

12 August 2020

Dear Shareholder,

Notice to Ineligible Shareholders of Non-Renounceable Entitlement Offer

Alchemy Resources Limited (ASX: **ALY**) (**Company**) announced to the ASX on 11 August 2020 a 1 for 10 pro-rata non-renounceable Entitlement Offer (**Entitlement Offer**) of up to 55,052,435 new fully paid ordinary shares (**New Shares**) at an issue price of \$0.015 per New Share with 1 attaching option (**Option**) for every 4 new Shares subscribed for, to raise up to approximately \$825,800 (before costs).

The Entitlement Offer is being made to all shareholders of the Company (**Shareholders**) named on the register at 5.00pm (WST) on 17 August 2020 (**Record Date**), whose registered address is in Australia or New Zealand (**Eligible Shareholders**). For the purposes of calculating each Eligible Shareholder's entitlement, fractions of entitlements have been rounded up to the nearest whole number of New Shares. In addition, the Directors, subject to the allocation policy set out in the Prospectus, reserve the right to issue any New Shares not applied for under the Entitlement Offer.

The Company also recently undertook a Placement (**Placement**), as announced to the ASX on 11 August 2020, of 66,666,667 Shares at an issue price of \$0.015 per Share with 1 attaching option for every 4 new Shares subscribed for to raise \$1,000,000 before costs.

The funds raised from the Placement and Entitlement Offer will be primarily used to fund drilling activities within the Overflow and Yellow Mountain Gold-Base Metal projects (NSW) the Karonie Gold Project (WA), as well as for general working capital and the costs of the Placement and Entitlement Offer.

On 12 August 2020, the Company lodged a prospectus for the Entitlement Offer with the ASIC and the ASX (**Prospectus**). The Prospectus is available on the ASX website <http://www.asx.com.au> and the Company's website at www.alchemyresources.com.au. A copy of the Prospectus is intended to be mailed to Eligible Shareholders together with a personalised Entitlement and Acceptance Application Form (**Application Form**) on 20 August 2020.

Ineligible Shareholders

A Shareholder who has a registered address outside Australia and New Zealand (**Ineligible Shareholder**) will not be eligible to participate in the Entitlement Offer.

You are not eligible to participate in the Entitlement Offer and you will not be sent a copy of the Prospectus. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside Australia and New Zealand compared with the small number of Ineligible Shareholders and the number and value of New Shares to which they would otherwise be entitled.

The important dates of the Entitlement Offer

The New Shares will be offered in accordance with the following indicative timetable:

Announcement of Placement and Entitlement Offer	11 August 2020
Lodgement of Prospectus with ASIC and ASX	
Notice of Entitlement Offer sent to Option holders	12 August 2020
Shares quoted on an “EX” basis	14 August 2020
Record Date for determining Entitlements	17 August 2020
Prospectus and Application Form dispatched to Eligible Shareholders.	20 August 2020
Closing Date of Entitlement Offer (5pm WST)*	4 September 2020
Shares quoted on a deferred settlement basis	7 September 2020
Notification of Shortfall	9 September 2020
Anticipated date for issue of Shares. Deferred settlement trading ends.	11 September 2020
Trading of New Shares expected to commence	14 September 2020

The Directors may extend the Closing Date by giving at least 3 Business Days’ notice to ASX prior to the Closing Date, subject to the Corporations Act. As such the date the New Shares are expected to commence trading on ASX may vary.

Effect on Capital Structure

The table below sets out the impact of the Placement and Entitlement Offer on the capital structure of the Company:

Detail	Number of Shares	Number of options
Balance at date of announcement of the Entitlement Offer	550,524,351	27,000,000
To be issued pursuant to the Placement	66,666,667	16,666,667
To be issued pursuant to the Lead Manager of the Placement	Nil	3,000,000
Maximum number of New Shares offered under the Entitlement Offer*	55,052,435	13,763,109
Total at completion of the Placement and Entitlement Offer	672,243,453	60,429,776

*Assuming no options are exercised prior to the Record Date.

If you have any queries, please contact the Company Secretary on +61 (08) 9481 4400.

Yours sincerely



Lindsay Dudfield

Non-Executive Chairman