, IGO completed a 142 line km moving loop EM (MLEM) survey over three key target areas; Neptune North, Magnus West and Central Bore. An interpretation of the survey identified numerous conductors, many of which are strike extensive and may relate to stratigraphy. Further modelling of the various EM conductors is warranted in order to define potential targets for future drill testing and to better determine their nature and whether any can be related to VHMS-style mineralisation.

IGO is yet to reach agreement with the Jidi Jidi Aboriginal Corporation (JJAC) regarding formal Survey Terms, as required in the NWN Heritage Agreement executed with the JJAC on 5 March 2009 with negotiations ongoing.

Gold Exploration – Billabong Gold earning up to 80%

Exploration of Alchemy's whole and part tenements that cover the gold prospective part of the Bryah Basin Project continued during the period under a farm-in and joint venture arrangement initially with Northern Star Resources Ltd (ASX:NST), and now with Billabong Gold ("Billabong Gold JV"). Under the same terms, Billabong Gold can earn up to 80% in Alchemy's interests through earn-in exploration expenditure of \$1.2M within three years on the gold prospective tenements. Expenditure to date by Billabong Gold (and its predecessors) totals \$1.11M.

The Billabong Gold JV currently has a JORC 2004 Indicated Resource of 87,373 ounces of gold (1.36Mt @ 1.99g/t Au) at the Wilgeena Prospect (see *Alchemy ASX announcement dated 22 October 2012*). The mineralisation is open at depth, and further drilling has excellent potential to expand the area of gold mineralisation and add to the known resource.

Directors' Report

No on-ground fieldwork was conducted during the period, however previously un-cut core from a geotechnical diamond hole drilled at the Wilgeena prospect in 2011 (WGDC006) was discovered, sampled and submitted for gold analysis. Specific gravity measurements were taken throughout the length of the hole for input into a JORC 2012 updated resource for the Wilgeena gold deposit. Estimation of the updated resource is yet to be finalised.

Multi-element analysis results for 1,320 sample pulps from shallow RAB drilling drilled across the central and eastern project areas were received with data interpretation and target generation work continuing.

Billabong has commenced discussions with the Jidi Jidi Aboriginal Corporation (JJAC) regarding an exploration and mining heritage agreement. Billabong's preference is to enter into an agreement with JJAC that facilitates both exploration and mining activities over the Bryah Basin tenements, however the JJAC advised that their preference is for an agreement that only relates to exploration activities. Billabong is considering this position.

Work proposed by Billabong Gold for the March 2018 quarter includes additional interpretation of the RAB drilling pulp multi-element geochemistry, review of the Wilgeena resource, drill planning for both the Wilgeena prospect and for the wider area, and follow-up on targets identified from the 2017 geophysical and geological review.

Operating Results

The half-year report to 31 December 2017 shows an operating loss of \$213,634 compared with an operating loss of \$379,178 for the half-year ended 31 December 2016.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

Signed in accordance with a resolution of the directors.



Lindsay Dudfield
Chairman

Perth, 8 March 2018

Directors' Report

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Leigh Ryan, who is the Managing Director of Alchemy Resources Limited. Mr Ryan 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 Code 2012'). Mr Ryan consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources at the 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. 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 Code 2004'). Mr Coxhell consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Alchemy confirms that the Indicated Mineral Resource at the Wilgeena Gold Deposit were prepared and first disclosed under JORC Code 2004. These have not been updated since to comply with JORC Code 2012 on the basis that the information has not materially changed since last reported on 22 October 2012. Alchemy 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.

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

As lead auditor for the review of Alchemy Resources Limited for the half-year ended 31 December 2017, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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



Glyn O'Brien
Director

BDO Audit (WA) Pty Ltd

Perth, 8 March 2018

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Half-Year Ended 31 December 2017

	Notes	Consolidated	
		31 December 2017 \$	31 December 2016 \$
Other income	4	26,496	11,032
Corporate expense		(75,396)	(83,978)
Exploration expense		(24,295)	(175,193)
Employee expense		(93,626)	(46,590)
Administration expense		(46,813)	(84,449)
Loss from continuing operations		(213,634)	(379,178)
Income tax benefit		-	-
Loss for the half-year attributable to the owners of Alchemy Resources Limited		(213,634)	(379,178)
Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive loss for the half-year attributable to the owners of Alchemy Resources Limited		(213,634)	(379,178)
Loss per share attributable to the owners of Alchemy Resources Limited			
Basic and diluted loss per share (cents per share)		(0.06)	(0.17)

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

Consolidated Statement of Financial Position
As at 31 December 2017

		Consolidated	
		31 December 2017	30 June 2017
	Notes	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	5	1,408,877	1,996,679
Trade and other receivables		33,450	19,575
Prepayments		22,315	-
Total Current Assets		1,464,642	2,016,254
Non-Current Assets			
Exploration and evaluation	6	13,162,120	12,759,016
Property, plant and equipment		4,446	1,201
Total Non-Current Assets		13,166,566	12,760,217
TOTAL ASSETS		14,631,208	14,776,471
LIABILITIES			
Current Liabilities			
Trade and other payables		130,939	93,261
Provisions		15,232	7,982
Total Current Liabilities		146,171	101,243
TOTAL LIABILITIES		146,171	101,243
NET ASSETS		14,485,037	14,675,228
EQUITY			
Contributed equity	8	30,914,072	30,914,072
Reserves		104,616	525,820
Accumulated losses		(16,533,651)	(16,764,664)
TOTAL EQUITY		14,485,037	14,675,228

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

Consolidated Statement of Changes in Equity For the Half-Year Ended 31 December 2017

<i>Attributable to equity holders of the entity</i>				
Notes	Contributed Equity \$	Reserves \$	Accumulated Losses \$	Total Equity \$
At 1 July 2016	29,313,022	503,907	(16,011,316)	13,805,613
Loss for the half-year	-	-	(379,178)	(379,178)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the half-year net of tax	-	-	(379,178)	(379,178)
Transactions with owners in their capacity as owners	-	-	-	-
At 31 December 2016	29,313,022	503,907	(16,390,494)	13,426,435
At 1 July 2017	30,914,072	525,820	(16,764,664)	14,675,228
Loss for the half-year	-	-	(213,634)	(213,634)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the half-year net of tax	-	-	(213,634)	(213,634)
Transactions with owners in their capacity as owners				
Transfer from option reserve to accumulated losses	-	(444,647)	444,647	-
Share based payment	-	23,443	-	23,443
At 31 December 2017	30,914,072	104,616	(16,533,651)	14,485,037

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

Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2017

	Notes	Consolidated	
		31 December 2017 \$	31 December 2016 \$
Cash flows from operating activities			
Payments to suppliers and employees		(237,379)	(246,348)
Interest received		15,151	11,644
Net cash flows from/(used in) operating activities		(222,228)	(234,704)
Cash flows from investing activities			
Purchase of property, plant and equipment		(3,773)	-
Payment for exploration expenditure		(361,801)	(163,622)
Net cash flows from/(used in) investing activities		(365,574)	(163,622)
Net increase/(decrease) in cash and cash equivalents		(587,802)	(398,326)
Cash and cash equivalents at beginning of half-year		1,996,679	1,255,305
Cash and cash equivalents at end of half-year	5	1,408,877	856,979

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

Notes to the Consolidated Financial Statements

For the Half-Year Ended 31 December 2017

1. CORPORATE INFORMATION

The financial report of Alchemy Resources Limited (“the Company”) for the half-year ended 31 December 2017 was authorised for issue in accordance with a resolution of the directors on 8 March 2018.

Alchemy Resources Limited is a company incorporated in Australia and limited by shares which are quoted on the Australian Securities Exchange.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2017 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by Alchemy Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The half-year financial report has been prepared on a historical cost basis, except where stated. For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(b) Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2017, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2017.

It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2017. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2017

(c) 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.

(d) Critical accounting estimates and judgements

The preparation of financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing the interim consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those that applied to the annual consolidated financial statements as at and for the year ended 30 June 2017.

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".

3. SEGMENT INFORMATION

The Company operates in one business and geographical segment being mineral exploration and prospecting for minerals in Australia.

4. OTHER INCOME

	Consolidated	
	31 December 2017	31 December 2016
	\$	\$
Bank interest receivable	17,046	11,032
Other income	9,450	-
Total other income	26,496	11,032

Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2017

5. CASH AND CASH EQUIVALENTS

For the purposes of the half-year cash flow statement, cash and cash equivalents are comprised of the following:

	Consolidated	
	31 December 2017	30 June 2017
	\$	\$
Cash at bank and in hand	392,377	480,179
Short term deposits	1,016,500	1,516,500
	1,408,877	1,996,679

6. EXPLORATION AND EVALUATION

	Consolidated	
	31 December 2017	30 June 2017
	\$	\$
Exploration and evaluation assets	13,162,120	12,759,016
Consolidated Group	31 December 2017	
	\$	
Balance 1 July 2017	12,759,016	
Exploration expenditure incurred during the period	427,399	
Exploration expenditure written off	(24,295)	
Balance at 31 December 2017	13,162,120	

During the half-year ended 31 December 2017, a total of \$24,295 (2016: \$175,193) has been written down against the consolidated Group's exploration and evaluation assets.

7. COMMITMENTS AND CONTINGENCIES

As at the reporting date there has been no material change in the commitments and contingencies since 30 June 2017.

Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2017

8. CONTRIBUTED EQUITY

	Consolidated	
	31 December	30 June
	2017	2017
	\$	\$
Share Capital		
Ordinary shares	30,914,072	30,914,072

a) Movement in ordinary shares on issue

	Half-year ended		Year ended	
	31 Dec 2017		30 Jun 2017	
	Number	\$	Number	\$
Opening balance	342,335,585	30,914,072	230,788,035	29,313,022
Placement	-	-	34,618,205	519,273
Non-renounceable rights issue	-	-	40,586,179	608,793
Placement of non-renounceable issue shortfall	-	-	36,343,166	545,147
Share issue costs	-	-	-	(72,163)
Closing balance	342,335,585	30,914,072	342,335,585	30,914,072

b) Movement in options on issue

	Half-year ended		Year ended	
	31 Dec 2017		30 Jun 2017	
	Number	\$	Number	\$
Opening balance	10,500,000	525,820	10,500,000	503,907
Directors' remuneration ⁽¹⁾	12,000,000	23,443	-	21,913
Lapse of options	(3,000,000)	(25,191)	-	-
Transfer of historic lapsed options to accumulated losses	-	(419,456)	-	-
Closing balance	19,500,000	104,616	10,500,000	525,820

(1) 12,000,000 options granted to the Managing Director, Mr Ryan, and subject to shareholder approval at the Company's 2017 Annual General Meeting held on 23 November 2017 were issued during the period.

9. DIVIDENDS

No dividends have been declared or paid during the half-year.

10. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Due to their short term nature, the carrying amounts of current receivables and current payables are assumed to approximate their fair value.

Notes to the Consolidated Financial Statements For the Half-Year Ended 31 December 2017

11. RELATED PARTY TRANSACTIONS

The wife of Mr Ryan, the Managing Director, provided geological drafting and data mapping services to the Company to the value of \$1,080 (year ended 30 June 2017: \$495). The services were provided on normal commercial terms and conditions. There were no other related party transactions during the half-year.

12. EVENTS SUBSEQUENT TO THE REPORTING DATE

No other matters or circumstances have arisen since the end of the half-year which significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future years.

Directors' Declaration

In accordance with a resolution of the directors of Alchemy Resources Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the Consolidated Entity are in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the financial position as at the 31 December 2017 and the performance for the half-year ended on that date of the Consolidated Entity; and
 - ii. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) 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.

On behalf of the Board



Lindsay Dudfield
Chairman

Perth, 8 March 2018

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Alchemy Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Alchemy Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, 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 half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2017 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Independence

In conducting our review, 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 the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit (WA) Pty Ltd

A handwritten signature in blue ink. The signature consists of the letters 'BDO' in a stylized, blocky font, followed by a cursive signature that appears to read 'Glyn O'Brien'.

Glyn O'Brien

Director

Perth, 8 March 2018