

ALCHEMY RESOURCES LIMITED

ACN 124 444 122

NOTICE OF GENERAL MEETING

TIME: 9.30am (WST)

DATE: 7 February 2020

PLACE: BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco, Western Australia 6008

This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of General Meeting, please do not hesitate to contact the Company Secretary on (08) 9481 4400.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders of Alchemy Resources Limited to which this Notice of Meeting relates will be held at 9.30am (WST) on Friday, 7 February 2020 at BDO Audit (WA) Pty Ltd, 38 Station Street, Subiaco, Western Australia 6008.

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

HOW TO VOTE

Shareholders can vote by either:

- attending the meeting and voting in person or by attorney or, in the case of corporate shareholders, by appointing a corporate representative to attend and vote;
- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post, or by facsimile; or
- lodging your proxy and voting online at www.securitytransfer.com.au by following the instructions set out on the attached Proxy Form.

VOTING IN PERSON

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and attendance recorded. Attorneys should bring with them an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the Meeting.

VOTING BY A CORPORATION

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of Section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

Shareholders can download and fill out the "Appointment of Corporate Representative" form from the website of the Company's share registry at: www.securitytransfer.com.au.

VOTING BY PROXY

A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.

The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).

A proxy need not be a Shareholder.

The proxy can be either an individual or a body corporate.

If a proxy votes, they must cast all directed proxies as directed.

If a proxy does not vote on a resolution which has been directed by the Shareholder, the proxy for that resolution will automatically default to the Chair, who will vote the proxy as directed.

If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit.

Should any resolution, other than those specified in this Notice of Meeting, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.

If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

If a proxy has 2 or more appointments that specify different ways to vote on a resolution then the proxy must not vote on a show of hands.

Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf.

If a proxy form is returned but the nominated proxy does not attend the meeting, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the Meeting, the Company Secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the resolutions proposed in this Notice of Meeting, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed resolutions.

LODGEMENT OF PROXY FORMS

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

Mail:

Security Transfer Australia Pty Ltd
PO Box 52, Collins Street West, Victoria 8007

Delivery:

Security Transfer Australia Pty Ltd
Suite 913, Exchange Tower
530 Little Collins Street, Melbourne, Victoria 3000

Fax:

(08) 9315 2233 (within Australia)
or +61 8 9315 2233 (outside Australia)

Online:

www.securitytransfer.com.au

Email:

registrar@securitytransfer.com.au

so that it is received not later than 9.30am (WST) on Wednesday, 5 February 2020.

Proxy Forms received after this time will be invalid.

SHAREHOLDERS WHO ARE ENTITLED TO VOTE

The Directors have determined pursuant to Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 4.00pm WST on 5 February 2020.

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Shareholders of Alchemy Resources Limited will be held at BDO Audit (WA) Pty Ltd, 38 Station Street, Subiaco, Western Australia 6008 at 9.30am (WST) on Friday, 7 February 2019.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

1. RESOLUTION 1: APPROVAL OF ISSUE OF OPTIONS TO DIRECTOR – MR LEIGH RYAN

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the issue to Mr Leigh Ryan or his nominee, up to 4,000,000 Options under the Employee Incentive Scheme and on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a Director or an associate of a Director who is entitled to participate in the Employee Incentive Scheme, or any associates of those persons. However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: In accordance with Section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

(a) the proxy is either:

- (i) a member of the Key Management Personnel or a Director of the Company; or
- (ii) a Closely Related Party of such a member; and

(b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

(a) the proxy is the Chair of the Meeting; and

(b) the appointment expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

2. RESOLUTION 2: RATIFICATION OF PRIOR ISSUE OF OPTIONS

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,000,000 Options on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

3. RESOLUTION 3: REPLACEMENT OF CONSTITUTION

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the Chairman of the Meeting for identification purposes."

**DATED: 3 JANUARY 2020
BY ORDER OF THE BOARD**

A handwritten signature in blue ink, appearing to read "B Crawford".

**BERNARD CRAWFORD
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of General Meeting of Alchemy Resources Limited (“Alchemy” or the “Company”).

Certain abbreviations and other defined terms are used throughout this Explanatory Statement. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Statement.

1. RESOLUTION 1: APPROVAL OF ISSUE OF OPTIONS TO DIRECTOR – MR LEIGH RYAN

1.1 General

The Company is seeking to issue Options to the Company’s Managing Director, Mr Leigh Ryan, as a component of his remuneration, in order to keep cash payments to a minimum and to provide incentives linked to the performance of the Company.

In accordance with Listing Rule 10.14, Shareholder approval is required for the issue of Options to a Director or any of his associates under an employee incentive scheme. At the Company’s 2017 annual general meeting held on 23 November 2017, Shareholders approved the Company’s Employee Incentive Scheme.

1.2 Section 208 of the Corporations Act

In accordance with Section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in Sections 210 to 216 of the Corporations Act.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Options to Mr Ryan as the exception in section 211 of the Corporations Act applies. The Options are considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act.

1.3 Listing Rules 10.14 and 7.1

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- (a) a director of the company;
- (b) an associate of a director of the company; or
- (c) a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX’s opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The proposed issue of Options requires approval by shareholders under Listing Rule 10.14 as Mr Ryan is a Director of the Company.

If this Resolution is passed, the Company will be able to proceed with the proposed issue of Options to Mr Ryan providing him with incentives linked to the performance of the Company.

If this Resolution is not passed, the Company will not be able to proceed with the proposed issue of Options and may need to consider other methods (such as cash payments) to remunerate and incentivise My Ryan.

Pursuant to Listing Rule 7.2 exception 14, as Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 is not required.

1.4 Technical Information required by ASX Listing Rule 10.15

Pursuant to and in accordance with ASX Listing Rule 10.15, the following information is provided in relation to this Resolution:

- (a) Mr Leigh Ryan (or his nominee) is the proposed recipient of the Options and is a Director.
- (b) the maximum number of Options to be issued to Mr Ryan is 4,000,000;

- (c) the total remuneration package from the Company to Mr Ryan for the previous financial year and the proposed total remuneration package for the current financial year (excluding the proposed Options) are set out below:

	Current Financial Year	Previous Financial Year
Mr Leigh Ryan	\$180,675	\$176,495

- (d) no securities have previously been issued to Mr Ryan under the Employee Incentive Scheme;
- (e) the Options are exercisable at \$0.025 each on or before 31 December 2023, and otherwise on the terms and conditions as set out in Annexure A;
- (f) the value attributed to the Options by the Company is set out in Annexure B;
- (g) the offer of Options to Mr Ryan forms part of the Company's long term incentive plan to encourage Mr Ryan to achieve the Company's objectives and to provide an incentive to strive to that end. The grant of Options is viewed as a cost effective and efficient reward and incentive as opposed to alternative forms of incentives, such as the payment of additional cash compensation, being of benefit to the recipient if the Company's Share price appreciates through good performance.
- (h) the Options will be issued as soon as practicable after the Meeting, and in any event, no later than 3 years after the date of the Meeting;
- (i) the Options will be granted for nil cash consideration;
- (j) A summary of the material terms of the Employee Incentive Scheme are set out in Annexure C;
- (k) No loan is being offered in relation to the issue of the Options;
- (l) details of any Options issued under the Employee Incentive Scheme will be published in the Company's 2020 annual report along with a statement that approval for the issue was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Options under the Employee Incentive Scheme after the resolution is approved at the Meeting and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14;
- (m) a voting exclusion statement is included in the Notice.

1.5 Board Recommendation

The Board (with Mr Ryan abstaining) recommends that Shareholders vote in favour of this Resolution.

The Chair intends to vote undirected proxies in favour of this Resolution.

2. RESOLUTION 2: RATIFICATION OF PRIOR ISSUE OF OPTIONS

2.1 General

On 11 December 2019 the Company issued 1,000,000 unlisted Options to third parties for ongoing consulting services provided to the Company in the areas of company secretarial and accounting. The Options are exercisable at \$0.025 each on or before 31 December 2023.

The Company issued the Options without prior Shareholder approval out of its 15% annual placement capacity.

This Resolution seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Options.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. The issue of Options to the third parties for consulting services did not fit with any of the specified exceptions.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with Shareholder approval for the purpose of ASX Listing Rule 7.1.

The Company wished to retain as much flexibility as possible to issue equity securities in the future without the requirement to obtain prior Shareholder approval under Listing Rule 7.1.

If this Resolution is passed, the issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of securities it can issue without Shareholder approval over the 12 month period following the issue date.

If this Resolution is not passed, the issue will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

2.2 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the issue of the Options:

- (a) the Options were issued to third parties as part consideration for ongoing consulting services provided to the Company. None of the parties are a related party of the Company;
- (b) 1,000,000 unlisted Options were issued;
- (c) the Options are exercisable at \$0.025 each on or before 31 December 2023, and otherwise on the terms and conditions as set out in Annexure A;
- (d) the Options were issued on 11 December 2019;
- (e) the Options were issued for nil cash consideration;
- (f) there is no agreement in relation to the issue of the Options; and
- (g) a voting exclusion statement is included in the Notice.

2.3 Board Recommendation

The Board recommends that Shareholders vote in favour of this Resolution.

The Chair intends to vote undirected proxies in favour of this Resolution.

3. RESOLUTION 3: REPLACEMENT OF CONSTITUTION

3.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

This Resolution is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (Proposed Constitution).

The Company's current Constitution was adopted in 2007. The Constitution was updated to insert proportional takeover bid provisions (which remain effective for a period of 3 years) at the annual general meeting held on 20 November 2009, but has not otherwise been updated.

There have been a number of changes to the Corporations Act and the Listing Rules since the Constitution was first adopted. There have also been significant developments in corporate governance principles and general corporate and commercial practice for ASX listed entities. As a result, the Board proposes that the Company adopt the Proposed Constitution which reflects these changes to the legislation and current market practice.

In addition, changes to the Listing Rules commenced on 1 December 2019 which will require a listed entity's constitution to contain certain provisions regarding Restricted Securities if the entity has any Restricted Securities on issue. Although the Company does not presently have any Restricted Securities on issue and does not have any present intentions to undertake a transaction which would result in the issue of Restricted Securities, the Board considers it prudent to take this opportunity to update the Constitution to ensure it complies with these new requirements.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

- (a) updating references to bodies or legislation which have been renamed (e.g. references to the SCH Business Rules); and
- (b) expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Memorandum, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders on the Company's website (www.alchemyresources.com.au) or at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

A copy of the Proposed Constitution will be available at the Meeting.

3.2 Summary of material proposed changes

(a) Restricted Securities

With effect from 1 December 2019, ASX will apply a two-tier escrow regime where ASX can require certain more significant holders of Restricted Securities and their controllers to execute a formal escrow agreement in the form of Appendix 9A of the Listing Rules, as is currently the case. However, for less significant holdings, ASX will instead permit entities to rely on a provision in their constitution imposing appropriate escrow restrictions on the holders of restricted securities and to simply give a notice to the holders of Restricted Securities in the form to be set out in an appendix to the Listing Rules, advising them of those restrictions.

To facilitate the operation of the new two-tier escrow regime, certain changes are required to the customary provisions of constitutions of ASX-listed entities regarding Restricted Securities. These changes require that:

- (i) a holder of Restricted Securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;
- (ii) If the Restricted Securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the entity's issuer sponsored sub-register and are to have a holding lock applied for the duration of the escrow period applicable to those securities;
- (iii) The entity will refuse to acknowledge any disposal (including, without limitation, to register any transfer) of Restricted Securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;
- (iv) A holder of Restricted Securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX; and
- (v) If a holder of Restricted Securities breaches a restriction deed or a provision of the constitution restricting a disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues.

(b) Fee for registration of off-market transfers

The existing Constitution provides that no fee may be charged on the registration of a transfer of Shares or other securities.

On 24 January 2011, ASX amended Listing Rule 8.14 with the effect that the Company may now charge a "reasonable fee" for registering paper-based transfers, sometimes referred to as "off-market transfers".

The Proposed Constitution expressly enables the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

(c) Appointment of proxies

The Proposed Constitution provides for the chairperson to determine the validity of an instrument appointing a proxy, attorney or representative, and that an instrument appointing a proxy may be valid even if it only contains some of the information required.

(d) Partial (proportional) takeover provisions

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (i) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (ii) assisting in preventing Shareholders from being locked in as a minority;
- (iii) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (iv) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (i) proportional takeover bids may be discouraged;
- (ii) lost opportunity to sell a portion of their Shares at a premium; and
- (iii) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of this Resolution.

3.3 Board Recommendation

The Board recommends that Shareholders vote in favour of this Resolution.

The Chair intends to vote undirected proxies in favour of this Resolution.

GLOSSARY

\$ means Australian dollars.

GM or General Meeting means the meeting convened by the Notice of Meeting.

associate has the meaning given in the ASX Listing Rules.

ASX means ASX Limited or the Australian Securities Exchange, as the context requires.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that the ASX declares is not a business day.

Closely Related Party of a member of the Key Management Personnel means:

- a) a spouse or child of the member;
- b) a child of the member's spouse;
- c) a dependent of the member or the member's spouse;
- d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- e) a company the member controls; or
- f) a person prescribed by the *Corporations Regulations 2001* (Cth).

Company means Alchemy Resources Limited (ACN 124 444 122).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Employee Incentive Scheme means the Company's Employee Incentive Scheme, a summary of which is included as Annexure C.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

Equity Securities has the meaning given in the ASX Listing Rules.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of the ASX.

Meeting means the meeting convened by the Notice of Meeting.

Notice or **Notice of General Meeting** means this notice of General Meeting including the Explanatory Statement.

Proxy Form means the proxy form accompanying this Notice.

Resolution means a resolution as set out in the Notice of Meeting, or any of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company, unless specified to the contrary.

Shareholder means a holder of a Share.

Trading Day or **Trading Days** has the meaning given in the ASX Listing Rules.

VWAP means volume weighted average price.

WST means Western Standard Time as observed in Perth, Western Australia.

ANNEXURE A:

OPTION TERMS AND CONDITIONS

1. The Options will be issued for no consideration.
2. Each Option entitles the holder to one Share.
3. The exercise price of the Options is \$0.025 each.
4. The expiry date of the Options is 31 December 2023.
5. The Options may be exercised at any time prior to the expiry date, in whole or in part, upon satisfaction of any Performance Criteria and payment of the exercise price per Option.
6. The Options will not be quoted and are transferable without the prior consent of the Board or by force of law upon the holder's death.
7. Upon termination of employment/contract any unexercised options will lapse 30 days after termination.
8. The Company will provide to each Option holder a notice that is to be completed when exercising the Options (Option Exercise Notice). Options may be exercised by the Option holder in whole or in part by completing the Option Exercise Notice and forwarding the same to the Secretary of the Company to be received prior to the expiry date. The Option Exercise Notice must state the number of Options exercised, whether or not the holder elects to utilise the Cashless Exercise Facility (if applicable), the consequent number of Shares to be allotted and the identity of the proposed allottee. The Option Exercise Notice by an Option holder must either be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of the exercise price per Share, or contain an election by the holder to utilise the Cashless Exercise Facility (if applicable).
9. All Shares issued upon the exercise of the Options will rank equally in all respects with the Company's then issued Shares. The Company must apply to the ASX, in accordance with the Listing Rules, for Shares issued pursuant to the exercise of Options to be admitted to quotation.
10. There are no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Options. Thereby, the Option holder has no rights to a change in the exercise price of the Option or a change to the number of underlying securities over which the Option can be exercised except in the event of a bonus issue. The Company will ensure, for the purposes of determining entitlements to any issue, that Option holder will be notified of a proposed issue after the issue is announced. This will, subject to paragraph 5 above, give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in such issues.
11. If from time to time on or prior to the Expiry Date the Company makes a bonus issue of securities to holders of Shares in the Company (Bonus Issue), then upon exercise of his or her Options a holder will be entitled to have issued to him or her (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise) the number of securities which would have been issued to him or her under that Bonus Issue if the Options had been exercised before the record date for the Bonus Issue.
12. In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Option holder will be reconstructed (as appropriate) in accordance with the ASX Listing Rules.

ANNEXURE B: VALUATION OF OPTIONS

The Options to be issued to Mr Ryan pursuant to Resolution 1 have been valued internally by the Company using the Black Scholes option valuation methodology.

Using the Black Scholes option model and based on the assumptions set out below, the Options were ascribed the following values:

Assumptions	
Valuation Date	11 December 2019
Market price of Shares (closing price)	\$0.012 being the last closing price as at 11 December 2019
Number of Options	4,000,000
Exercise Price	\$0.025
Expiry Date	31 December 2023
Risk free interest rate	0.81%
Volatility	102%
Indicative value per Option	\$0.007
Total value of Options	\$28,000

Note: The valuation noted above is not necessarily the market price that the Options could be traded at and is not automatically the market price for taxation purposes.

ANNEXURE C: SUMMARY OF EMPLOYEE INCENTIVE SCHEME

Eligible Participants

An eligible participant is a person invited by the Board to be an eligible participant including full, part time or casual employees, contractors, directors of the Company or an associated body corporate of the Company, or a prospective participant being a person to whom an invitation is made but who can only accept the invitation if an arrangement has been entered into that will result in the person becoming a full, part time, or casual employee, contractor, director of the Company (Eligible Participant).

Incentive Securities

Incentive Securities are Incentive Options, Incentive Performance Rights, Shares or any other securities issued under the Employee Incentive Scheme.

Purpose

The purpose of the Employee Incentive Scheme is to provide an incentive for the Eligible Participants to participate in the future growth of the Company and, upon becoming shareholders, to participate in the Company's profits and development; and ensure that securities issued under the Employee Incentive Scheme are issued in accordance with the Corporations Act and the Listing Rules.

Offers

The Board may from time to time and in its absolute discretion determine that an Eligible Participant may participate in the Employee Incentive Scheme and the extent of that participation.

Lapse

If at any time before the exercise of an Incentive Option or an Incentive Performance Right, a holder ceases to be an Eligible Participant:

- (a) by reason of death, disability, bona fide redundancy or other reason approved by the Board, and at that time the Eligible Participant continued to satisfy any other relevant conditions of the grant, the Board may determine the extent to which the Incentive Securities held by the Eligible Participant vest; and a period of time for the Incentive Options or Incentive Performance Rights to be exercised; or
- (b) for any other reason, all Incentive Options or Incentive Performance Rights held by the Eligible Participant will automatically lapse unless the Board otherwise determines within 30 days of the holder ceasing to be an Eligible Participant.

Shares issued on exercise of Incentive Options and Incentive Performance Rights

Each Incentive Option or Incentive Performance Right entitles the holder to one fully paid ordinary share on exercise of the Incentive Option or Incentive Performance Right.

The Board may decide in its absolute discretion that an Eligible Participant may make use of a "cashless exercise facility" whereby the Eligible Participant will not be required to provide payment of the Exercise Price of Incentive Options or Incentive Performance Rights, but that on exercise of the Incentive Options or Incentive Performance Rights, the Eligible Participant may elect that the Company instead allot and issue the number of Shares that are equal in value to the difference between the then Share price and the Exercise Price otherwise payable in relation to the Incentive Options or Incentive Performance Rights (with the number of Shares rounded down).

Limitation on number of Securities

If the Company is relying on the ASIC relief to issue Incentive Securities then, at the time of making the offer of Incentive Securities, the Company must have reasonable grounds to believe that the number of Shares to be received on the exercise of all Incentive Securities under the Employee Incentive Scheme when aggregated with the number of Shares that have been issued or that may be issued during the previous 3 years under any employee incentive scheme of the Company must not exceed 5% of the total number of Shares on issue at the time of the relevant offer. Various excluded offers may be disregarded so as to not count for the 5% limit.

Restrictions on trading

The Board may determine, prior to the offer of the relevant Incentive Securities, any restrictions upon trading in Shares issued under the Employee Incentive Scheme or issued pursuant to the exercise of an Incentive Security.

Administration of the Employee Incentive Scheme

The Employee Incentive Scheme will be administered under the directions of the Board and the Board may make regulations and establish procedures for the administration and management of the Employee Incentive Scheme as it considers appropriate.

Operation

The operation of the Employee Incentive Scheme is subject to the ASX Listing Rules and the Corporations Act.

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ALCHEMY RESOURCES LIMITED

ACN: 124 444 122

REGISTERED OFFICE:SUITE 8
8 CLIVE STREET
WEST PERTH WA 6005

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SHARE REGISTRY:

Security Transfer Australia Pty Ltd

All Correspondence to:PO BOX 52
Collins Street West VIC 8007
Suite 913, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000
T: 1300 992 916
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code:

ALY

Holder Number:

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

**VOTE
ONLINE**Lodge your proxy vote securely at www.securitytransfer.com.au

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

 The meeting chairperson
OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the General Meeting of the Company to be held at 9:30am WST on Friday 7 February 2020 at BDO Audit (WA) Pty Ltd, 38 Station Street, Subiaco WA 6008 and at any adjournment of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention in Section B) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions.

In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION

1. Approval of Issue of Options to Director - Mr Leigh Ryan
2. Ratification of Prior Issue of Options
3. Replacement of Constitution

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 9:30am WST on Wednesday 5 February 2020.

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My/Our contact details in case of enquiries are:

Name:

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Number:

(

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1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

5. SIGNING INSTRUCTIONS

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

Security Transfer Australia Pty Ltd

- Online** www.securitytransfer.com.au
- Postal Address** PO BOX 52
Collins Street West VIC 8007
- Street Address** Suite 913, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000
- Telephone** 1300 992 916
- Facsimile** +61 8 9315 2233
- Email** registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

